

PORTFOLIO COMMITTEE NO. 7 - PLANNING AND ENVIRONMENT

Thursday 31 October 2019

Examination of proposed expenditure for the portfolio area

LOCAL GOVERNMENT

CORRECTED

The Committee met at 14:00

MEMBERS

Ms Cate Faehrmann (Chair)
The Hon. Mark Buttigieg
The Hon. Catherine Cusack
The Hon. Ben Franklin
The Hon. Mark Pearson (Deputy Chair)
The Hon. Peter Primrose
Mr David Shoebridge

The Hon. Shelley Hancock, *Minister for Local Government*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

The CHAIR: Welcome to the budget estimates supplementary hearing for the portfolio of Local Government. Before I commence 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 Aboriginal people present. Today's hearing is open to the public and is being broadcast live by 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 you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. 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. Finally, could everyone turn their mobile phones to silent. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office. I remind all witnesses that you do not need to be sworn as you have been sworn at an earlier budget estimates hearing of this Committee.

TIM HURST, Deputy Secretary, Local Government, Planning and Policy, Department of Planning, Industry and Environment, on former oath

JANE GIBBS, Director, Planning and Risk, Department of Planning, Industry and Environment, on former oath

The CHAIR: As there is no provision for any witness to make an opening statement we will begin with questions from the Opposition.

The Hon. MARK BUTTIGIEG: Thank you for appearing, Minister. My question is with regards to Stockton being declared as a significant open coast location. Will that attract additional government support as a result?

Mrs SHELLEY HANCOCK: In effect it will because it gives us the ability to expedite the applications. Rather than wait for the various application rounds to open, the applications can be assessed at any time under a significant open coast location, which, in effect, is what has happened. We are moving very well with Stockton. We are working closely with the council in terms of their latest application and we have granted funding for Stockton already. Interestingly, sand seems to be reappearing on the beach at Stockton in front of the surf club, so there is some natural wave formation occurring there, I am advised. But there is an application for replenishment of sand by the council and for other matters that they have received funding for.

The Hon. MARK BUTTIGIEG: As to applications for other matters besides sand replenishment, are you in a position to tell us the nature of those and what stage they are up to?

Mrs SHELLEY HANCOCK: Sorry, can you just repeat that question?

The Hon. MARK BUTTIGIEG: You said that there was an application that was accepted for the replenishment of sand. What about any other matters that have been applied for?

Mrs SHELLEY HANCOCK: An application for the demolition of the preschool, that has been accepted and funded and is underway. There has been an application for sheet piling. We expressed some concerns; we were at Stockton about that application. We have had ongoing discussions with the general manager of Newcastle City Council about that application but we are confident that we can proceed well. Certainly the sandbagging application has also been approved at the Mitchell Street entrance. A number of applications have already been approved. So we are keeping a close eye on Stockton, given the concern of the community. When I went to Stockton there were 200 people in the surf club to listen to what we had to say. They were very respectful and obviously I was very respectful of the concerns they had in that area.

The Hon. MARK BUTTIGIEG: In terms of the efficiency or expeditiousness of the approval of those applications, you are comfortable, as the Minister, that that is happening quickly enough, given the circumstances up there?

Mrs SHELLEY HANCOCK: I am comfortable that that process actually does expedite an application to be approved more quickly than otherwise. In terms of whether applications are approved is a matter for the applications themselves, the quality of the applications. Sometimes we need to work more closely with the council to ensure that the application is appropriate. In terms even of sand, we need to know, for instance, if they are applying for sand replenishment or beach nourishment and where the sand is going to come from. Please rest assured that we are working very closely almost on a daily/weekly basis with the council at Stockton, and the community as well. We are continuing to liaise with the community groups I met and to talk to them and explain every step of the way what we are doing to try and assist. In terms of the surf club, there were problems there with the surf club not being able to have their Nippers events on a Sunday morning and we were there at a time to see that. But since then things have slightly changed in terms of the sand that has naturally come back to that section of the beach. These are public assets and council are concerned about them, and rightly so.

The Hon. MARK BUTTIGIEG: In terms of the Newcastle City Council and the coastal management program, what about the funding for that? Has that been expedited?

Mrs SHELLEY HANCOCK: In any significant open coast location, to my understanding, all applications can be expedited; they do not have to wait for an application funding round to open. That would, of course, include funding for the coastal management program. Throughout the 55 coastal councils at the moment, councils are working on coastal management programs. If they are not finalised at the moment, they can adhere to the coastal zone management plans which all coastal councils have. So applications can be based on them rather than the coastal management programs, but the programs allow more long-term assessment of coastal management along the New South Wales coast.

The Hon. MARK BUTTIGIEG: If I could take you to some issues I want to raise regarding local government elections and the cost associated with those? There was an Independent Pricing and Regulatory Tribunal [IPART] report into the review of the costs of conducting local government elections. I understand you were in receipt of that on 30 August. Have you read the report?

Mrs SHELLEY HANCOCK: Yes. In fact, I think I was asked about this last time and I had received the report the Friday before, from memory.

The Hon. MARK BUTTIGIEG: That is right. I do recall that.

Mrs SHELLEY HANCOCK: So yes. Obviously since then the Government has committed \$19.9 million to fund the core costs of the Electoral Commission to try and allay the fears of the councils in terms of their increases. I think all councils—my discussions with everyone I have met has been that they expected those costs to increase. Funding the core costs of the local government elections has certainly alleviated a lot of those fears. But I have had ongoing discussions with the Electoral Commissioner. I have written to him regarding my concerns about some of the estimates that have been sent to local councils about what the costs will be next September, and some of them were higher than the councils expected. The Electoral Commissioner came to see me along with his advisers just last week and I have asked him, and he has agreed, to work individually with councils if they are concerned about the increases and, wherever possible, to advise them on how to reduce their costs. We are all aware of how those costs can impact on their budgets. But they all did expect an increase.

The Hon. MARK BUTTIGIEG: In that report—presumably you have come to a conclusion—there were 10 recommendations. Can you throw any light on whether or not you agree with them all or you disagree with some of them? Are you going to adopt all of them? What is the position?

Mrs SHELLEY HANCOCK: Let us go through them.

Mr HURST: The Government response was published at some point.

Mrs SHELLEY HANCOCK: We published the response.

The Hon. MARK BUTTIGIEG: The responses have been published, have they?

Mrs SHELLEY HANCOCK: Our response has been to pick up the core costs.

The Hon. MARK BUTTIGIEG: So that \$19.9 million you referred to is only to cover the fiscal year [FY] 2020 elections in that year?

Mrs SHELLEY HANCOCK: Correct.

The Hon. MARK BUTTIGIEG: Presumably there is a recurrent core cost, as you referred to it, for ongoing elections past that FY. What is the Government's position on that?

Mrs SHELLEY HANCOCK: At this stage we will make those decisions at the appropriate time. At this time we have made that decision about core costs for next year's local government elections only. But it will be my position that I will support some form of future subsidisation of local government costs. But maybe that will not be the view of my Cabinet colleagues.

The Hon. MARK BUTTIGIEG: I guess I am struggling. If that is the philosophical approach by the Minister for Local Government, I am wondering how that aligns with what appears to have been a recommendation from the Electoral Commission that some of the costs be borne by the State government budget rather than local councils. Would you look at figure 4.1 on page 68 of the IPART report?

Mrs SHELLEY HANCOCK: I have not got it in front of me. I am sorry. You can read it to me.

The Hon. MARK BUTTIGIEG: It is a very illustrative comparison. It says that under the current model 40 per cent is allocated to individual client councils, 52 per cent to client councils, 1 per cent to all councils and 8 per cent to the New South Wales Government. In effect, the NSW Electoral Commission [EC] recommends that some of the costs be borne by State Government whereas IPART is saying, "No, we want the user pays model whereby if you are a client council contracting services to the EC as opposed to the private market, then you will bear a disproportionate amount of those costs." That is why you have all these councils up in arms saying that costs are going to increase. Then the Government, in the form of you as the Minister, is saying, "We will make up that gap by giving you \$20 million." What is the point then of having an IPART review to ostensibly create a competitive market for election campaigns if the Government has to stump up \$20 million. I am not criticising it. It is simply that it seems to me that you should have taken the Electoral Commission's recommendation and run with it.

Mrs SHELLEY HANCOCK: You are certainly entitled to your view but that is the response that we have to the IPART report and that was to pick up the core costs and assist councils with the costs of their local government elections.

The Hon. MARK BUTTIGIEG: Minister, do you have an issue with the concept of councils being able to contract—

Mrs SHELLEY HANCOCK: Privately contract?

The Hon. MARK BUTTIGIEG: —the running of elections to private entities? You do not see any issues?

Mrs SHELLEY HANCOCK: Philosophically?

The Hon. MARK BUTTIGIEG: Yes.

Mrs SHELLEY HANCOCK: No, I do not have a problem with that. The problem is that we have had a very small number of councils opting for a private provider at the last local government elections and at this stage we only have one council opting for a private provider. The reason for that is because of the complexity of the system of counting now—with the weighted Gregory method where all preferences are counted—it will be very difficult for any private provider to provide that service. I do not know. I am presuming that they will not be able to—maybe they will—but it is going to be very complex for them to now privately compete against the Electoral Commission.

The Hon. MARK BUTTIGIEG: You have a situation where the Electoral Commission has been conducting these elections for years. I would imagine there is quite significant economies of scale in resident expertise and in their view—from what I can see here—they have been essentially de-funded by the State Government and they are then trying to recover those costs from local government. Local government has thrown up its arms and said, "It is too expensive". So the response from IPART is, "Well, you can go and get it privately provided and we will dictate to the NSW Electoral Commission what they charge", with some sort of benchmarking exercise. It is essentially a cost-shifting exercise, is it not?

Mrs SHELLEY HANCOCK: IPART does not dictate to the Electoral Commission about how much it charges. It is the Electoral Commission that decides what its own costs are.

The Hon. MARK BUTTIGIEG: But you are going to adopt this report, are you not?

Mrs SHELLEY HANCOCK: We have responded to the report and the response is to cover the core costs for the local government elections in 2020 to the tune of \$19.9 million. That is our response. Anything into the future will be just conjecture on my part.

The Hon. MARK BUTTIGIEG: This is what I am trying to get at. The implication of the Government stumping up the \$20 million is that you do not accept the IPART report, in which case why not just default back to the Electoral Commission's recommendation, which is to fund the Electoral Commission? Give the Electoral Commission the \$20 million and let them conduct the whole thing. I simply do not understand—

Mrs SHELLEY HANCOCK: I think there was always a philosophy that we would attempt to allow the private provision of services but our experience demonstrates that has not worked. It has not worked. Any of the councils that did adopt private providers at the last couple of local government elections ran into problems.

The Hon. MARK BUTTIGIEG: And I think there has been quite extensive experience in other jurisdictions, particularly in the United States, where this sort of thing just does not work.

Mrs SHELLEY HANCOCK: Yes, that is quite correct. I hark back to the complexity of the system we have now introduced, which will be much more open and transparent. Also we had Mr Shoebridge in the upper House move an amendment to the Act in June that the general manager could no longer be the returning officer. For that reason we will no longer have general managers, councils, being accused of rigging their elections. We do not want that to happen. We want them to be open and transparent but we are still giving them an option. They still have the option but it is probably unlikely that they will adopt that option. Also I have to reiterate to you as an interesting aside, the local government conference, I think, adopted a motion—I do not know whether you were there at the local government New South Wales conference just a month ago—that only the Electoral Commission should be the provider for local government elections. That came from Local Government NSW.

The Hon. MARK BUTTIGIEG: I did see that.

Mrs SHELLEY HANCOCK: So it is interesting.

The Hon. MARK BUTTIGIEG: This is what I am trying to square away. I think there were 10 IPART recommendations basically saying, "We think that this is an accurate representation of what you should be charging as an electoral commission based on the analysis we have done: If you are a council and you do want the Electoral Commission to do it that is fine. If you do not, you can go out to a private provider." All those sorts of things will cause a cost shift essentially to local councils. You are saying that you basically do not agree with those recommendations, which is why you are stumping up the \$20 million. Is that the position?

Mrs SHELLEY HANCOCK: No. I do not think that is the position necessarily. What are we looking at here?

Mr HURST: It is just the response.

Mrs SHELLEY HANCOCK: This is our response, yes.

Mr HURST: It speaks for itself.

Mrs SHELLEY HANCOCK: Yes, so we did put out a response. You probably looked at that. Can you just repeat the question again?

The Hon. MARK BUTTIGIEG: Yes. You have a situation whereby the IPART has done a report. It has pretty much said, "The Electoral Commission is not charging market-based prices for this. We do our benchmarking exercises. We think you should be charging this much." As a result, the cost to councils is going to increase because if you are a client council asking the Electoral Commission to do it you will pay based on your request—user pays model—and then if council so chooses they can go out to a private provider. But the net result is that councils are going to pay more, no matter which way you slice it. So you have implicitly recognised that by stumping up the \$20 million, which sort of contradicts the IPART recommendations. I want to try to understand.

Mrs SHELLEY HANCOCK: The IPART report indeed recognised that there would be increases for local government elections—quite considerable increases—and I think that was met with concern throughout the sector and from me as well. That is why the Government did decide to stump up for the core costs, if you like, to allay the fears of local government. As I said right at the beginning of your questioning, the local government sector did anticipate increases. It is ultimately their responsibility to fund their own elections but they have been subsidised in the past and that is the view of the Government this time—that we should assist councils.

The Hon. MARK BUTTIGIEG: Under the previous model, before this was all raised back in, I think, 2012 where there was this view that we could go out to a private market, the idea was that the council could go to the Electoral Commission and know that someone was going to conduct it very professionally with minimal cost to the ratepayer, although some costs were recovered. Now, because the Electoral Commission is saying that it cannot fully fund this and it is trying to recover some of its costs from councils—presumably because the Electoral Commission has not been allocated enough in the budget—that is the source of the problem here, is it not? You either accept the IPART recommendation, which is to move to user pays—essentially an outsourced privatised model—or you keep stumping up the \$20 million year on year. If that is the Government's response, I am happy for you to say that but you cannot have your cake and eat it too, if you know what I mean.

Mrs SHELLEY HANCOCK: As I indicated, I cannot indicate to you what will happen at the next local government elections after the elections next year in terms of costing at local government elections.

The Hon. MARK BUTTIGIEG: So the Government has no long-term plan beyond the next financial year 2020 as to how to deal with this contradiction?

Mrs SHELLEY HANCOCK: At this stage, no. Those decisions are not made now. One of the things that the deputy secretary has just asked me to remind you of too in terms of cost saving for local government elections—and we cannot introduce this in the next round—is that I want to look at universal postal voting as a way of reducing costs considerably. That will be very beneficial, even more so in remote and regional areas, so that there would be a system of universal postal voting. It is the cost of obviously pre-poll, which has now become two weeks or three weeks, the costs of the professional staff—

Mr DAVID SHOEBRIDGE: If you wanted to reduce pre-poll to one week, I think you would have very strong support amongst most people.

Mrs SHELLEY HANCOCK: I am sure, Mr Shoebridge, most people would agree.

Mr DAVID SHOEBRIDGE: Feel free to bring that bill in tomorrow, Minister.

Mrs SHELLEY HANCOCK: You will support me on it?

Mr DAVID SHOEBRIDGE: Yes, 100 per cent.

Mrs SHELLEY HANCOCK: Absolutely. But, of course, again it is a matter for councils and we are having those discussions with councils. There are ways—as I said to you, I have spoken with the Electoral Commission last week—that we can work with local government to explore ways that they can now reduce those costs even further. It may be by reducing pre-poll for a number of polling places. But that is a matter for council to determine how they best do that. I think we could have all predicted, even before the IPART report, that there would be increased costs. Local Government knew that and we knew that. I guess we did not expect quite the increase that was outlined but, nevertheless, we have tried to assist. If we have to try to assist in the future in another four years' time after that, that is a matter for somebody else or another government. It might be you.

The Hon. MARK BUTTIGIEG: Is the point that people want an efficient use of public resources? They want to know that their taxpayer dollars are getting value for money. By the same token, they do not necessarily want the user pays system, which could be subject to conflicts of interest. You can appreciate the concern of the average voter in local government areas where this is going to a private operator and the council is paying for a service which will essentially determine a political outcome and the independent body, the NSW Electoral Commission, is taken out of the picture. Do you appreciate the concern that the average citizen would have?

Mrs SHELLEY HANCOCK: I am not sure that the average citizen would have that concern, given that at the moment—

The Hon. MARK BUTTIGIEG: You have a body that used to conduct it which is independent and answerable to the State government as opposed—

Mrs SHELLEY HANCOCK: Are you talking about the Electoral Commission?

The Hon. MARK BUTTIGIEG: The Electoral Commission.

Mrs SHELLEY HANCOCK: It is completely independent of government, yes.

The Hon. MARK BUTTIGIEG: Correct, but if I pay the Australian Election Company X amount of dollars to do a job, then there may be an implied conflict of interest. Do you see how that would arise?

Mrs SHELLEY HANCOCK: I do not understand what you are saying in terms of a conflict of interest. I did explain to you that at the moment we had only one council that has indicated that they wish to employ the services of a private provider. I indicated to you that I think the experiment with the use of private providers in local government elections has not worked.

The Hon. MARK BUTTIGIEG: Essentially the recommendations of IPART are invalid as far as the Government is concerned?

Mrs SHELLEY HANCOCK: No. Invalid? IPART is separate to government.

The Hon. MARK BUTTIGIEG: I know that.

Mrs SHELLEY HANCOCK: They make their recommendations and they have their reports. It does not mean to say because we do not necessarily accept everything or agree with everything or adopt everything that they are invalid. That is outrageous.

Mr DAVID SHOEBRIDGE: It is invalid, you might say, Minister?

Mrs SHELLEY HANCOCK: No.

Mr DAVID SHOEBRIDGE: Minister, I want to address three things with you. The first is about electoral funding, the second is about Snowy Valleys Council and where you are up to on the audits, and the third is about superannuation for local councillors. Dealing with funding, first of all, you have been exploring that with the Hon. Mark Buttigieg. As I understand it, the Government has accepted the basic principle from IPART that councils are required to pay the direct costs of local council elections. Is that right?

Mrs SHELLEY HANCOCK: Yes.

Mr DAVID SHOEBRIDGE: The Government will pay the core costs?

Mrs SHELLEY HANCOCK: The core costs, so the professional staff, the costs of the Electoral Commission.

Mr DAVID SHOEBRIDGE: The core costs of running the Electoral Commission—

Mrs SHELLEY HANCOCK: Correct.

Mr DAVID SHOEBRIDGE: But direct costs applicable to a council election in a local government area will be met by local councillors.

Mrs SHELLEY HANCOCK: That is my understanding, yes.

Mr DAVID SHOEBRIDGE: I think it was your decision. I think you made the decision to accept that recommendation. Is that right?

Mrs SHELLEY HANCOCK: I am glad you reminded me that it was my decision, thank you.

Mr DAVID SHOEBRIDGE: Yes. Do you have a spreadsheet of what that will mean in terms of additional costs or, hopefully—though I think it is rarely the case—reduced costs for each individual council?

Mrs SHELLEY HANCOCK: We have statistics. I do not know if it is a spreadsheet as such. We have an indicative cost for each council because they have been submitting that to us, especially if they are concerned about the increase in costs—the increased costs perhaps in conflict with what the IPART report suggested they would be. Before you came in I said I asked the Electoral Commissioner to come in last week because a lot of councils now are writing to me saying, "We didn't expect these costs. You said it would go from \$12 per elector to \$8 and it is not going to be \$8, it is going to be \$12 according to the Electoral Commissioner's assessment." Mr Schmidt and three of his advisers came in last week. Mr Schmidt has advised that one of those dedicated officers will be working with all councils between now and the local government elections to explore ways that they can further reduce their costs.

Mr DAVID SHOEBRIDGE: Are you in a position to provide on notice what those indicative costs will be for each local government area, as best as they have been provided to you?

Mrs SHELLEY HANCOCK: Their estimates?

Mr DAVID SHOEBRIDGE: Yes, whether it is the council's estimates or estimates you have had checked by the Electoral Commission.

Mrs SHELLEY HANCOCK: Really they are estimates that have been received by local government and so we do not necessarily have those at hand, do we, Mr Hurst?

Mr HURST: I think they would be commercial-in-confidence because there are private providers in the market.

Mr DAVID SHOEBRIDGE: Can you indicate the additional costs by council area? It would be useful to find out what the indicated additional costs are by council area so that we can get, if you like, a statewide view of what the impact will be on the local government sector. My office has had many concerning inquiries from across the sector. I think there should be a statewide—

Mrs SHELLEY HANCOCK: Yes, we can do some statewide figures for you.

Mr HURST: I cannot see commercial-in-confidence consideration applying to statewide figures.

Mrs SHELLEY HANCOCK: There are wildly different figures—

Mr DAVID SHOEBRIDGE: Perhaps you might give some indication about what that spread is as well.

Mrs SHELLEY HANCOCK: I am sure we can provide that to you, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: I take you back to the very concept of a user pays model for the direct costs, which is really what IPART is proposing and which has largely been accepted. Is that right?

Mrs SHELLEY HANCOCK: Correct.

Mr DAVID SHOEBRIDGE: Per elector the user pays model is going to seriously disadvantage smaller regional councils because the sheer costs of running a geographically widely spread council area with small pockets of population will inevitably be more expensive per elector than running an election, say, in the City of Sydney where everybody is concentrated in a few square kilometres. Do you accept that?

Mrs SHELLEY HANCOCK: Not necessarily because of the voter base in the City of Sydney. If you want to send out a brochure it is going to be very expensive, extremely expensive.

Mr DAVID SHOEBRIDGE: But per elector significantly cheaper, on an order of magnitude cheaper, to do it in the City of Sydney than it would be in somewhere like the Darling shire or Brewarrina?

Mrs SHELLEY HANCOCK: Per elector, yes. I do not know whether you were here when I talked about it but one of the things I really want to explore after the next local government election—I do not think we have time to do it now—is universal postal voting for that very reason.

Mr DAVID SHOEBRIDGE: Could I suggest it is actually urgent to do it now before those regional councils are faced with potentially crippling costs for running the September 2020 local government election. Because on any view of it, no matter how you dice the figures it is going to be a very substantial additional burden on rural and regional councils as a result of this policy change.

Mrs SHELLEY HANCOCK: I accept and understand what you are saying to me. I have the same kind of views as you do on this but I am advised that there is not enough time to implement that before the next local government elections. I will undertake to have further discussions after this meeting about that. Obviously everybody is indicating some urgency around this and I think most people certainly are supportive of universal postal voting.

Mr DAVID SHOEBRIDGE: We can park that rather than derail this conversation about universal postal voting because there is more than one view on that.

Mrs SHELLEY HANCOCK: We will park it.

Mr DAVID SHOEBRIDGE: Good. I think particularly at this moment in rural and regional New South Wales councils are struggling with appalling drought conditions, with so many demands upon their money, and for the State Government to say to them they now need to find an extra \$300,000 to run the election does not float, to be honest. I do not think that is right. I think the State Government, through you, has an obligation to ensure that does not happen.

Mrs SHELLEY HANCOCK: I agree. And that is why we called in the Electoral Commissioner last week to discuss those very issues.

Mr DAVID SHOEBRIDGE: Yes, and it is not just about finding efficiencies. It is going to have to be, unless there are going to be those crippling rises, about the State Government putting its hand in its pocket and providing additional funding for rural and regional councils. Otherwise they are going to be in the red hundreds of thousands of dollars and collectively millions of dollars at just the wrong time.

Mrs SHELLEY HANCOCK: It certainly is the wrong time to ask anybody for an increase. But as I say, we have agreed to accept the core costs and that is of assistance. Most councils are very grateful for that.

Mr DAVID SHOEBRIDGE: It is one small part of it.

Mrs SHELLEY HANCOCK: I accept absolutely what you are saying.

Mr DAVID SHOEBRIDGE: I refer to Snowy Valleys Council. At the last budget meeting we had an exchange about where you were up to in terms of reviewing the audited accounts. We had a discussion about the suggestion that there are millions of dollars missing for one reason or another. I know that since then Snowy Valleys Council has undertaken further auditing, as I understand it, in combination with the Office of Local Government. Will you provide an update on that?

Mrs SHELLEY HANCOCK: Where are we up to with that, just in the last few days? It is very recent.

Mr DAVID SHOEBRIDGE: Yes.

Mr HURST: Those reports and material were provided by Snowy Valleys Council. There are a number of different reports looking at different aspects of the financial performance and the previous financial situation of the council. We looked through all of that material provided. We reviewed the reports. I have provided responses to the local community groups that raised it with the Office of Local Government, as well as responses to the council and also to the local member. Those responses confirm that we have been through those reports and that we can find no fault with the recommendations in each of those reports. What we have asked the council to do is to continue to update us on a six-monthly basis about their implementation of those recommendations.

Mr DAVID SHOEBRIDGE: What were the conclusions drawn about the missing millions in those reports that you reviewed, Mr Hurst?

Mr HURST: I understand that the report that dealt with that question found that there were not missing millions. Certainly, our assessment of the report is that the methodology in finding that was sound.

Mr DAVID SHOEBRIDGE: How did they explain the discrepancy between that report that you have just received and the report that was produced 12 months ago that identified missing millions?

Mr HURST: We were not asked to review the report previously, only the assessment that council had independently undertaken into the question at the request of local community groups. As I say, I am happy to take on notice and provide you with a copy of the response that we provided to the council—

Mrs SHELLEY HANCOCK: Would that be useful to you?

Mr HURST: —on our review of those reports. It was a detailed review.

Mr DAVID SHOEBRIDGE: That would be useful. I think I may have seen some of the correspondence provided to community groups, but if I could see that as well that would be useful. Mr Hurst, could I suggest to you that unless you looked at the two audited reports next to each other—the one that identified potentially missing millions of dollars and the more recent one, which does not—and you do it with the skills of an auditor, you are not really doing the due diligence required?

Mr HURST: My understanding is that neither report was audited. Auditing of councils is a function of the Auditor-General. We are talking about the report we reviewed. It is a report that I am satisfied was conducted independently of the council and with terms of reference that looked at these questions at the request of the local community.

Mr DAVID SHOEBRIDGE: Was it done by a qualified auditor?

Mr HURST: I cannot say whether the firm was qualified in private practice to audit, but they certainly were competent to look at the questions that council put to them.

Mr DAVID SHOEBRIDGE: That seems an assertion rather than an informed statement, Mr Hurst. On what basis do you make that assertion?

Mr HURST: On the basis that the Office of Local Government reviewed that report, including the terms of reference, and this was the conclusion that it provided back to the council.

Mr DAVID SHOEBRIDGE: But my question was about the qualification of the people who undertook the report. Surely if you are going to deal with a question as serious as potentially \$3 million to \$4 million missing from a relatively small regional council it would be essential that the person undertaking the review be an acknowledged and accredited auditor? I would have thought that would be a basic minimum.

Mr HURST: I am suggesting that being a person who is qualified to provide financial analysis and an assessment of these details does not necessarily require that person to hold qualifications to be an auditor.

Mr DAVID SHOEBRIDGE: We may have to agree to disagree. Perhaps when you provide us with details of the qualifications I will be persuaded.

Mr HURST: I was about to say it may be a moot point anyway if they already are.

Mr DAVID SHOEBRIDGE: Could I ask you again about why the Office of Local Government did not have an independent person review the two reports, given there is such a significant discrepancy between the two? One says there is \$3 million to \$4 million missing and then another one 12 months later says it is all fine, there is nothing missing. Why have you not undertaken a properly qualified review of those two reports, given the discrepancy?

Mr HURST: As I understand it, you are asking the Office of Local Government to commission a third independent report to assess two other independent reports into the council —

Mr DAVID SHOEBRIDGE: No, Mr Hurst, I am suggesting that you would have somebody competent in the Office of Local Government to review audited reports, given that it is part of your job to review the financial reporting of local councils. I am suggesting someone competent inside your department would review two reports which are so at odds with each other.

Mr HURST: I can confirm I have full confidence in the skills and expertise of my staff.

Mr DAVID SHOEBRIDGE: Terrific, so get them to look at the two reports and we will all be ad idem.

Mr HURST: I have agreed to provide to you the details of our assessment of the reports that were provided to us. There were four reports in total. As I say, we provided it back to the council and to the community groups who referred them to us.

Mr DAVID SHOEBRIDGE: Perhaps we can do this in stages. If you provide that material, we can then review to see the adequacy of the assessment by the Office of Local Government and we can come back to this—although it would be nice to put a line under it, particularly for the community around Tumbaramba. I think

we are probably all on the same page for that, trying to finalise this once and for all. Do you agree that is a goal, Mr Hurst?

Mr HURST: That was the purpose of our letter back to the groups that raised this. They asked for our assessment and we provided it.

Mrs SHELLEY HANCOCK: When did we send the letters?

Mr HURST: It was last week.

Mrs SHELLEY HANCOCK: Last week we sent letters to that effect to the community groups.

Mr DAVID SHOEBRIDGE: I am sure you sent the letters hoping that would be the end of it, but I am just suggesting that—

Mrs SHELLEY HANCOCK: Knowing you were around, Mr Shoebridge, we knew it would never be the end of it.

Mr DAVID SHOEBRIDGE: No, quite seriously I would like it—

Mrs SHELLEY HANCOCK: I say that facetiously.

Mr DAVID SHOEBRIDGE: I would like it to end and the community want—

Mrs SHELLEY HANCOCK: We would all like it to end.

Mr DAVID SHOEBRIDGE: Really, if you talk to the mayor and then talk to the disgruntled residents.

Mrs SHELLEY HANCOCK: Yes, and the former councillors.

Mr DAVID SHOEBRIDGE: I do not mean that in a pejorative sense. They are residents who have genuine and real concerns.

Mrs SHELLEY HANCOCK: Correct.

Mr DAVID SHOEBRIDGE: You talk to them and it is in everybody's interest for there to be an independent third party to finally decide this. It is just so frustrating that we have not got there yet. To be honest, Mr Hurst, I am communicating to you my frustration—

Mr HURST: Is the Office of Local Government an independent third party?

Mr DAVID SHOEBRIDGE: No, let me finish. I am communicating to you my frustration that it is in the interests of both the mayor, the current administration and those residents who have concerns for the Office of Local Government to step up and be genuinely independent.

Mrs SHELLEY HANCOCK: They are, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: But to do a genuinely independent review, because again we have—

Mrs SHELLEY HANCOCK: They are independent.

Mr DAVID SHOEBRIDGE: I accept that they are independent, but they have just looked at another report provided by the council. Even though you may believe that it is entirely independent, it is has been engaged by the council under terms of reference drafted by the council and the council has trust issues with those residents. I fear we have not finished here. Anyhow, we will probably come back to it. I turn to the subject of superannuation. Minister, you were there at the local government conference. You know that there is particularly a problem getting women councillors elected. You know one of the key reasons is because there are such derisory sums paid to councillors in the absence of superannuation. Given all the financial inequality that women face already, asking women to put their hand up to become a councillor and have four to eight years with no superannuation is one of the many reasons we are not getting women putting their hand up.

Mrs SHELLEY HANCOCK: I think recent surveys indicated that that was a reason, but that there were several other reasons why women—

Mr DAVID SHOEBRIDGE: There are cultural reasons and other reasons, 100 per cent.

Mrs SHELLEY HANCOCK: Child care and all sorts of things. We have got something like 30 per cent, 29 per cent of current councillors who are women. That is about 20 per cent too few. For them, and for the men involved as well, superannuation is an issue. It has been an issue for a long time with Local Government NSW. You and I have discussed this and I gather that you will proceed or are proceeding with a

motion. It is an issue that intuitively I support. I absolutely support it. But as I discussed with you, do we move towards changing legislation to actually classify local government councillors as employees? I think we agreed—

Mr DAVID SHOEBRIDGE: I think we agreed that would be a bad step.

Mrs SHELLEY HANCOCK: I think we agreed that that would be a bad step. However, that would be a way forward because under the Act—

Mr DAVID SHOEBRIDGE: That would automatically produce a superannuation guarantee requirement.

Mrs SHELLEY HANCOCK: Absolutely, automatically.

Mr DAVID SHOEBRIDGE: But it creates a whole lot of other problems, which I do not think we want.

Mrs SHELLEY HANCOCK: A whole lot of other problems. But then we have the problem with the 2.5 per cent wage cap and working our way through that. At the end of the day I say to you—and I say it to my staff often—there are complexities around any decision, if we really want to make them complex. I want to find some simple ways that we can bring this into effect. I desire at the end of the day not to, because of the wages cap, put a 9.5 per cent increase for their superannuation and then have to reduce their allowance because of the 2.5 per cent wages cap. There are ways that—

Mr DAVID SHOEBRIDGE: Is it your advice that the councillors' stipend is covered by the 2.5 per cent wage cap?

Mrs SHELLEY HANCOCK: No.

Mr DAVID SHOEBRIDGE: Because I have never—

Mrs SHELLEY HANCOCK: It is covered. It is in the legislation.

Mr DAVID SHOEBRIDGE: Is it in the—

Mr HURST: Local Government Act.

Mr DAVID SHOEBRIDGE: It is in the Local Government Act?

Mrs SHELLEY HANCOCK: Yes, it is. So that is a bit of an issue.

Mr DAVID SHOEBRIDGE: If you are putting in legislation to provide for councillors' superannuation, you can provide relief from that in the one year that will be necessary when you have the increase in superannuation.

Mrs SHELLEY HANCOCK: As I say, there are complexities around any decision but it is my intuition that this is the right thing to do, this is what we should be aiming to do, and this is what I will be working on with you and my office and my department to do.

Mr DAVID SHOEBRIDGE: And, of course, with the 120-odd councils across New South Wales who, I am certain, given the nature of the beast, will have a diversity of voices as well on all of this.

Mrs SHELLEY HANCOCK: For the 70 per cent of men who will—

Mr DAVID SHOEBRIDGE: Yes.

Mrs SHELLEY HANCOCK: —be advantaged by this, and not the 30 per cent of women, for many other reasons. That is why at the end of the year I am bringing together a group of stakeholders to examine why it is that women are not putting themselves forward for local government, the rewarding occupation that it is.

Mr DAVID SHOEBRIDGE: Have you thought about giving a financial bonus to any council that elects a majority of women councillors in September 2020?

Mrs SHELLEY HANCOCK: I like that idea, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: I reckon there is merit in that.

The Hon. CATHERINE CUSACK: I thought the voters elected the councillors.

Mrs SHELLEY HANCOCK: I love that idea. Give me your voters.

Mr DAVID SHOEBRIDGE: I think we could encourage councils to have a majority of women.

The Hon. MARK BUTTIGIEG: You could just apply affirmative action and be done with it.

The Hon. PETER PRIMROSE: Minister, in our original session we briefly covered concerns relating to the Impounding Act.

Mrs SHELLEY HANCOCK: Yes.

The Hon. PETER PRIMROSE: One of the issues that keeps arising in many, but not all, council areas is the problem of abandoned shopping trolleys. You would be aware that most recently Liverpool—

Mrs SHELLEY HANCOCK: Liverpool, yes.

The Hon. PETER PRIMROSE: —and prior to that councils such as Burwood and Strathfield. It is a genuine issue. I have spoken to the rangers and others, as I am sure you have. Could you talk about if you have any plans to seek to address the issue of abandoned shopping trolleys where it has been identified as a genuine problem by the local councils?

Mrs SHELLEY HANCOCK: Again it is a matter for individual councils, depending on the extent of the problem. I know that in Shoalhaven it was really problematic in Nowra before it was decided by the supermarkets to introduce the dollar coin. People mostly take their trolleys back, but before that it was a problem just like Liverpool is experiencing. It is a matter of dealing with the owners of the trolleys and working with them on methods like that. Sometimes communities do not agree with the dollar coin. Aldi have had it for a long time. Coles has it now and Woolworths has it now. These are ways that you can reduce the littering caused by abandoned shopping trolleys, which are a nightmare. Again it is up to individual councils. We are going to be reviewing the Impounding Act in the new year. Because it has been raised with my office on many occasions and of course continuing problems at Liverpool, we will be covering shopping trolleys in the review of the Impounding Act.

The Hon. PETER PRIMROSE: Good. Thank you very much. I turn now to talk briefly about Central Darling Shire Council. You would be as aware as I am that in 2014 the council went into administration for financial reasons. You have recently announced that that administration will continue until at least 2024. Can you describe and outline your plans to eventually cease the need for there to be an administrator? I am simply suggesting that if it has been in administration by the end of the next council period for 10 years, presumably someone somewhere would have given some thought to what is the next step in relation to dealing with the future of this council rather than it staying in limbo forever more?

Mrs SHELLEY HANCOCK: It is a very good question. The decision to extend the administration of Central Darling was a difficult one because you are not returning democracy, and rightly so. People are saying, other councils in particular and other members, "You are not returning democracy to the council". But you talk about the next step and how we might look at the next step in 2024. We are taking steps all along the way to assist Central Darling. They have some fiscal challenges, there is no doubt about that, where we believe that it would be difficult for them to even cost their local government elections were they to be returned next year.

We can actually assist them with their financial obligations, with their finances generally, to be more robust, if possible, and they have a fairly low rate base, as you could imagine. We work with them every day. It is not a next step beyond 2020. We are working with them all the time. In particular our Office of Local Government outreach officers work very hard with councils in relation to matters financial but all other matters as well. I do not have a plan for 2024. All I base my decision on is the inability at this stage for them to run their own local government elections cost-wise in 2020.

The Hon. PETER PRIMROSE: May I ask then, rather than look at post-2024, and maybe through you, Mr Hurst, what is the next step that you are proposing?

Mr HURST: The Minister's announcement about extending the administration also talked about working with the council and the people of Central Darling to look at what a longer term, sustainable model for the local government area might be. The Central Darling local government area is the largest LGA in the State by area, with I think the second-smallest population. The population is very dispersed over that area. They have high fixed costs in maintaining their road network and water infrastructure which is really at the extreme end of the spectrum for local government in New South Wales, just by those unique features of the local government area. What we need to do is to use the time that is available to work with the administrator, the staff at Central Darling and also the people at Central Darling to look at what the model of local government should be for that area moving forward and what mix of assistance can be provided, including potentially financial assistance to assist that council to be in that long-term, viable position.

The Hon. PETER PRIMROSE: I understand that about 30 per cent of ratepayers in that shire have in fact defaulted on their rate repayments. Do you know if that is correct?

Mr HURST: I do not know the exact number. I understand it is around that level and that the council has previously raised with the Office of Local Government the impracticality of using the Local Government Act powers to sell the property when the property essentially cannot be sold to recover the amount of outstanding rates. I did mention there are quite unique features around—

The Hon. PETER PRIMROSE: Yes, I understand that.

Mr HURST: —the property values out there. This is another factor that compounds that. Central Darling shire, I understand that only 30 per cent of its revenue actually comes from the rates raised from its own residents. This is a terribly low percentage, compared to Hunters Hill where it is 99.5 per cent. You can see that it is a very different environment and the Local Government Act has to cover all these councils.

The Hon. PETER PRIMROSE: Do you have any plans or proposals about what you are proposing to do in relation to the issue of rate payment default?

Mr HURST: I would encourage the council to recover the rates using the methods that are available under the Local Government Act, as they are. But clearly selling land that has little or no value is not going to be an option for them, particularly when there are not necessarily going to be buyers for that land.

The Hon. PETER PRIMROSE: Minister, are you proposing to visit Central Darling shire in the near future?

Mrs SHELLEY HANCOCK: I hope so.

The Hon. PETER PRIMROSE: Any idea when?

Mrs SHELLEY HANCOCK: No, not at this stage.

The Hon. MARK BUTTIGIEG: Minister, I want to ask about Singleton Council and that LGA. In terms of the Resources for Regions grants program, are you aware of why that program was introduced?

Mrs SHELLEY HANCOCK: Am I aware?

The Hon. MARK BUTTIGIEG: Yes.

Mrs SHELLEY HANCOCK: Yes. That probably would be a question best directed to the Deputy Premier this morning. I do not know.

The Hon. MARK BUTTIGIEG: The question was fairly simple and straightforward: Are you aware of why it was introduced? If you do not know, that is fine.

Mrs SHELLEY HANCOCK: I was not in Cabinet at the time when those decisions were made. I think the Deputy Premier was here this morning. He would have been best placed to answer that.

The Hon. MARK BUTTIGIEG: I was not here this morning either.

Mrs SHELLEY HANCOCK: Sorry. Maybe put that question on notice to him.

The Hon. MARK BUTTIGIEG: I understand it was designed to support mining-related communities through improvements.

Mrs SHELLEY HANCOCK: Generally speaking, of course, that is obvious.

The Hon. MARK BUTTIGIEG: Local infrastructure. There is a quotient known as the geographical location quotient. Are you aware of what that is and how it relates to those grants?

Mrs SHELLEY HANCOCK: No. These are not matters under my jurisdiction at all.

The Hon. MARK BUTTIGIEG: But as Minister for Local Government—and via that channel they can make representations for funding—you surely would be aware of those avenues for the communities that you represent as Minister.

Mrs SHELLEY HANCOCK: I am aware that local government areas are capable of applying for that funding. I would be, I guess, aware of it. I am generally aware of people who can apply for funding under my department rather than somebody else's. So I am not across all of the details in relation to those funding applications to the relevant Minister or the Deputy Premier, no.

The Hon. MARK BUTTIGIEG: So that local quotient I just quoted is a measure of the level of concentration of a certain industry in a particular area.

Mrs SHELLEY HANCOCK: Yes.

The Hon. MARK BUTTIGIEG: Singleton is very rich in mining, as you can appreciate.

Mrs SHELLEY HANCOCK: Okay, yes.

The Hon. MARK BUTTIGIEG: That would indicate that it has a disproportionate drain on its resource and therefore it should qualify for some sort of funding. For example, my understanding is that, in terms of royalties, for the mines in that area levied by the State Government are in the order of \$340 million. Are you aware of whether or not that regional grant program has been activated in terms of pulling back some of that money—that drain on the community? Obviously the mines are benefiting from this. There is money to the State Government. How is it coming back?

The Hon. BEN FRANKLIN: Point of order: I am sympathetic to the member's line of questioning, but the Minister has made it clear on a couple of occasions already that this is not an area of portfolio that is relevant to her. I think perhaps it would be more appropriate for the member to come back to questions that are relevant to the Minister's portfolio, because otherwise this is an entire farce.

The CHAIR: Thank you. I uphold the point of order and ask the member to ensure that questions are relevant to the Minister's portfolio.

The Hon. MARK BUTTIGIEG: Sure. As the Minister you do not have a view on whether or not Singleton LGA should be availing itself of funds from State Government to compensate for some of that drain on the community?

Mrs SHELLEY HANCOCK: I can say to you that the program has been recently reviewed. I think there is a new program due to be launched early next year. That is all I can say to the comments. There is nothing further I can say relating to your question. I think the point of order was upheld in relation to the topic of your questions.

The Hon. MARK BUTTIGIEG: No, let me be—

Mrs SHELLEY HANCOCK: You can press on if you want.

The Hon. MARK BUTTIGIEG: —directly relevant, since people are not happy with the degree of relevance. Are you aware of the last time Singleton Shire Council was successful in a Resources for Regions application?

Mrs SHELLEY HANCOCK: You should direct those questions to the Deputy Premier on notice. I have just indicated to you that—

The Hon. MARK BUTTIGIEG: No. You are the Minister for Local Government and you cannot tell me whether or not Singleton Shire Council has been successful in a Resources for Regions application. Is that correct?

Mrs SHELLEY HANCOCK: You can get those answers readily from the Deputy Premier, not so readily from me.

The Hon. MARK BUTTIGIEG: I am asking you, Minister, because you are the Minister for Local Government.

Mrs SHELLEY HANCOCK: Without any kind of responsibility for the Resources for Regions program. I have told you it is being reviewed. A new one will be launched in 2020. I cannot add anything further to your questions.

The Hon. MARK BUTTIGIEG: There has been no dialogue between Singleton LGA and your office—

Mrs SHELLEY HANCOCK: Regarding this?

The Hon. MARK BUTTIGIEG: —availing themselves of these grants?

Mrs SHELLEY HANCOCK: Relating to that, not that I am aware.

The Hon. MARK BUTTIGIEG: No?

Mrs SHELLEY HANCOCK: No. Local councils talk to me about a range of matters, the Mr Buttigieg. That is not one of them. It is generally about the matters that were raised at the beginning, by you, in fact—the cost of local government elections and the like.

The Hon. PETER PRIMROSE: Minister, when you receive financial reports from councils do they include grants that have been received?

Mrs SHELLEY HANCOCK: Financial statements.

The Hon. PETER PRIMROSE: We have just finished talking about Central Darling Shire Council, for example, as a council. When you are looking at the overall finances of Central Darling Shire Council you will be considering, through the council's finances, grants that it would be eligible to receive but maybe has not, through a whole range of different agencies, but they would all go through the council's financial payments and would be reflected in their statements.

Mrs SHELLEY HANCOCK: That is right. Mr Hurst?

Mr HURST: The Office of Local Government monitors the financial performance of all councils.

The Hon. PETER PRIMROSE: So, without disputing the Chair's views, if the council's financial viability, which in fact is an issue in relation to its very existence, is reflected in its financial statements as reviewed by the Office of Local Government, presumably grants that it may receive would come very well within your purview because they are going to the financial viability of the council?

Mr HURST: So your question is: Does the Office of Local Government believe that Singleton Shire Council's financial viability is seriously threatened? The answer is no.

The Hon. MARK BUTTIGIEG: No, I think my colleague's question was quite specific. If you are aware, as the Office of Local Government and the Minister, that Singleton is in dire straits, and you are aware of that by virtue of the purview of their books, there is no dialogue between your office and them about the ability for them to avail themselves of these resource grants?

Mr HURST: I am sorry, that is your assessment of the financial viability of Singleton Shire Council. It is not the Office of Local Government's assessment.

The Hon. PETER PRIMROSE: Since you are unable to answer those questions, I ask you this question: Have you received the financials for Hilltops Council for 2018-19?

Mr HURST: Yes, I can confirm they have been received.

The Hon. PETER PRIMROSE: When did you receive those?

Mr HURST: They came in this month.

The Hon. PETER PRIMROSE: How close did Hilltops Council come to following the same path as Central Darling Shire?

Mr HURST: The path that Central Darling Shire followed is that there were a series of interventions spanning more than 15 years, with a public inquiry that was held. The public inquiry recommended the dismissal of the councillors—the councillors being suspended during that period of time and the administrator being appointed. Hilltops Council was late in lodging its financial statements with the Office of Local Government. None of the other interventions that we talked about for Central Darling were applied to Hilltops Council.

The Hon. PETER PRIMROSE: You issued the council with an intention to issue a performance improvement notice. Wasn't that the case?

Mr HURST: The Minister provided a notice of intention but, as I said, the council has now lodged a financial statement.

Mrs SHELLEY HANCOCK: Sometimes taking that action, Mr Primrose, expedites a response from the council. In this case it did. It was not a performance improvement order [PIO], it was an intention to do so.

The Hon. PETER PRIMROSE: I understand that.

Mrs SHELLEY HANCOCK: That achieved the result that we wanted.

The Hon. PETER PRIMROSE: I fully understand that. That is why I said "the intention to issue an improvement notice". What are the reasons that the council was late again?

Mr HURST: The council provided material in their response to the notice of intention about the reasons they were late. I can provide those to you on notice.

The Hon. PETER PRIMROSE: You cannot give us a brief summary?

Mr HURST: I would not like to summarise their formal response to the PIO. I do not have it in response to me.

The Hon. PETER PRIMROSE: What support do you or the Office of Local Government provide Hilltops Council regarding its information technology [IT] issues?

Mr HURST: The Office of Local Government provides a wide range of practical assistance to councils in implementing their obligations under the Local Government Act. We have a program of council visits that go out to councils through the council engagement team and assist them with their operations. We have no specific expertise in the procurement or implementation of IT systems. It is a matter for councils to select, procure and implement them.

The Hon. PETER PRIMROSE: Are you aware of any issues that Hilltops Council has in relation to its IT systems?

Mr HURST: Once again, I do not have in front of me the specific details that Hilltops Council has provided. They may have raised that as one of the reasons that they were having problems.

The Hon. PETER PRIMROSE: It is on the public record that there has been concern expressed about problems with integrating three systems into one new entity and the complications in relation to trying to unscramble that egg. Are you aware of those concerns.

Mr HURST: Unscrambling the egg being to move from one system back to three?

The Hon. PETER PRIMROSE: Yes.

Mr HURST: I do not know. Is that what they are trying to do? I am not aware of that.

The Hon. PETER PRIMROSE: What about making three systems go into one?

Mr HURST: That is a system integration question. There are firms with the expertise to do that, and I would presume that Hilltops Council has the necessary support to implement the merger of their IT systems if that is the problem they are facing.

The Hon. PETER PRIMROSE: Good assumptions.

The CHAIR: Thank you very much. This session has concluded. Thank you, Minister, for attending this hearing. The Committee secretariat will be in touch in the near future regarding any questions on notice and supplementary questions, answers to which will be due in 21 days.

(The witnesses withdrew.)

The Committee proceeded to deliberate.