

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Monday 3 September 2018

Examination of proposed expenditure for the portfolio area

FINANCE, SERVICES AND PROPERTY

CORRECTED

The Committee met at 9:00

MEMBERS

Reverend the Hon. Fred Nile (Chair)

The Hon. Scott Farlow

Mr Justin Field

The Hon. Trevor Khan

The Hon. Taylor Martin

The Hon. Daniel Mookhey

The Hon. Peter Primrose

Mr David Shoebridge

PRESENT

The Hon. Victor Dominello, *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 this public hearing for the inquiry into Budget Estimates 2018-19. I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginals who may be present. I welcome Minister Dominello and his accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Finance, Services and Property. Before we commence I will make some brief comments about the procedures for today's hearing.

Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I 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 the hearing. I urge witnesses to be careful about any comments they may make to the media or to others after they complete their evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat. There may be some questions that witnesses could only answer if they had more time or with certain documents to 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 accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. A transcript of this hearing will be made available on the website tomorrow. To aid the audibility of this hearing I remind both Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties. Finally, could everyone turn their mobile phones 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 Parliament.

STEVE KRAMER, Director of Budgeting and Financial Analysis, Department of Finance, Services and Innovation, affirmed and examined

STEPHEN BRADY, Deputy Secretary, Revenue NSW, sworn and examined

CARMEL DONNELLY, Chief Executive Officer, State Insurance Regulatory Authority, affirmed and examined

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

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

DAMON REES, Chief Executive Officer, Service NSW, affirmed and examined.

SIMON GILKES, Valuer General, Office of the Valuer General, affirmed and examined

The CHAIR: The Committee has agreed that the procedure for questions will be Opposition members first and then crossbench members. Government members have indicated that they are not planning to ask questions. We will commence with questions from the Opposition.

The Hon. DANIEL MOOKHEY: Minister, I thank you and your entourage accompanying you for appearing this morning. Are you pleased with the effect section 39 of the Workers Compensation Act is having?

Mr VICTOR DOMINELLO: Yes.

The Hon. DANIEL MOOKHEY: Is it still government policy to maintain section 39 in its current form?

Mr VICTOR DOMINELLO: Yes.

The Hon. DANIEL MOOKHEY: Can you rule out any changes to section 39 of the Workers Compensation Act that removes injured workers from the compensation system arbitrarily after five years?

Mr VICTOR DOMINELLO: Whether it is workers compensation or green slip reform there is always review and there is always fine-tuning, but at the moment where we have landed in relation to section 39 means that we have a system now that is sustainable. You have to remember that we inherited a scheme that was fundamentally broken. It was \$4 billion in deficit. We were having suboptimal return to work rates. The premiums were going to go up by about 28 per cent. It was simply unsustainable. When you have a system like that you are basically robbing Peter to pay Paul.

The reforms that were brought about as a result of section 39 that were commenced many years ago and came into effect last year were difficult reforms and I accept that. They were very difficult reforms and they were tough decisions that we had to make. A lot of people were on the scheme for a long time and whenever you introduce sunset provisions it means that workers are going to be impacted, and we accept that, but they mirror many of the sunset provisions in most other jurisdictions. When we had to bring it in we made the decision. We did not take it lightly.

The Hon. DANIEL MOOKHEY: Indeed. When you use the term "fine-tuning" I can only assume that you are of the view that section 39 does not require any fine-tuning?

Mr VICTOR DOMINELLO: No, I did not say that at all. I said that with any insurance product, whether it is workers compensation or compulsory third party [CTP] insurance, there is always a need for review to fine-tune it to make sure we get the system right.

The Hon. DANIEL MOOKHEY: How many injured workers to date have had their benefits terminated because of section 39?

Mr VICTOR DOMINELLO: My understanding—and I stand to be corrected by Ms Donnelly—is that as of December last year there were about 3,000.

Ms DONNELLY: For the period up to 30 June starting from September last year it was 3,448.

The Hon. DANIEL MOOKHEY: How many do you estimate will have their benefits terminated in the next 12 months?

Ms DONNELLY: We estimate it would be up to about 80 per month or perhaps less.

The Hon. DANIEL MOOKHEY: Do you maintain further projections?

Ms DONNELLY: Our projections would be on that basis and we would continue to monitor it.

The Hon. DANIEL MOOKHEY: On average, it would be roughly 80 per month?

Ms DONNELLY: No, up to about 80 a month.

The Hon. DANIEL MOOKHEY: What is the current funding ratio of the workers compensation scheme?

Mr VICTOR DOMINELLO: It is 118.

The Hon. DANIEL MOOKHEY: The State Insurance Regulatory Authority [SIRA] maintains a reporting system for injured workers who have lost benefits under section 39 and are at risk of self-harm. That is correct, is it not?

Mr VICTOR DOMINELLO: To my knowledge.

Ms DONNELLY: Yes, we do require insurers to notify us if they believe that a worker is at risk.

The Hon. DANIEL MOOKHEY: How many reports has SIRA received to date from insurers about former section 39 workers who are at risk of self-harm?

Ms DONNELLY: Throughout the transition period over the last financial year we were notified of 375 potentially at-risk workers.

The Hon. DANIEL MOOKHEY: How many reports of self-harm have you received?

Ms DONNELLY: Of actual self-harm, 13.

The Hon. DANIEL MOOKHEY: How many acts of self-harm reports have you received which have led to deaths?

Ms DONNELLY: We are not in a position to ascertain cause of death but we are aware of six fatalities within that cohort.

The Hon. DANIEL MOOKHEY: Minister, have you been notified of the six fatalities in this cohort?

Mr VICTOR DOMINELLO: I have been informed of the six fatalities.

The Hon. DANIEL MOOKHEY: In response to those reports were you ever provided with a draft media statement that you should issue when you receive such reports?

Mr VICTOR DOMINELLO: I say in relation to all these incidents that obviously any incident of self-harm is something we all have to take very seriously. Particularly when self-harm leads to death we have to be very, very careful. Obviously, if there are any coronial hearings and recommendations we would follow them.

The Hon. DANIEL MOOKHEY: Minister, have there been any coronial inquiries into any of these six people?

Mr VICTOR DOMINELLO: Obviously there would have been, but to my knowledge there have been no recommendations from any coroner about those relating to the scheme.

The Hon. DANIEL MOOKHEY: Do you maintain a monthly reporting regime in respect to vulnerable workers who are in the section 39 cohort?

Ms DONNELLY: We continue to monitor very closely, yes.

The Hon. DANIEL MOOKHEY: What does that monthly reporting framework currently show?

Ms DONNELLY: Would you mind clarifying?

The Hon. DANIEL MOOKHEY: Of the 3,400-odd who have had benefits removed, how many of them are in the category of vulnerable or potential high risk of self-harm?

Ms DONNELLY: I may have to confirm this, but my understanding is that the 375 relates to a proportion of the 3,448.

The Hon. DANIEL MOOKHEY: To be fair, in less than one year of operation of section 39, 3,400 people have had their benefits removed, of which 375 are at risk of high harm, of which 13 so far have reported self-harm, of which six are now deceased. Minister, do you feel that those figures are reason enough to

pause and reconsider the effect of section 39 that, as you say, embarked upon a fine-tuning process, particularly given the funding system can afford it?

Mr VICTOR DOMINELLO: Again, Mr Mookhey, in relation to the scheme that we inherited it was fundamentally broken and it was returning suboptimal return to work rates.

The Hon. DANIEL MOOKHEY: The question I am asking you is: After less than a year of section 39 being in effect, with this data of 375, more than one in 10 in the high-risk category, 13 reports of self-harm and six now deceased, does that give the Government enough reason to pause to reconsider its policy?

Mr VICTOR DOMINELLO: Again, Mr Mookhey, we will take any recommendation from any coronial inquiry very seriously and we have not received any recommendation from any coroner to date.

The Hon. DANIEL MOOKHEY: You are going to wait for a coronial inquiry to tell you? No consideration of another review; no consideration of a change?

Mr VICTOR DOMINELLO: I indicated in my opening statement that we are constantly reviewing, monitoring and maintaining the scheme. I must say, Mr Mookhey, that these sunset provisions relate to almost every other jurisdiction, including the Labor jurisdictions. I know your line of questioning—hear me out, Mr Mookhey.

The Hon. TREVOR KHAN: Let him answer the question.

Mr VICTOR DOMINELLO: I know your line of questioning and we all have to be very sensitive in the way that we deal with these issues because you do not want to inflame the situation. Both you and I have to be very careful about these questions. Mr Mookhey, you can ask these questions but, quite frankly, sunset provisions occur in every other State and Territory in this land. This line of questioning could be asked in relation to every other State and Territory.

The Hon. DANIEL MOOKHEY: Have you undertaken any comparisons?

Mr VICTOR DOMINELLO: I have not finished.

The Hon. DANIEL MOOKHEY: I have been very generous.

Mr VICTOR DOMINELLO: I have not finished.

The Hon. SCOTT FARLOW: Point of order—

The CHAIR: Let the Minister finish the sentence.

Mr VICTOR DOMINELLO: This is a serious topic, so I will not be cut off on this one. This line of questioning could be asked in every other State and Territory in this land. Quite frankly, you will also get cohorts within every other State and Territory in relation to self-harm. It is not specific to this jurisdiction. It is an affliction right across our country that we need to be careful about. That is why if there are any recommendations by any coroner we would take it very, very seriously, but I know that—

The Hon. DANIEL MOOKHEY: Have you commissioned a report, a comparative analysis of section 39 and its effect in New South Wales compared to any other State?

Mr VICTOR DOMINELLO: I will defer that to Ms Donnelly.

The Hon. DANIEL MOOKHEY: So the answer is no.

Mr VICTOR DOMINELLO: No, I will defer that to—

The Hon. DANIEL MOOKHEY: Notwithstanding the fact that you—

The Hon. SCOTT FARLOW: Point of order—

The CHAIR: You cannot put words in the Minister's mouth and say that he said no. He did not say no.

The Hon. SCOTT FARLOW: The Minister was deferring the question to another member of his panel and Mr Mookhey did not give him that opportunity.

Mr VICTOR DOMINELLO: Mr Mookhey, of all the things to be badgering about, this is not a topic—

The Hon. DANIEL MOOKHEY: Excuse me, Minister, we are talking about six reports. I am sorry, but such a—

The Hon. TREVOR KHAN: Point of order—

The Hon. DANIEL MOOKHEY: Parliamentary scrutiny is not—

The CHAIR: Mr Mookhey, you cannot argue and debate with the Minister. You can only ask questions.

Mr VICTOR DOMINELLO: I am saying, Mr Mookhey, of all the topics to be careful about, this is one that both you and I—all of us—need to be very sensitive about.

The Hon. DANIEL MOOKHEY: Indeed. Minister, have you undertaken a comparative analysis of the effect of section 39?

Mr VICTOR DOMINELLO: As I said, I will defer that to Ms Donnelly.

Ms DONNELLY: The Minister has referred to the fact that we are monitoring the changes and the implementation of section 39 carefully. I would like to clarify that with the six fatalities we do not have a conclusion about cause of death. They are not necessarily in the cohort of the reported vulnerable workers, so the analysis is at quite an early stage to understand whether or not there is anything, apart from what you would normally see in regard to fatalities in any group of people.

The Hon. DANIEL MOOKHEY: I appreciate the clarification. Minister, Revenue NSW is claiming that foodora owes New South Wales approximately \$500,000 in payroll tax, that is correct?

Mr VICTOR DOMINELLO: If that is what they say.

The Hon. DANIEL MOOKHEY: They are here.

Mr BRADY: We have issued an assessment for payroll tax.

The Hon. DANIEL MOOKHEY: The claim presumably results from Revenue NSW classifying foodora's staff as employees for the purpose of payroll tax. Is that correct?

Mr BRADY: That is correct.

The Hon. DANIEL MOOKHEY: Has Revenue NSW reached a similar conclusion in respect to the staff of Deliveroo, Uber, Ola and UberEATS?

Mr BRADY: Let me clarify. The payroll tax legislation does not necessarily focus on someone being an employee. There is also a relevant contractor provision, which sweeps in a range of people who provide services under contract, and then the question is whether there is an exemption under one of seven limbs under the Act.

The Hon. DANIEL MOOKHEY: According to that analysis, have you assessed whether or not there is a payroll tax liability owed by Deliveroo, Uber, Ola or UberEATS?

Mr BRADY: As part of our normal compliance activities we engage with a range of different organisations about the way they are structured, the contracting arrangements and the business models, and then we will assess their payroll tax liability. I do not have details in respect of each of those companies that you have nominated.

The Hon. DANIEL MOOKHEY: Presumably should such an assessment be undertaken and should the business model by Deliveroo be termed essentially identical to foodora, the liability would be quite large, would it not?

Mr BRADY: Each of the contracts needs to be assessed and the exemptions under the Taxation Administration Act are specific around each one of those contracts of each individual provider of services. It is very difficult to say in a blanket way what sort of liability may apply to a business without having gone through and assessed each one of those contracts that apply with each one of those providers.

The Hon. DANIEL MOOKHEY: When do you anticipate Revenue NSW work in this regard on these companies being completed?

Mr BRADY: Our work is ongoing with companies across the spectrum. I really will not be drawn into talking about individual taxpayers.

The Hon. DANIEL MOOKHEY: As a class, these big economy companies—

Mr BRADY: As I said, our work is ongoing across a range of sectors and different types of providers.

The Hon. DANIEL MOOKHEY: Minister, how many government properties have been sold since the financial year 2011-12 to date?

Mr VICTOR DOMINELLO: I do not have that figure but I know Mr Newman does.

Mr NEWMAN: Mr Mookhey, could you repeat the years?

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

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

Mr NEWMAN: It was \$2.07 billion.

The Hon. DANIEL MOOKHEY: That is approximately twice the forecast that you gave us last year.

Mr NEWMAN: From memory, what I gave you last year was the Property NSW target.

The Hon. DANIEL MOOKHEY: Indeed.

Mr NEWMAN: Which is not a forecast of the total sales across government, just keeping in mind that we undertake some but not all sales on behalf of government agencies. There are a number of government agencies of significant size who undertake their own sales, including State-owned corporations such as Landcom and Land and Housing Corporation, so the total figure—

The Hon. DANIEL MOOKHEY: Does not include that?

Mr NEWMAN: Yes, and does not include our charges—

The Hon. DANIEL MOOKHEY: That is just \$2 billion that has been undertaken by Property NSW in the past 12 months?

Mr NEWMAN: Sorry?

The Hon. DANIEL MOOKHEY: That is just \$2 billion that has been undertaken by Property NSW in the past 12 months?

Mr NEWMAN: No, that is the total government figure.

The Hon. DANIEL MOOKHEY: That is in addition to the \$9.14 billion that was sold from 2011 to 2017?

Mr NEWMAN: I have got from 2012-13 to 2016-17.

The Hon. DANIEL MOOKHEY: Yes.

Mr NEWMAN: The total there is \$7.9 billion.

The Hon. DANIEL MOOKHEY: So it is about \$9 billion sold to date since 2011, is that correct?

Mr NEWMAN: Over the six years it is almost \$10 billion.

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

Mr NEWMAN: Properties, Mr Mookhey.

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

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

The Hon. DANIEL MOOKHEY: Land that is considered to be surplus?

Mr NEWMAN: Exactly, and commercial office blocks. So in general the types of assets that we sell are vacant land and sometimes commercial office blocks. This year it was a mix.

The Hon. DANIEL MOOKHEY: What is Property NSW's forecast for government asset sales for the next 12 months?

Mr NEWMAN: Again, we do not have a forecast of the total government asset sales—

The Hon. DANIEL MOOKHEY: You gave me a forecast last year.

Mr NEWMAN: We have an internal target.

The Hon. TREVOR KHAN: He has answered that question. He said he had a target.

The Hon. DANIEL MOOKHEY: Okay.

Mr NEWMAN: We have an internal target. So once again for the year 2018-19, consistent with last year, our internal target for asset sales that Property NSW undertakes on behalf of government agencies is around \$400 million. But my answer to this question is the same as the prior one: That will not include government agencies and State-owned corporations that undertake their own sales.

The Hon. DANIEL MOOKHEY: You maintain a three-year target, do you not?

Mr NEWMAN: No.

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

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

The Hon. DANIEL MOOKHEY: Has 47 Bridge Street, the current premises of the Industrial Relations Commission, been allocated to Property NSW to undertake an analysis as to its potential ability to be sold or its use?

Mr VICTOR DOMINELLO: It will not be sold; the Treasurer has made that very clear.

The Hon. DANIEL MOOKHEY: Do you know what its intended use is to be?

Mr VICTOR DOMINELLO: There is going to be a feasibility study in relation to its use, but it is subject to the highest—

The Hon. DANIEL MOOKHEY: Minister, before you go on, when is that feasibility study—

The Hon. TREVOR KHAN: Let the Minister finish his answer.

The Hon. DANIEL MOOKHEY: When is that feasibility study being undertaken?

Mr VICTOR DOMINELLO: I will get Mr Newman to comment on that but let me emphasise that that is going to be subject to the highest heritage protections that this State can offer. The Treasurer has already indicated that it will not be sold but obviously it could be leased out, or we will undertake the feasibility study but Mr Newman can comment on that.

The Hon. DANIEL MOOKHEY: So there is potential there for it to be leased out?

Mr VICTOR DOMINELLO: Again, we will undertake the feasibility study. Mr Newman will talk about that.

Mr NEWMAN: Mr Mookhey, just for the record I think you are referring to the Chief Secretary's building. The first thing is, as the Minister has said, the Government has made a decision that that asset will not be sold. Secondly, the Government has not made any decision in relation to the future use of that asset. We are currently undertaking detailed assessments of that asset, which will include consideration of whether or not there is an appropriate alternative government use for that asset.

The Hon. DANIEL MOOKHEY: Is your detailed assessment the same as the Minister's feasibility study?

Mr NEWMAN: Yes, it is the same.

The Hon. DANIEL MOOKHEY: What is the timetable on that?

Mr NEWMAN: We have not set a target but we would expect to complete that preliminary analysis by the end of this year.

The Hon. DANIEL MOOKHEY: So it is presumably underway?

Mr NEWMAN: Yes.

The Hon. DANIEL MOOKHEY: And you are considering alternative government use?

Mr NEWMAN: Yes.

The Hon. DANIEL MOOKHEY: You undertake property acquisitions?

Mr NEWMAN: Yes.

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

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

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

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

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

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

Mr JUSTIN FIELD: I have some questions relating to the sale of the Land and Property Information [LPI] registry and how things are proceeding with the new operator. How do the assurances that were made as part of that legislation going through the House, and its sale, that fees would not increase gel with the recent changes that have been made to allow title fees to be charged on every mortgage that is handled by the new operator? As I understand it, there was a per title fee for up to 20 and now an individual charge can be levied against each title application. How does that gel with your assurances that prices would not rise?

Mr VICTOR DOMINELLO: I say as a precursor in relation to the LPI concession, obviously everyone knows that it has gone to Australian Registry Investments [ARI] now. We set a number of key performance indicators [KPIs] in relation to tracking the performance of the new operator ARI and, to my knowledge, of the 17 or 18 KPIs that we set it has met 17 or 18 of them. Mr Field, in relation to the LPI concession other jurisdictions, including the Labor State of Victoria, have now seen the value of what we have done and they have been—how shall I say—even more concessional in their arrangements. I know that because they have seen what a success we have had. In fact, I was speaking to the Law Society just recently and even it was complimentary about how smoothly it has gone.

Mr JUSTIN FIELD: I appreciate the introduction but that is not quite the question.

Mr VICTOR DOMINELLO: No. My understanding is that in accordance with the concession deed there has been no deviation from what has been agreed. So any charges that are being made are—

Mr JUSTIN FIELD: The public did not see the concession deed though, did they?

The Hon. TREVOR KHAN: Point of order: My point of order is the Minister is answering the question. The Minister is being relevant and Mr Field, typically, is interrupting him.

Mr JUSTIN FIELD: To the point of order: Not quite. I was allowing the Minister to expand his question by throwing another slight, additional question into the mix. I was hardly being combative. I ask that the Minister be allowed to answer the question.

Mr VICTOR DOMINELLO: As I said, every charge or every fee that is being incurred is consistent with the operations of the concession deed.

Mr JUSTIN FIELD: The public have not seen the deed but what we did see was you and other members of the Government wax lyrical, and I think potentially even the Hon. Trevor Khan in his speech in the Parliament—

Mr VICTOR DOMINELLO: He is a great speaker.

Mr JUSTIN FIELD: —about how fees would not rise. But in the announcement that was made in July 2018, "NSW LRS Additional Fees"—I might add, is the name of the announcement—it looks as if fees have increased.

Mr VICTOR DOMINELLO: Again, they would be in accordance with the concession arrangements.

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

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

Mr HOFFMAN: I can confirm that the Government has not released the deed with the operator Land Registry Services [LRS]. Mr Field, I could also perhaps add—

Mr JUSTIN FIELD: Are there any other arrangements in the deed that would allow fees to be increased like this one?

Mr HOFFMAN: No, this is not a fee increase. I can add some background to the comments the Minister has already made on this. What you are referring to are some services based on an interpretation of item [7] of schedule 1 to the Real Property Regulation 2014, which is public of course and was in place before the concession was granted. The operator has looked at schedule 1 of that regulation and applied charges in accordance with it in a different way from what was being done previously. There have been discussions, and those discussions are ongoing, between the Office of the Registrar General and the operator in relation to that. Some of those interpretations have been changed and moved back to interpretation that applied before; others are still ongoing at the moment.

Mr JUSTIN FIELD: The ARI has come to the Government and sought to reinterpret some of those arrangements LPI previously had not potentially taken advantage of. Have they approached you on a number of issues? Is that what you are saying?

Mr HOFFMAN: No. In relation to item 7 of schedule 1 to the Real Property Regulation 2014, yes. In that regulation there are a number of incidents of actions on which fees can or may apply.

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

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

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

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

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

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

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

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

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

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

The CHAIR: You will take it on notice anyhow?

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

Mr JUSTIN FIELD: That would be appreciated. Minister, what actions have you taken to ensure that private data held and maintained by the private operator is being secured?

Mr VICTOR DOMINELLO: We as a government were the first government, in fact, to install a government chief information and digital officer. Mr Eastwood had that position previously. More importantly, most recently we have introduced the government chief information security officer, which is basically around cybersecurity—Dr Maria Milosavljevic, and she is doing outstanding work—and we put \$20 million in the budget to bolster our cybersecurity protections right across government. We have insisted that that data is sacrosanct, and we take it very, very seriously.

Mr JUSTIN FIELD: The chief information security officer and the other person you mentioned, the cybersecurity officer, have they engaged directly with ARI—had a look at their operations, had a look at how they are managing data?

Mr VICTOR DOMINELLO: They do not know day to day, but I am sure the Secretary would say yes.

Mr HOFFMAN: Yes, absolutely.

Mr JUSTIN FIELD: How has that happened?

Mr HOFFMAN: Through regular scheduled meetings that take place between the operator and the Registrar General, who then seeks support from other capabilities within government, as the Minister has outlined.

Mr VICTOR DOMINELLO: I can tell you, Mr Field, I have had numerous meetings with them—

Mr JUSTIN FIELD: With ARI?

Mr VICTOR DOMINELLO: Yes, and obviously with the Registrar General, and it is a topic of conversation constantly because we all have to be very vigilant about this and it is something, particularly as somebody in charge of digital transformation across the Government, I am very, very cognisant of. Getting data security is tantamount to trust and we have to make sure that we maintain the high standards—we accept that.

Mr HOFFMAN: Could I just add, to support the comments of the Minister there, the deed provides considerable coverage of the issue of IT systems. Every change that the operator wants to make in terms of their systems must be specifically approved by the Office of the Registrar General; they have to provide a long-term road map and then reports against that. So this is very much not set and forget; we are happy to be involved in the IT management of the data and the systems related to it.

Mr VICTOR DOMINELLO: And particularly with the government chief information security officer now involved, that elevates it to another higher level. That is an example of how seriously we take this.

Mr JUSTIN FIELD: It is good to know that it is in the deed, but of course we do not know it is in the deed; so I appreciate you saying that. Has the Government developed a process in the event you have to exercise your step-in powers? Do you know what happens then? Has there been a protocol developed for how to do that? Say a cybersecurity incident happens, that could be one of the triggers for using step-in powers. Has anyone thought about how you actually do that? This was one of the questions that was raised in the concession debate as well.

Mr HOFFMAN: Yes, there are protocols and plans that would take place in the event of an emergency—business continuity plans and so forth.

Mr JUSTIN FIELD: I am not sure that was quite the answer.

Mr HOFFMAN: Sorry, I was trying to give a definitive answer. Yes, Mr Field, there are plans and protocols as to how we would go about exercising step-in rights in the very unlikely event that that would be required. But it is there.

Mr VICTOR DOMINELLO: We are trying to be ahead of that curve.

Mr JUSTIN FIELD: I understand.

The CHAIR: Minister, you are well aware, as everybody else is, of the pressure on housing affordability in New South Wales. What has been the impact of the Minister's initiatives to increase housing affordability in New South Wales?

Mr VICTOR DOMINELLO: You are right, housing affordability is a major issue. When it comes to housing affordability, as the Premier said as soon as she became Premier, that was one of the key areas that she wanted to target. The Government has had a number of initiatives across housing affordability; the first one was

our biggest lever and that is to increase supply. The Minister for Planning is working and following in the footsteps of previous Ministers in relation to the supply and also through the Treasurer. I think it was the budget previous to the last one, we introduced mechanisms to enable stamp duty concessions for first home buyers, and they have proven very, very successful; in fact, the take-up rate has exceeded our expectations. We are seeing more first home buyers coming into the market, which is great, because whilst housing affordability is no doubt impacting everybody across the spectrum, it is those beginning their journey in the housing market that we are most caring about because they are the ones that struggle the most. It has been very reassuring to see those take-up rates.

The CHAIR: Have you initiated any other strategies working in conjunction with other Ministers or the Commonwealth in this area of increasing housing affordability?

Mr VICTOR DOMINELLO: Obviously it is a function for the Minister for Planning, the Treasurer and the Premier. My role is sort of tangential in the sense that we regulate Revenue NSW and they administer stamp duty, but the actual settings around the stamp duty are controlled by the Treasurer. But in relation to one of the earlier elements of your question, that is cost of living more generally, my agency is at the forefront of a number of cost-of-living initiatives. I can expand on that if you wish.

The CHAIR: As you know, there has been a lot of concern in the community about overdevelopment in New South Wales, particularly in the Sydney region. What does it mean for the future desirability to live in suburban Sydney if it is overdeveloped and people cannot get around in their cars or get public transport and so on?

Mr VICTOR DOMINELLO: I will just take my Minister's hat off for a moment and put on my local MP hat. I know the story very well as the member for Ryde. We have two railway lines coming through my electorate, as an example, and obviously the biggest curse in relation to overdevelopment or the biggest by-product is traffic. We all know that traffic is a major issue in most cities around the world, and Sydney is no different. That is why—when we came to government we inherited a \$30 billion infrastructure backlog—we have been working, to use the language of the Premier, our guts out to try to build the infrastructure that we need including, in my backyard, the north-west rail line.

Once we get the Sydney Metro Northwest, which is obviously well underway—hopefully this time next year passengers will be on board every four minutes—people will travel from the north-west, which is a growth sector, all the way through to Macquarie Park and Chatswood. We are currently building the second phase, which is through Chatswood to North Sydney and Crows Nest. There are 31 new stations and the metro will travel under the harbour, through Barangaroo and all the way out to Bankstown.

If we can do that and get people onto public transport—that is, heavy public transport in terms of metros—that will release the pressure. We must get cars off the road. Heavy traffic is one of the big signs of overdevelopment. However, we cannot build that big infrastructure in a year; it takes years of planning. Hopefully, as the Premier said, in the next 18 months a lot of the projects we have started will be realised and people in Sydney will start to see relief.

The CHAIR: It is important that you attract investment in the affordable housing area. There is a tension with overseas buyers who have extensive funds pushing up prices. How do you handle that tension between trying to keep housing in the hands of Australians as distinct from foreigners' hands?

Mr VICTOR DOMINELLO: Thank you again, Mr Chair, for asking that question. I should have provided this answer in response to your first question. In addition to the stamp duty concessions, we have also increased stamp duty for foreign investors. The Government has introduced a number of other measures. Victoria has mirrored what we have done and we have mirrored what it has done. I cannot provide the figures off the top of my head, but Mr Brady may be able to provide them.

However, we have increased the stamp duty rates in relation to foreign investment. Again, that would no doubt have had an impact on the market. That means we are not seeing as much foreign residential property investment. Obviously there are other factors in relation to tightening by other jurisdictions and what the Federal Government is doing. But what we have done in increasing stamp duty rates for foreign investment has had an impact, together with the additional benefits we are providing to first home buyers in New South Wales. Mr Brady may be able to elaborate on the amounts.

Mr BRADY: The surcharge purchaser duty applies an additional 8 per cent duty to foreign purchases of residential property. There is also a surcharge on land tax, which applies an additional 2 per cent tax on any land owned by a foreign purchaser. In 2017-18, the surcharge on land tax raised an additional \$51.9 million and the surcharge purchaser duty raised an additional \$221 million.

The CHAIR: Minister, you would agree it is important that the Government has a digital strategy. What was the initial budget for that strategy and have the actual expenses matched the Government's expectations?

Mr VICTOR DOMINELLO: The strategy is across all of government. The secretary may have better visibility in respect of all government agencies, but I am not sure. However, our agency has introduced a number of digital transformation initiatives, which is what I like to call them. That includes digital driver licences, which I am very excited about. The Dubbo trial has been very successful, with a satisfaction rating of about 83 per cent. Every time I show people the licence—I can show the Committee now if members wish—they are excited. It is the way of the future.

To answer the question, from memory, the digital driver licence project budget line is about \$9 million for the rollout. That was an election commitment. The Government is rolling out a number of other digital transformation projects, particularly through Service NSW. As I said, I will ask the secretary to respond. However, before he does, I will speak potentially about your constituency—although I am not making any assumptions in that regard. I refer to the constituency you serve so well; that is, many of the senior people in our State.

As much as I am a zealot when it comes to digital transformation, one thing that is never lost on me is the impact it can have on people's lives. The transformation includes improving efficiency and ensuring that we spend less time dealing with government and more time looking after our kids, going to the beach and doing other things we want to do. However, there is still a cohort we must look after. Without singling them out, I refer to senior Australians, who are not necessarily used to the digital age.

That is why I am very proud of the fact that with every digital product rollout we have insisted that face-to-face services—for want of a better expression—are still available. For example, the digital driver licence will be opt-in. The Government offers a number of cost-of-living initiatives and ideally people will go through the digital channels because that is far easier and they can access them at home. However, those who still want to go to a Service NSW office to have their issue addressed face to face will be able to do so. I am very cognisant of that.

The Hon. DANIEL MOOKHEY: Time's up!

The CHAIR: You are not chairing this session.

Mr VICTOR DOMINELLO: I am sorry, Mr Chair. I should not have taken so much time.

The CHAIR: Obviously you are happy with the public response to the program.

Mr VICTOR DOMINELLO: I am very pleased with it. I am more than happy to speak for another half an hour about that if you will allow me to do so.

The CHAIR: We will come back to that later.

Mr VICTOR DOMINELLO: Please ask me about it later. I am very passionate about it.

The CHAIR: The Opposition is very keen to ask a question.

Mr VICTOR DOMINELLO: About the customer satisfaction rating for Service NSW, no doubt.

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

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

The Hon. DANIEL MOOKHEY: It is identical.

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

The Hon. DANIEL MOOKHEY: Do you undertake the acquisitions?

Mr NEWMAN: As I said before, it depends on the circumstances. The Department of Education, like other agencies, is required to come to us to seek approval to acquire and to sell properties. Depending on the circumstances, it may undertake some acquisitions, but it also may ask us to undertake some. For example—

The Hon. DANIEL MOOKHEY: I believe School Infrastructure NSW has a full-time equivalent of 300-odd people. What is the operational interaction between them and Property NSW for the purposes of property acquisitions? Is it their job or is it your job?

Mr NEWMAN: As I said, it genuinely depends. School Infrastructure NSW has a significant capital program and a significant number of people in that business. If it has a large number of small properties and a compulsory acquisition program and capabilities, it can undertake those acquisitions. It will write to us and get our consent in that situation and—

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

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

Mr VICTOR DOMINELLO: Can I assist in relation—

The Hon. DANIEL MOOKHEY: In the context of a massive—

The Hon. TREVOR KHAN: No, no. The Minister is answering the question.

Mr VICTOR DOMINELLO: I would like to elaborate. As Mr Newman said, there are complex property transactions and we have the requisite expertise in Property NSW to deal with them. Obviously if it involves simple transactions, the Department of Education will do them. I will provide an example of a complex property transaction of the type to which you allude. One is the Peter Board High School—

The Hon. DANIEL MOOKHEY: I understand that. The reason I am asking the question—

Mr VICTOR DOMINELLO: —and another—

The CHAIR: Let the Minister finish his comment.

Mr VICTOR DOMINELLO: One complex property transaction that will require our assistance or involvement relates to Property NSW buying back the former site of Peter Board High School, which the Labor Government sold off. We are in the process of buying it back. Again, Property NSW will be involved in that transaction because it is complicated.

The Hon. DANIEL MOOKHEY: Of course, and that is why I am asking the questions.

Mr VICTOR DOMINELLO: Thank you, Mr Mookhey.

The Hon. DANIEL MOOKHEY: In the context of a massive shortage of school space are you able to say that in the past 12 months you have acquired even one property on behalf of the Department of Education to expand the capacity of the public education system?

Mr VICTOR DOMINELLO: Again, I have given you an example.

The Hon. DANIEL MOOKHEY: Is that done?

Mr VICTOR DOMINELLO: We are well underway.

The Hon. TREVOR KHAN: Point of order: It seems that when the Minister or any officers at the table seek to answer the question Mr Mookhey has a penchant for jumping in halfway through the answer. I ask that he be directed to allow the Minister to answer the question without being rudely interrupted.

The Hon. PETER PRIMROSE: We concede and I will now take over the questions. We have no desire to berate the Minister so that he is unable to answer questions.

Mr VICTOR DOMINELLO: I am happy to answer the questions if you give me the time.

The Hon. TREVOR KHAN: They are not interested in the answer.

The Hon. PETER PRIMROSE: Minister, can I talk about the Fines Act? Collections branch staff at Revenue NSW have KPIs for income they need to obtain from people they speak to, do they not?

Mr VICTOR DOMINELLO: Yes, I would think so.

The Hon. PETER PRIMROSE: Can I confirm that?

Mr VICTOR DOMINELLO: That is my understanding, but Mr Brady can confirm that.

The CHAIR: Could you frame that as a question?

The Hon. PETER PRIMROSE: My question was, Mr Chair, collections branch staff at Revenue NSW have KPIs for income they need to obtain from people they speak to, do they not?

Mr BRADY: There are a range of different indicators we have for staff. One of them we do monitor is the income they collect, but also the number of calls they answer, the satisfaction ratings that we receive, the resolution, whether that is through collection or through setting up a time to pay arrangement or assisting them through to other forms of assistance if they are in financial hardship.

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

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

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

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

The Hon. PETER PRIMROSE: You do not know?

Mr BRADY: We have a range of key performance indicators we work with our staff. We have an active mentoring and support program for the staff to develop their capabilities. At the end of the day our role as a revenue authority is to collect the revenue for the State.

The Hon. PETER PRIMROSE: Through you, Minister, I find it difficult to comprehend, given that is your fundamental role, that one of the things you are not mentioning is how much each of your revenue officers, collections branch staff, actually collect per contact with members of the community.

Mr BRADY: I was merely saying that if you want to get down to specific individual KPIs I would have to come back to you on the wording of the KPIs. We do, of course, monitor the effectiveness of our staff in resolving calls that come through the collection centre. Most of those relate to people calling in to us to resolve the fines they have received, and the collection rate is important to the outcomes we are trying to achieve.

The Hon. PETER PRIMROSE: When a member of the public calls in—I accept you do not know whether there are "collection opportunity events"—are you aware of any times when staff in the collections branch would unwittingly breach the Fines Act?

Mr BRADY: I am not aware of any general statement to that effect. Could you be more specific?

The Hon. PETER PRIMROSE: Do collections branch employees conduct reviews over the phone?

Mr BRADY: The fines reviews, we have trained up a number of people within the collection centre to manage reviews as well as a specific team that looks after that as well. So, yes.

The Hon. PETER PRIMROSE: Do they conduct reviews over the phone?

Mr BRADY: Yes, they do.

The Hon. PETER PRIMROSE: Does the role of collection branch employees include advising applicants who call to request a review of the fine that they are unlikely to be successful and so should pay their fine immediately?

Mr BRADY: When a person calls with an issue around their fine we try to manage that and help the person through the process. If they have an inquiry about the circumstances relating to the fine we will try to clarify for them the information that we hold in relation to that fine. If they have a concern with that then we will help to step them through the process for a request for review and try to resolve their issue without them having to go through a process of printing out a form, filling in the form, perhaps getting a statutory declaration, coming back through another process and taking a number of months to resolve the issues. If it is possible for our staff to step people through that review process and resolve it quickly and help them on the spot then that is what we do.

The Hon. PETER PRIMROSE: I am very pleased you used the term "that review process". Someone rings up, you step them through, you do the review—and then what happens if, in the view of the collection branch staff, they are unlikely to succeed if they take it further? What would they suggest? You indicated, for example, "Do not worry about going through the rigmarole of filling in forms." Presumably they would say, "Look, just pay it."

Mr BRADY: You are presuming, Mr Primrose.

The Hon. PETER PRIMROSE: Tell me how I am?

Mr BRADY: The citizen always has the right to seek the review, and our staff are trained to help them to progress into the review process, as well as to help them to make payments. Those options are all available to the citizen, and our staff are there to help them to resolve their situation, whether that is through seeking the review, completing the review, making a payment or setting up a time to pay arrangement. Our staff are there to motivate to help the person resolve their situation. If they are not liable for the fine we do not want to take money from them. It is not our objective to maximise the revenue from the fines system; our objective is to resolve the fine with our customers.

Mr HOFFMAN: Can I add, Mr Primrose, the implication that somehow our staff are denying people their rights or tricking them into paying fines is completely rejected. I have spent a considerable time listening in to phone calls in both Lithgow and Maitland, and I know Mr Brady does, as well as other members of staff. Our staff go to tremendous efforts in often very difficult phone calls with people under stress, to handle them respectfully and assist them as best they can within the framework. The suggestion that they are trying to deny them their review rights and trick them into paying is not fair or right.

The Hon. PETER PRIMROSE: It is interesting that you have implied somehow that I am suggesting people have been tricked. I do not know what is in your mind, but that is not what I am suggesting.

Mr HOFFMAN: Perhaps you could be more direct as to what you are suggesting, Mr Primrose. If you were not suggesting that, I apologise: I was defending the good work that the staff do in handling often very stressful calls.

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

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

Mr HOFFMAN: Do you have a copy of the Act and relevant sections?

The Hon. PETER PRIMROSE: Yes, I do.

Mr HOFFMAN: Perhaps you could table it and we could have a look at it, Mr Primrose. We do not have an encyclopaedic memory of the entire Act.

The Hon. PETER PRIMROSE: You are the guy paid the big bucks to understand what is in the legislation; I am the guy asking you questions. It is not my fault if you come to estimates and do not have a copy of your own legislation.

The Hon. TREVOR KHAN: Point of order: I do not think that constitutes a question, as opposed to haranguing the witnesses again.

The Hon. PETER PRIMROSE: The witnesses have failed to bring a copy of their own legislation and they want me, a member of this Committee, to provide it to them.

The Hon. TREVOR KHAN: They are entitled to take the question on notice.

Mr VICTOR DOMINELLO: Mr Primrose, we have indicated we will take it on notice.

The Hon. PETER PRIMROSE: Take it on notice and, again, maybe next year you will bring a copy of your legislation.

Mr VICTOR DOMINELLO: It is around us here; we are surrounded by legislation. We can just pull out one of the bills from the shelves!

The Hon. PETER PRIMROSE: I will show you how to get copies of it, Minister, if you do not have it—

Mr VICTOR DOMINELLO: It is online.

The Hon. PETER PRIMROSE: —if you do not understand your own legislation.

Mr VICTOR DOMINELLO: That is unfair, Mr Primrose, but we said we would take it on notice.

The Hon. PETER PRIMROSE: You can get it on an app now.

Mr VICTOR DOMINELLO: That is interesting. Thank you for letting me know.

The Hon. PETER PRIMROSE: Revenue NSW in Maitland has recently undergone a restructure with significant staff layoffs. Is that right?

Mr VICTOR DOMINELLO: As I said, Mr Primrose, we said we will take it on notice.

The Hon. PETER PRIMROSE: Thank you, but I have just asked you another question, Minister—

Mr VICTOR DOMINELLO: I did not hear the second question.

The Hon. PETER PRIMROSE: —while you have been chatting. Revenue NSW in Maitland has recently undergone a restructure with significant—

Mr VICTOR DOMINELLO: I was chatting to you. You obviously were not listening to me.

The Hon. PETER PRIMROSE: Revenue NSW in Maitland has recently undergone a restructure with significant staff layoffs—

Mr VICTOR DOMINELLO: Sorry, could you start again?

The Hon. PETER PRIMROSE: For the third time: Revenue NSW in Maitland has recently undergone a restructure with significant staff layoffs, has it not? Is that the case?

Mr VICTOR DOMINELLO: There has been some redundancy, yes.

The Hon. PETER PRIMROSE: Of the staff made redundant more than 60 have come from the previously 100-strong review team, have they not?

Mr VICTOR DOMINELLO: That sounds about right, yes.

The Hon. PETER PRIMROSE: The restructure that has taken place is actually to allow for collection staff to do the work of both collections and review, is it not?

Mr VICTOR DOMINELLO: From recollection, but I will defer to Mr Brady in relation to the operational aspect of it.

Mr BRADY: Mr Primrose, may I just clarify? I believe the number of people subject to the redundancies was 52.

The Hon. PETER PRIMROSE: So it was 62, right?

Mr VICTOR DOMINELLO: No, 52.

Mr BRADY: What we have done is tried to bring together the collections and the review function—what we called the service team—that conducts reviews. That is really around trying to provide a more streamlined service for the customer so that when they do call through they can get a quicker response, a more seamless response to improve the operational efficiency of the overall collections function.

The Hon. PETER PRIMROSE: Can I again seek your assurance that this in no way breaches the provisions of the Fines Act?

Mr BRADY: We have reviewed what we are doing and we believe it does not impinge on the Fines Act.

The Hon. PETER PRIMROSE: Minister, do you need to introduce any new legislative amendments to the Fines Act to ensure that this restructure is within the law?

Mr VICTOR DOMINELLO: We have all heard that it is in accordance with the Fines Act and there is no cause for concern there.

The Hon. PETER PRIMROSE: We have heard lots of things in the media today. I am just wanting to clarify because clearly there is a lot of disagreement.

Mr VICTOR DOMINELLO: As I said, if there is an issue there that needs resolution it will be brought to my attention and we will have a look at it. Nothing has been brought to my attention to that effect.

The CHAIR: I will just interrupt for a moment. I have been advised by The Greens that Mr David Shoebridge will be replacing Mr Justin Field for the last segment.

The Hon. TREVOR KHAN: Have you been tossed?

Mr DAVID SHOEBRIDGE: It is called passing the baton.

Mr VICTOR DOMINELLO: From one expert to another.

The CHAIR: According to pre-arrangements.

Mr DAVID SHOEBRIDGE: I know you guys are tired from all the questions over there.

The Hon. TREVOR KHAN: I am champing at the bit.

Mr DAVID SHOEBRIDGE: You guys relax and we will look after ourselves over here.

The Hon. PETER PRIMROSE: It is good that you have people coming and taking my time. Minister, can I ask you a couple of questions in relation to Property Exchange Australia?

Mr VICTOR DOMINELLO: Sure.

The Hon. PETER PRIMROSE: New South Wales is heading towards the compulsory use of e-conveyancing from 1 July next year. Is that correct?

Mr VICTOR DOMINELLO: Yes.

The Hon. PETER PRIMROSE: Can you guarantee that all electronic lodgement network operators will provide certainty of service and certainty of security?

Mr VICTOR DOMINELLO: That is the goal we are seeking, yes.

The Hon. PETER PRIMROSE: Is that an undertaking?

Mr VICTOR DOMINELLO: Mr Primrose, can I guarantee that no child will live in poverty?

The Hon. DANIEL MOOKHEY: Can you?

Mr VICTOR DOMINELLO: No, and nor should have Bob Hawke. The point is you cannot make outlandish guarantees. That is just ridiculous. It is a ridiculous proposition. All we can do—

The Hon. PETER PRIMROSE: Minister, you have—

The CHAIR: Let the Minister finish. He is answering your question.

The Hon. PETER PRIMROSE: The Minister is being flippant. It is a serious matter.

Mr VICTOR DOMINELLO: You cannot ask a question like that and just let me say yes or no, because it is a ridiculous question. What we have to do is make sure we have the highest standards and work towards those. No government of any political colour could ever guarantee such a proposition, but what we have to do is set standards and targets, and make sure we do our best to reach them.

The Hon. PETER PRIMROSE: How will you then work towards ensuring this—to work towards your goals and targets that you have set?

Mr VICTOR DOMINELLO: Obviously we have to work with Property Exchange Australia [PEXA] because it is not just within our jurisdiction we need to work. We need to work with the national regulator to ensure that those standards are met.

The Hon. PETER PRIMROSE: For example, will there be KPIs for the volumes of data that are required to be entered by staff each hour or each day?

Mr VICTOR DOMINELLO: I will defer to my Secretary in relation to that operational issue.

Mr HOFFMAN: KPIs for the volumes of data required to be entered by which staff?

The Hon. PETER PRIMROSE: The staff who are entering in the electronic lodgement network operator [ELNO].

Mr HOFFMAN: PEXA staff, solicitor staff or bank staff? I am not sure.

The Hon. PETER PRIMROSE: The staff to which the Minister is having his objective to ensure that there is certainty of service and certainty of security.

Mr HOFFMAN: I do not believe that the Government will be setting KPIs for the data entry rates of staff of private companies, but what I can say is in respect of security and certainty of the system we rely, for example, on the fact that over the last five years they have been approaching \$10 million worth of payouts from

the Torrens Assurance Fund in relation to errors and fraud for paper conveyancing. For the approximately 400,000 transactions that have taken place through PEXA in that same period there has been zero dollars paid out for errors and fraud on the electronic system. The shift to electronic conveyancing to electronic titles is a significant shift, much like 30 or 40 years ago we moved from share certificates in paper and handing those across to electronic title for your BHP shares. We are seeing the same improvements and benefits for conveyancing come through already as per the example I just gave.

Mr VICTOR DOMINELLO: Indeed the issue that occurred in Victoria, if you really peel that back, was not in relation to the system itself. It appears that it was a problem in relation to human error from the conveyancers rather than the system.

Mr HOFFMAN: On that, notwithstanding that it was the conveyancers' error rather than the ELNOs' error, we are requiring a licence condition upon all ELNOs that they stand in the shoes of or stand for the consumer, ensuring that a consumer in such an error, even if caused by the conveyancer or the solicitor, will be backed up by the ELNO in the first instance.

Mr JUSTIN FIELD: Minister, my questions are in regard to the Russell review and the implementation of recommendations. What is the time frame for implementation and how many recommendations have been implemented at this stage?

Mr VICTOR DOMINELLO: I do not have the details in relation to the amount. Do you know, Mr Hoffman?

Mr HOFFMAN: No, I am sorry, Mr Field.

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

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

Mr JUSTIN FIELD: If there are outstanding ones.

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

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

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

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

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

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

Mr VICTOR DOMINELLO: I will defer to Mr Newman.

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

Mr JUSTIN FIELD: It is.

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

Mr JUSTIN FIELD: I appreciate that.

Mr DAVID SHOEBRIDGE: Minister, on the last occasion of budget estimates hearings, Mr Newman gave evidence that over the past five years \$9.15 billion of public land had been sold through you. Mr Newman or Mr Hoffman, whoever has the figures, what is the current state of play? How much has been sold in the past five years and how much has been sold in the last financial year?

Mr NEWMAN: Thank you, Mr Shoebridge. It is a shame you were not here earlier; we covered a similar topic. I am happy to go over it for you. To date, in the past five years there has been approximately \$8.7 billion of properties sold. We need to be careful in quoting that number because what I have done is add the sales from last year and deducted the sales from the sixth year ago. So if you are looking at the asset sales report, which is currently on our website, it is for the five years ending in 2017-18. The figure in that report, which is currently available on our website, will be slightly different. It is \$7.9 billion. I have just rolled us forward a year.

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

Mr NEWMAN: Approximately \$2 billion—exactly \$2.07 billion of property. One point of clarification for you, Mr Shoebridge: that is a whole-of-government figure; it is not just assets that were sold by Property NSW or by us on behalf of other agencies.

Mr VICTOR DOMINELLO: That includes State-owned corporations.

Mr NEWMAN: It includes State-owned corporations.

Mr DAVID SHOEBRIDGE: I did hear some of those figures. The difficulty I have is that the year split that you gave on the last occasion was \$1.65 billion in 2016-17, \$2.15 billion in 2015-16, \$1.58 billion in 2014-15, \$1.35 billion in 2013-14, \$1.41 billion in 2012-13, and \$997 million for 2011-12. If we took out the 2013-14 figure of \$1.41 billion, which is what you did, and add in \$2.07 billion, how is it that the total sales have gone down in the five years from \$9.14 billion, which is what you said last year, to \$8.7 billion this year? If we take out a figure of \$1.41 billion and add in a figure of \$2.07 billion, magically the number goes down.

Mr NEWMAN: Maybe I will start with repeating the figures. Firstly, the figures on our asset sales report, which are on our website, which have been verified, for the five years—I apologise, I will need to correct the record. The asset sales report on our website is to 2016-17. So for the five years up to and including the financial year 2016-17 the total asset sales was \$7.98 billion—call it \$8 billion. In the financial year 2017-18 the asset sales on behalf of whole-of-government were \$2 billion.

Mr DAVID SHOEBRIDGE: That was \$2.07 billion.

Mr NEWMAN: Yes. That takes the total asset sales over the six-year period to approximately \$10 billion.

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

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

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

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

Mr DAVID SHOEBRIDGE: Would it be fair to say it is a small fraction of what was sold?

Mr NEWMAN: I do not think that would be a correct statement because if you think about the State's infrastructure spend, which was \$70 billion and now, I think, approximately \$90 billion, that includes significant land acquisitions for the delivery of significant infrastructure. That would be a question that would need to be answered directly by the Department of Transport as to what is the proportion of total land acquisitions that support the total delivery of infrastructure. I think you would need to compare that number to the asset sales.

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

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

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

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

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

Mr NEWMAN: No, it will not be abstract.

Mr DAVID SHOEBRIDGE: Well, give us the numbers.

Mr NEWMAN: The State's property plant and equipment on the State's balance sheet, if you look at the entire State's balance sheet, is \$150 billion. Rather than look at an individual transaction or individual site in isolation, if you look at whether the total value of the State's assets—property, plant and equipment on the balance sheet—has increased or decreased over time—

The Hon. TREVOR KHAN: It has gone up, hugely.

Mr NEWMAN: —that will give you an indication. And what I know is that over the past three years each year the total value of property, plant and equipment on the State's balance sheet has actually increased.

The Hon. TREVOR KHAN: Thank you, Mr Shoebridge.

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

Mr NEWMAN: I would need to take that—

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

Mr NEWMAN: Yes, I understand.

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

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

Mr DAVID SHOEBRIDGE: Treasury will?

Mr NEWMAN: Yes. I apologise. That is a Treasury question for you.

Mr DAVID SHOEBRIDGE: What about Property NSW? What is the situation in respect of land sales for Property NSW?

Mr NEWMAN: Mr Shoebridge, can I ask by way of clarification, is that last financial year?

Mr DAVID SHOEBRIDGE: Last financial year.

Mr NEWMAN: Property NSW, I think I have that figure. Property NSW asset sales, which we undertook on our own and on behalf of other government agencies for 2017-18, was \$490 million.

The Hon. TREVOR KHAN: Did you watch that, Mr Field? That is how it is done.

Mr JUSTIN FIELD: I was too busy writing down the numbers.

The CHAIR: You mentioned earlier in answering some of the questions about the need to have an efficient system of fines. Do you have any way of monitoring if the system of paying fines by phone is working efficiently? I have had some constituents complain that the automated voice keeps asking for a number. They think it is the fine number but apparently it is not that number. They get blocked trying to proceed paying the fine by phone.

Mr VICTOR DOMINELLO: It is a good question. I remember that last time I was at Revenue there were a whole lot of reviews taking place. Customer feedback was really, really important. I know that they were monitoring that. I might defer to Mr Brady for specifics.

Mr BRADY: I think what we are referring to is the difference between a penalty notice number and an enforcement notice number. Unfortunately, our systems are quite old and they relate back to correspondence IDs rather than to an individual. One of the challenges we have in providing service to our customers is that when someone goes from the initial stage of the issuance of the fine when there is a penalty notice number and they fail to pay that fine at the due date or even after the penalty reminder notice date they step into enforcement. At that point, an enforcement order is issued and that enforcement order has its own number, which is different to the penalty notice number. That can lead to confusion with our customers.

The automated payment system on the phone, unless the person is putting in the more recent number, which would be the enforcement number, they will have difficulty. They may, in some circumstances, be given the amount for the penalty notice, which will miss out the enforcement order fee. We are trying to update our systems to enable us to provide a more customer centric response rather than depending on what penalty notice or enforcement order number you are given. If people ring through to our collection centre, they will get an individual who will be able to step them through that issue to help them make the payment.

The CHAIR: I was thinking particularly of New Australians who are not familiar with English and so on. They could be confused, and you could be losing a lot of revenue from frustration.

Mr BRADY: Absolutely. The challenge we have is to make sure that we can communicate clearly with people. We have a lot of New Australians who fall foul of this. They perhaps do not understand the road rules, which are different from the country they came from. So part of what we do is to try and step them through that process, but it is difficult when you have quite old systems.

The CHAIR: I asked some questions earlier about the Government's digital strategy. What guarantees are in place to protect the public's privacy with respect to the data ecosystem?

Mr VICTOR DOMINELLO: Very good question. Honestly, that is at the forefront of my mind. As I said in a previous answer, I am a bit of a data or digital zealot because I can see the benefits of it. I will give you a recent example. I was Minister for Aboriginal Affairs for four years, as many of you would know. We have recently announced an initiative around Aboriginal procurement. When the Premier, the current Minister for Aboriginal Affairs Minister Mitchell and I rolled out what we were doing, to be honest the largest applause we got from the Aboriginal community was when I said to the community, "Not only are we going to do this initiative"—in terms of the 3 per cent targets et cetera—"but we are going to digitise this. We will see it, as much as humanly possible, in real time so that we can then, hopefully, open it up." So it is really important that we move to that in every step of the way that we can.

At every intersection where I speak in relation to digital transformation—as much as I am a zealot in this space—I always talk about privacy, because it is critical. For example, in relation to a number of the reforms that we have rolled out I have always engaged—or asked the agency to engage—the Privacy Commissioner. They have to be lock step in the reforms around digital transformation, because the biggest risk that we have to digital transformation is a breach of privacy, because once you breach privacy you breach trust and it would take a long time to get that back.

That is why, whether it is a digital driver licence—a big step forward in digital transformation, but many more to go—we engaged the Privacy Commissioner. In fact, I have spoken to the Privacy Commissioner on numerous occasions in relation to it. I know that for Service NSW, in relation to a number of the initiatives that it is rolling out, particularly through its digital channels, privacy has to be sacrosanct. I am not sure whether Mr Hoffman or Mr Rees want to add to that, but it is absolutely at the forefront of my mind. So, every time I talk about digital transformation, the other side of that coin has to be, and will always be, privacy.

The CHAIR: In establishing that system, was it totally controlled by the Government itself, through its employees, or were there private corporations involved as well? If so, how do you guarantee the security of those private corporations?

Mr VICTOR DOMINELLO: Obviously, when it is intra-government we have a lot more control. When it is outside of government there will be contractual provisions put in place. These are things that we speak to the Privacy Commissioner about, who will say, "In order for it to get through to the next base you must ensure that there are contractual provisions in place around privacy but, more importantly, about reporting any breaches of privacy." I do not think anybody, realistically, thinks that we live in a perfect world and that there will not be breaches. The issue is identifying the breaches when they occur and making sure that we correct the error as soon as possible. I know that the Privacy Commissioner is working very closely with the Government on a range of initiatives around that. I am just trying to think of something where that has taken place.

Mr HOFFMAN: I was just going to add that, in the construction of the system of the platform or the databases, private firms with particular expertise will be engaged. That is a different thing from the actual data that you put into the platform or the databases and analyse. That is being done within and by Government. The actual construction, maintenance and operation of the platform is a separate thing, and that may well involve private partnerships. We are also working heavily with Data61 that has a particular expertise in this area.

Mr VICTOR DOMINELLO: And the Data Analytics Centre.

Mr HOFFMAN: That is part of the Government's Data Analytics Centre, yes.

The CHAIR: So a private corporation can have no impact on, and cannot access, that data information.

Mr HOFFMAN: That is correct.

The CHAIR: So you are pretty confident that there is no way that private information can be removed from that digital system under the security that you have established.

Mr VICTOR DOMINELLO: Every agency has its own requirements in relation to the data that they hold and the operators that they use to manage that data—for example, there could be an agency that they will consult with, which is external to Government, in relation to the use of information. But again it would have to be under strict guidelines and contractual provisions. Government agencies right across Australia and right across the world often consult out and say, "We have this dataset. We need a solution: Can you provide it?" But if there was that flow of information it would have to be tightly controlled, because if there was a breach obviously the breach would impact on the trust—not just in relation to Government but for the company as well.

If there was ever an incentive for it to be right it is the commercial imperative, because once that company gets hit with a data breach then their stock plummets, let alone the Government's trust. So, again, the most important thing we can do in relation to all data is to manage the flow and, if there is a breach, to ensure that we are informed of that breach as soon as possible so that we can step in and find out the cause and then fix it up, because there will never be a system in place—particularly with the way that the world is evolving and with hackers becoming more sophisticated—where we can say, "This is 1,000 per cent locked down." That will never be the case. The best thing we can do is to make sure that we have our best defences put forward and that when there is a breach of the wall we find out straight away. That is the most important thing we can do.

The Hon. DANIEL MOOKHEY: I thank my colleague Peter Primrose, who has let me out of the sin bin. Minister, towards the end of last year, a draft letter was prepared to go out under your signature, to be sent to every business customer entitled to a CTP refund and which included the disclaimer: "An administration fee has been deducted from each refund amount. If the refund amount for any policy falls below a certain threshold minus the administration fee the refund for that policy is zero." That disclaimer was contained in the original draft but the actual letter that was sent to business customers did not contain that disclaimer at all. Why not?

Mr VICTOR DOMINELLO: We have been very upfront in relation to the administration fee in relation to the refunds. As you know, the CTP refund has been a complicated task. I think we have done it, without saying it too modestly, very well. That is based on citizen feedback so far. We have been very upfront. You can go to the Service NSW—

The Hon. DANIEL MOOKHEY: Have you been upfront enough to have included that disclaimer in the draft letter that you sent, under your name and your signature, to every business customer to get a refund?

Mr VICTOR DOMINELLO: I am not privy to the draft letter but—

The Hon. DANIEL MOOKHEY: So you did not see the draft letter?

Mr VICTOR DOMINELLO: I do not know what you are referring to, but I own the letter that was sent out. As I said, the suggestion that you can provide a refund and that there is—

The Hon. DANIEL MOOKHEY: But you deny having anything to do with the removal of the disclaimer.

The Hon. TREVOR KHAN: Just let him answer the question. Do not jump in; let him answer.

Mr VICTOR DOMINELLO: Mr Mookhey, the suggestion that you can provide a refund, or provide this service and that the tooth fairy pays for it, is just nonsensical.

The Hon. DANIEL MOOKHEY: That is nice, Minister. My son just lost his first teeth, so it is nice for you to remind me of that.

Mr VICTOR DOMINELLO: I hope you put \$20 under the pillow.

Mr DAVID SHOEBRIDGE: I never charge my kids an admin fee. Never have, never will.

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

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

The Hon. DANIEL MOOKHEY: Okay. The Privacy Officer at Service NSW sent correspondence to the State Insurance Regulatory Authority that states:

I do not understand how we can charge a customer a fee but not tell them what the fee is for. What happens if they ask for a receipt? We will have to provide it. Also, as we are not clearly setting out the cost of the policy admin fee and refund, this means the customer will have to go back to the insurer to get an updated tax invoice receipt. This is a lot of extra effort for the customer.

Were you aware that Service NSW had those concerns?

Mr VICTOR DOMINELLO: As I said, from day one when you go and get your refund the administration fee is disclosed on the Service NSW website.

The Hon. DANIEL MOOKHEY: That is not my question.

Mr VICTOR DOMINELLO: You are referring to an email that was produced under the Government Information (Public Access)—GIPA—Act that could have been part of a series of emails and taken out of context in relation to the discussions. But at the end of the day, Mr Mookhey, we have disclosed from day one on the Service NSW website and we have not hidden it. It is under FAQs—

The Hon. DANIEL MOOKHEY: It is fascinating that you refer to a series of emails because in reply to that letter—

The Hon. SCOTT FARLOW: Point of order: Let the Minister answer the question.

The Hon. DANIEL MOOKHEY: The Minister has answered the question.

The Hon. TREVOR KHAN: To the point of order—

Mr VICTOR DOMINELLO: No, let me spell it out. You are trying to suggest that we have hidden this enormous administration fee of \$7.87 in circumstances where the motorists are getting back, on average, \$70 and some are getting up to \$110, \$120-plus. As a result of the great reforms—and they have been brilliant reforms. We are seeing a reduction in the premium so that the motorists are way, way ahead—

The Hon. DANIEL MOOKHEY: I am not suggesting, I am directly accusing you of seeking the removal of the disclaimer from the letter.

The CHAIR: Let the Minister finish his sentence.

The Hon. DANIEL MOOKHEY: It is not a suggestion, it is a direct accusation. Would you like to reply?

Mr VICTOR DOMINELLO: I say to you that from day one we have disclosed the administration fee. If this was a secret, it is the worst kept secret because it is on the Internet.

The Hon. DANIEL MOOKHEY: You refer to a series of emails.

The Hon. SCOTT FARLOW: Point of order: The Minister is trying to answer the question.

The CHAIR: The Hon. Daniel Mookhey cannot speak over the Minister.

The Hon. DANIEL MOOKHEY: It is pronounced "Mookhey", Mr Chair.

Mr VICTOR DOMINELLO: It is in the "Frequently Asked Questions" on the website of Service NSW. In relation to the provision of the refund—forget what you and I think—let us ask what the motorists of New South Wales think.

The Hon. DANIEL MOOKHEY: That is not the question I am asking.

Mr VICTOR DOMINELLO: There are 230,000, not 200, people who gave feedback in relation to the provision of the refund.

The Hon. DANIEL MOOKHEY: I appreciate that you are refusing to deny. You referred to a series of emails. Minister, in response to the emails—

The Hon. SCOTT FARLOW: Point of order—

Mr VICTOR DOMINELLO: You have asked me a question in relation to—

The CHAIR: Let the Minister finish his answer.

The Hon. TREVOR KHAN: Point of order: It seems that every time the Hon. Daniel Mookhey is pulled up for interrupting the Minister his response is to say the word "Mookhey". I know what his name is but he seems to, first, cavil with your ruling; and, secondly, just simply proceed to ignore the ruling and continue to interrupt the Minister. He has to stop doing it or the whole exercise stops in my view.

Mr VICTOR DOMINELLO: Mr Mookhey, if I can answer the question, you asked it in relation to disclosure and I have answered that.

The Hon. DANIEL MOOKHEY: Thank you, Minister, for answering it.

Mr VICTOR DOMINELLO: Then I want to bolster that by saying—

The Hon. DANIEL MOOKHEY: I am sure you do but I would like to ask another question because my time is limited.

Mr VICTOR DOMINELLO: No, you have to let me finish my answer because what the public thinks is important.

The Hon. DANIEL MOOKHEY: In response to the correspondence—

The Hon. SCOTT FARLOW: Point of order: The Minister is trying to answer the question—

The Hon. DANIEL MOOKHEY: No, he is trying to filibuster.

Mr VICTOR DOMINELLO: I am definitely not.

The Hon. PETER PRIMROSE: You are filibustering and now you are being protected by your colleagues.

The Hon. SCOTT FARLOW: The Hon. Daniel Mookhey continually interrupts the Minister and talks over him. He is doing it while I am taking a point of order as well.

Mr VICTOR DOMINELLO: I take you seriously.

The Hon. DANIEL MOOKHEY: I am entitled to ask questions. The Minister is not entitled to an endless soliloquy.

Mr VICTOR DOMINELLO: If you let me finish my answer.

The CHAIR: The Minister is entitled to answer the question. Let him answer it.

The Hon. DANIEL MOOKHEY: Not endlessly.

Mr VICTOR DOMINELLO: Mr Mookhey, it will be less painful if you let me finish my answer. What is more important, rather than what you and I think, is what the motorists of New South Wales think in relation to how this process is rolled out, including the disclosure. They were aware because it is on the website. I know those representing your interests have been trying to fan the flames, as it were. Notwithstanding all of that, we have had 230,000 people respond with a satisfaction approval of about 98.7 per cent.

The Hon. DANIEL MOOKHEY: Thank you, Minister. You referred to a series of emails. Service NSW flagged privacy concerns about the decision to remove the disclaimer from the letter. In the response SIRA states, "No, it has been agreed with the Minister, DFSI and SIRA that this will not be exposed." Will you answer my first question I asked before you gave your six-minute soliloquy? Did you seek the direction to remove the disclaimer from the letter?

Mr VICTOR DOMINELLO: As the secretary reminds me, they were not privacy concerns. As I said, the proof of the pudding is in the eating. The eating is that we have disclosed the administration fee of \$7; we have said that the threshold is \$10; we publicly reported to the media. We are not hiding the fact it is \$7.87. In fact, when I called—

The Hon. DANIEL MOOKHEY: Why was the disclaimer removed?

Mr VICTOR DOMINELLO: I am telling Mr Mookhey that he is referring to draft emails that are sent between various agencies, various levels of bureaucrats. At the end of the day, I can tell you what we have done. You can talk about speculation and point at what middle-level management discussions were taking place. I am not going to talk or contextualise one email out of 1,000. I am telling you what we have done.

The Hon. DANIEL MOOKHEY: I am not asking you to. I am asking you to say whether your office directed the disclaimer to be removed.

Mr VICTOR DOMINELLO: We have disclosed the administration fee. When we have been asked about it we have actually been up-front and said "Yes, it is \$7.87" because—

The Hon. DANIEL MOOKHEY: Is any administration fee being charged to customers in respect of the Toll Relief Program?

Mr VICTOR DOMINELLO: No, and let me answer this. The toll relief relates to motorists. What we did with the green slips refund is to undertake a massive reform to make sure—

The Hon. DANIEL MOOKHEY: I understand. I am asking about the Toll Relief Program.

Mr VICTOR DOMINELLO: I know, but the platform to which you are referring is built on what we have already done with green slips.

The Hon. DANIEL MOOKHEY: I understand that but I am asking about the toll relief—

Mr VICTOR DOMINELLO: That is what I am saying, and I have already answered that.

The Hon. DANIEL MOOKHEY: Is the answer "no"?

Mr VICTOR DOMINELLO: Again, it goes back to what the Chair asked me previously in relation to digital transformation. We can live in the Dark Ages and ignore this but we had to invest significantly—

The Hon. DANIEL MOOKHEY: It is a simple question. Is the Toll Relief Program—

The Hon. TREVOR KHAN: Point of order—

The Hon. DANIEL MOOKHEY: It is not loaded.

The Hon. TREVOR KHAN: The Hon. Daniel Mookhey continues to interrupt the Minister when he is answering the question.

The Hon. DANIEL MOOKHEY: The Minister has to answer the question.

The Hon. TREVOR KHAN: No, you be quiet.

The Hon. DANIEL MOOKHEY: No.

The Hon. TREVOR KHAN: I am taking a point of order and that is how it goes. The Hon. Daniel Mookhey continues to interrupt the Minister. The Minister should be allowed to answer the question.

The Hon. DANIEL MOOKHEY: He can defend himself.

The Hon. TREVOR KHAN: Yes, but Hansard has to be able to record this. All we are having is chatter in the background.

The Hon. DANIEL MOOKHEY: I will repeat the question. Minister, is an administration fee being charged on the Toll Relief Program?

Mr VICTOR DOMINELLO: No, but it is very different to the refund scheme in place.

The Hon. DANIEL MOOKHEY: That is all I am asking. That is all I was seeking to know.

Mr VICTOR DOMINELLO: Yes, but you are comparing apples to oranges.

The Hon. PETER PRIMROSE: If I have time, I have lots more questions on the compulsory third party, Minister. I have two other matters I will deal with first, if I can.

Mr VICTOR DOMINELLO: I enjoy talking about the CTP reforms.

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

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

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

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

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

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

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

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

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

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

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

Mr VICTOR DOMINELLO: Okay, we will follow that up. Again, it is something I have taken a personal interest in.

The Hon. PETER PRIMROSE: Minister, you would agree that stakeholders across the board have been incredibly happy with the work of Workers Compensation Independent Review Office [WIRO], would you not?

Mr VICTOR DOMINELLO: Yes.

The Hon. PETER PRIMROSE: The initial five-year term of WIRO's Kim Garling would have ceased around September-October last year. Have you been able to secure Mr Garling for another five years?

Mr VICTOR DOMINELLO: Steps are in place.

The Hon. PETER PRIMROSE: There are many steps in place, Minister. I will give you the opportunity to elaborate.

Mr VICTOR DOMINELLO: Are you saying for a further five years or a further year or what?

The Hon. PETER PRIMROSE: For another five years?

Mr VICTOR DOMINELLO: No, we have extended it for another year.

The Hon. DANIEL MOOKHEY: You have or you will?

Mr VICTOR DOMINELLO: Have.

The Hon. PETER PRIMROSE: For another year, starting from last October?

Mr HOFFMAN: Yes, just to confirm, Mr Primrose, there was the initial five-year term, then there was an extension of one year, which will expire at the end of 2018, end of calendar year—I think it is December not October from memory; I am almost certain it is. As the Minister is saying, it is a matter for consideration at the moment for further reappointment or whatever.

The Hon. PETER PRIMROSE: When do you expect to make a decision, Minister?

Mr VICTOR DOMINELLO: Hopefully soon.

The Hon. PETER PRIMROSE: Thank you for being effusive, Minister.

Mr VICTOR DOMINELLO: I am just saying, Mr Primrose, there is a whole lot of reform that is underway in relation to dispute resolution, workers compensation more generally and indeed what we have done with green slip reform. Quite frankly, it is no secret that I think there needs to be a lot more reform done more broadly in relation to personal injury, regardless of whether it is a slip in a shopping centre, an accident in a car or a problem at work. I know that the Standing Committee on Law and Justice is undertaking a review in relation to that now.

The Hon. TREVOR KHAN: Constructively.

Mr VICTOR DOMINELLO: We want to have a look at that. We do not want to put anything in stone for a long time until we—

The Hon. PETER PRIMROSE: I have about one minute—

Mr VICTOR DOMINELLO: Sorry.

The Hon. PETER PRIMROSE: And I would like to ask one specific question, if I may.

Mr VICTOR DOMINELLO: Yes, please.

The Hon. PETER PRIMROSE: I apologise if I am cutting you off on that important point.

Mr VICTOR DOMINELLO: No, that is all right.

The Hon. PETER PRIMROSE: I understand that Service NSW has the names, addresses and refund amounts owing to each—

Mr VICTOR DOMINELLO: Sorry, could you start again?

The Hon. PETER PRIMROSE: In relation to CTP, as was the case with business owners, Service NSW has the names, addresses and refund amounts owing to each eligible private motorist. Why did you not just send them their refund?

Mr VICTOR DOMINELLO: In relation to the private motorists?

The Hon. PETER PRIMROSE: Yes?

Mr VICTOR DOMINELLO: Because we formed the view that in order to get this out to everybody in an efficient way the best thing to do, particularly as part of the discussion I had with the Chair, is in that digital transformation people would prefer digital channels, particularly in 2018.

The Hon. PETER PRIMROSE: But they have to apply, Minister. Why could you not just send the refund?

Mr VICTOR DOMINELLO: And the take-up rate has been very, very good. It is 70 per cent.

The Hon. PETER PRIMROSE: It would have been 100 per cent if you had simply sent it.

Mr VICTOR DOMINELLO: No, that is not right, Mr Primrose.

The Hon. PETER PRIMROSE: Tell me why.

Mr VICTOR DOMINELLO: If people got a cheque, they would leave it in a drawer, then they would have to go and pick up the cheque, then they have to go down to the bank. People do not necessarily enjoy that.

The Hon. DANIEL MOOKHEY: Most people like receiving money in the mail.

Mr VICTOR DOMINELLO: No, no. In fact, some of the feedback we have got—and, as I have said, we have only had negative feedback from I think just over 1 per cent—is, "Why am I doing all this for \$15?" or "Why am I doing all this for \$20?" There comes a point where people are saying, "It is not worth my while". If you gave somebody a cheque for 11 bucks people are going to think, "Why?" So we decided to go through the digital channels because we live in 2018.

Mr DAVID SHOEBRIDGE: Minister, six months down the track if you still find there are 20 per cent or 15 per cent or 10 per cent of people who have not accessed the online payment method, will you then consider sending the cheque out because there will undoubtedly be at least 10 per cent, 15 per cent or 20 per cent of the population who are not going to be able to go online and get the refund?

Mr VICTOR DOMINELLO: Yes, that is a fair question, Mr Shoebridge. What I can guarantee is the money will go back to motorists. It is not going to go back to the Consolidated Fund.

Mr DAVID SHOEBRIDGE: Minister, do you see the problem? You are going to be punishing the non-digitally native—older people, in particular; people who do not have digital access. They are the ones who are going to be punished—

Mr VICTOR DOMINELLO: Yes, I accept that.

Mr DAVID SHOEBRIDGE: —and even though the money might go back to a broader pool that seems unfair and you should have a system that prevents punishing them?

Mr VICTOR DOMINELLO: Yes, and I accept that. Again, I want to make that decision closer to the event when we find out what that pool is and we do some analysis around it. Maybe Mr Rees would want to comment further.

Mr REES: I make one small point. No-one is disadvantaged. If they cannot or will not apply for their refund digitally they can get that refund in person through any Service NSW centre.

Mr DAVID SHOEBRIDGE: But overwhelmingly people have been applying online—

Mr VICTOR DOMINELLO: I understand the point you are making, Mr Shoebridge. As I said, we will make an assessment closer to the event but we have extended it out to 30 June next year.

Mr DAVID SHOEBRIDGE: Do you accept that pretty much every at least non-government stakeholder in the workers compensation sphere supports the current WIRO and thinks the current WIRO is doing a good job in difficult circumstances?

Mr VICTOR DOMINELLO: I accept that WIRO has a good reputation, yes.

Mr DAVID SHOEBRIDGE: Do you support the WIRO?

Mr VICTOR DOMINELLO: Yes. I think they do, as you say, a good job.

Mr DAVID SHOEBRIDGE: I am actually asking about the person—

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: —the WorkCover independent review officer. Do you support that statutory officer?

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: Are you seeking to take or have you taken to Cabinet a proposal to ensure that he has ongoing security and therefore the staff who work under him—

Mr VICTOR DOMINELLO: Sorry, are you talking about Mr Garling?

Mr DAVID SHOEBRIDGE: Mr Garling, and therefore the staff who work under him and, as I understand it, respect his leadership—

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: —have some ongoing security as that office is essential?

Mr VICTOR DOMINELLO: I cannot talk about what I do or do not take to Cabinet but I can say that I am working towards that.

Mr DAVID SHOEBRIDGE: Can you give us a commitment as to when we will have an answer?

Mr HOFFMAN: Sorry, Mr Shoebridge, can I just add that in respect of the staff, they are employed public servants. They enjoy the security of employment consistent with public servants regardless of who—

Mr DAVID SHOEBRIDGE: Yes. But, Mr Hoffman, my question was about the fact that they respect his leadership, they like the leadership that he gives and they want security—as I am sure everybody would. They want security and they want to know when an answer will be coming?

Mr VICTOR DOMINELLO: Mr Shoebridge, again I cannot comment on what I have or have not taken to Cabinet but I can say this: He also enjoys my confidence. I know there is a lot of reform that needs to be done in this space more generally.

Mr DAVID SHOEBRIDGE: Can you just give us a date as to when we will know? It is September; it expires in December. That is unsettling and wrong. When do we get a date?

Mr VICTOR DOMINELLO: As I said in a previous answer—soon. I am working on that, but he enjoys my confidence.

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

Government's tenure and can you also provide us with the total number of properties sold in the last five years to the end of the last financial year?

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

Mr DAVID SHOEBRIDGE: What is the number?

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

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

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

Mr DAVID SHOEBRIDGE: Minister, as section 39 of the Workers Compensation Act was being rolled out, I know your office, but also the regulator, was aware that there was likely to be very real personal suffering, would that be fair to say?

Mr VICTOR DOMINELLO: There is no doubt in my mind that section 39 was a difficult decision and it obviously has impact.

Mr DAVID SHOEBRIDGE: You know that in 2016 the Victorian Ombudsman undertook a review of their workers compensation system and particularly pointed out that it failed vulnerable people in the scheme and recommended a whole series of additional protections in Victoria. Were you aware of that?

Mr VICTOR DOMINELLO: No, I was not aware of that.

Mr DAVID SHOEBRIDGE: Was the SIRA aware of that?

Ms DONNELLY: Yes.

Mr DAVID SHOEBRIDGE: Given SIRA was aware of that, what advice did SIRA give you to ensure that the workers who are losing their benefits under section 39 were going to be protected?

Ms DONNELLY: We certainly knew about the changes for a long period of time, given that the changes to the law came through in 2012, have given regular advice to the Minister and, in particular, to the SIRA board and put in place steps 18 months before the beginning of the transition for workers to identify—

Mr DAVID SHOEBRIDGE: I want to know what the steps were. I would like to know what you did.

Ms DONNELLY: Sorry?

Mr DAVID SHOEBRIDGE: What actual things did you do, knowing that they are particularly vulnerable workers?

Ms DONNELLY: We ensured that insurers began to contact those injured workers and advise them, communicate informally, put supports in place and look at programs that they could utilise to transition back to work. Of the 3,448 in the cohort, 3,372 access specialist workplace rehabilitation services. About 900 of them access additional programs that SIRA provides that we altered to enable them to have transition-to-work supports. We also identified that we would need to have care for those that were vulnerable. We required the insurers to notify us, as I have discussed in a response to an earlier question, of those who were at risk and to report on the services being provided to those people.

Mr DAVID SHOEBRIDGE: Of the six who have tragically taken their lives since they have been terminated from section 39 benefits, how many had been given—

Mr HOFFMAN: With respect, Mr Shoebridge, it is not at all clear that those six all took their lives.

Mr DAVID SHOEBRIDGE: Of the six who have died and who were, as I understand, the subject of coronial investigations since they have had their workers compensation benefits terminated, how many were provided with additional payments?

Mr VICTOR DOMINELLO: There was no causal relationship between one and the other.

Mr DAVID SHOEBRIDGE: Minister, are you denying a causal relationship or you are saying that you do not know whether there is one?

Mr VICTOR DOMINELLO: I am saying that there is no recommendation or finding from the Coroner to that extent.

Mr DAVID SHOEBRIDGE: Minister, if it is found that there is a causal relationship between the removal of the workers compensation benefits and their death, will you provide those families with the statutory death benefits under the scheme or will you leave the families hanging?

Mr VICTOR DOMINELLO: As I said in previous answers, we have to carefully navigate these issues both as a question and an answer. If there is any recommendation from any coroner, then we would take that very seriously.

Mr DAVID SHOEBRIDGE: Minister, you know that the delays in the coronial system in New South Wales are such that it could be three years before we get a recommendation from the Coroner about an inquiry.

Mr VICTOR DOMINELLO: We will take those seriously.

Mr DAVID SHOEBRIDGE: Are you seriously saying that we will wait three years and see thousands of more vulnerable workers grind their way through the termination of section 39 before something is done? I do not think that is an acceptable delay. What are you going to do between now and those coronial reports?

Mr VICTOR DOMINELLO: As I said, they were difficult reforms but they were necessary reforms because premiums were going up, we had sub-optimal return-to-work rates and the scheme was in deficit. Now, the reforms have been—

Mr DAVID SHOEBRIDGE: I know that is the Government answer. You tell that to the families of those six workers whose lives have been lost.

The Hon. TREVOR KHAN: That is not a question, Mr Shoebridge.

The CHAIR: Mr Shoebridge, no rhetoric; just questions.

Mr DAVID SHOEBRIDGE: Something needs to be done before we wait three years for a coronial—

The Hon. SCOTT FARLOW: The time has expired, Mr Chair.

The CHAIR: Minister, you would be aware of the problems that the United States Government has had with security of digital information—even leaks from the military, let alone private. What security checks and controls do you have over the staff that you have employed in that area to maintain that digital information system?

Mr VICTOR DOMINELLO: It is a good question. When I speak to security experts, overwhelmingly they keep telling me that the biggest risk is human risk. It is not the IT systems that are in place because generally they are okay, but it is when, for example, people leave their USB out or they write their password on a Post-it note and leave it next to their computer. It is the human error that is the greatest risk when it comes to breaches of privacy and security. That is why the Government's Chief Information Security Officer is working with all government agencies, not just ours, to make sure that we have best practice. We have put \$20 million in the budget to make sure that we provide it with more capability.

Recently, we have also set up NSW Cyber Security Network, where we get the best minds from the top universities in our State working together with us and industry leaders to find out what is cutting edge, because the challenges that we have in government are the challenges that the corporate sector has as well. I assure you that it is top of mind in everything I do, particularly in this digital transformation journey that we are on.

The CHAIR: The point I am making is that the security of the people who are working in that area of digital information would need to be of a higher standard than people working in some other department. What steps are being taken to ensure that? With the investigation in previous convictions, there are questions such as, "Are they an honest person? Should they be involved in that sensitive area?"

Mr VICTOR DOMINELLO: You are right, Mr Chair. Depending on the level of information you have access to and can potentially disseminate, you will need to have different security clearances. That is something that we will work with the various security agencies. Specifically in relation to data and cybersecurity, I have also put an additional layer of quality assurance through Dr Maria Milosavljevic. She is working with the best minds in the tertiary sector as well as industry. If she makes a recommendation to us that we need to do A, B and C, we will do it. I know that the Auditor-General recently released a report relating to this topic. The report suggested that there was a lot more to do. Having said that, since the report was published, we have already undertaken a number of steps, whether it was the Cyber Security Network that we have created or the information security

officer that we created. This will be ongoing and no government of any political colour could ever take a back step on this. We need to be on the front foot, and will continue to be.

The CHAIR: Previously, there has been some mention about the number of properties that the Government has disposed of. But on the other side, because of the population growth, is it your role to work out where properties should be purchased in advance of a new school to be built in that particular area, or does the Department of Education do that?

Mr VICTOR DOMINELLO: It is a function of the Department of Education and Department of Planning and Environment. They are the central agencies associated with that planning, in concert with the Greater Sydney Commission. That is why the Government Sector Employment Act was brought into place to bring all these concepts together. Mr Chair, you are right: Sydney alone is growing by roughly 100,000 a year. That is extraordinary growth. We need to make sure that we match the infrastructure with the population. That is a challenge and we are building at unprecedented speeds, whether it is roads, schools, hospital and rail. Even at that pace, we need to make sure that we are vigilant. In my backyard, I am proud to say that when the Department of Family and Community Services was redeveloping the Ivanhoe Estate, I intervened in my capacity as local member and said, "It is fine that you are putting 3,000 dwellings there, of which about 1,000 are attributable to social and affordable housing which is a fourfold or fivefold increase, but tell me where the school will be."

If you do not put the social infrastructure in place, then that burden is going to be placed on existing infrastructure and there is lack of confidence in the system. To the credit of Minister Goward and her agency, they went to market. They have come back and I am grateful to say that Catholic Education has decided to put a high school there and is exploring an option for a primary school as well, from kindergarten to year 12. That is an example of what we need to do. We are also buying back Peter Board because of the development taking place at Macquarie Park. If we do not do those social infrastructure pieces, then there will be loss of confidence. It is a lot of work. We are not growing at 10,000 a year; we are growing at 100,000 a year. A hundred thousand a year over the course of a term is a lot of people that we have to school, feed and hospitalise.

The CHAIR: That brings us to the conclusion of our allocated time. I thank the Minister and his staff for their attendance and for their cooperation in answering all the questions. You will have 21 days to answer the questions on notice.

Mr VICTOR DOMINELLO: Thank you, Mr Chair and Committee members.

(The witnesses withdrew)

The Committee proceeded to deliberate.