

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Thursday 4 November 2021

Examination of proposed expenditure for the portfolio area

PREMIER

CORRECTED

The Committee met at 9:30.

MEMBERS

The Hon. Tara Moriarty (Chair)

The Hon. Robert Borsak (Deputy Chair)

Ms Abigail Boyd

The Hon. Mark Buttigieg

Mr Justin Field

The Hon. Ben Franklin

The Hon. John Graham

The Hon. Taylor Martin

The Hon. Daniel Mookhey

The Hon. Peter Poulos

The Hon. Penny Sharpe

Mr David Shoebridge

PRESENT

The Hon. Dominic Perrottet, *Premier*

*Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

The CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2021-2022. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginals present. I welcome Premier Perrottet and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Premier.

Before we commence I would like to make some brief comments about the procedures for today's hearing. Today's proceedings are being broadcast live from Parliament's website and a transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. Premier, 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.

In terms of the audibility of the hearing today, we have witnesses in person and via videoconference. I ask Committee members to clearly identify who questions are directed to and I ask everyone appearing remotely to state their name when they begin speaking. Could everyone please mute their microphones when they are not speaking. Finally, I remind everyone to switch their mobile phones to silent for the duration of the hearing. All witnesses will be sworn prior to giving evidence. Premier, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a Member of Parliament. I also remind the following witnesses that they do not need to be sworn as they have already been sworn at an earlier budget estimates hearing before this Committee: Mr Coutts-Trotter, Ms Foy, Ms Brown and Mr Draper.

MICHAEL COUTTS-TROTTER, Secretary, Department of Premier and Cabinet, on former oath

JOHN SCHMIDT, NSW Electoral Commissioner, NSW Electoral Commission, affirmed and examined

SIMON DRAPER, Chief Executive Officer, Infrastructure NSW, before the Committee via videoconference, on former affirmation

AMY BROWN, Chief Executive Officer, Investment NSW, before the Committee via videoconference, on former oath

SHANE FITZSIMMONS, AFSM, Commissioner, Resilience NSW, before the Committee via videoconference, sworn and examined

ELIZABETH MILDWATER, Chief Executive Officer, Greater Sydney Commission, before the Committee via videoconference, affirmed and examined

KATE BOYD, Deputy Secretary, General Counsel, Department of Premier and Cabinet, before the Committee via videoconference, affirmed and examined

KATE FOY, Deputy Secretary, Community Engagement, Department of Premier and Cabinet, before the Committee via videoconference, on former affirmation

The CHAIR: Today's hearing will be conducted from 9.30 a.m. to 12.45 p.m. with the Premier and from 2.00 p.m. to 5.15 p.m. with the departmental witnesses, with questions from the Opposition and crossbench members only. If required, an additional 15 minutes is allocated at the end of each session for Government questions.

Mr COUTTS-TROTTER: Sorry, Chair, I just want to let you know that you may be expecting my colleague Sarah Cruickshank to appear this morning. She agreed voluntarily to attend the Committee, but she is unwell and cannot attend. She has had a really awful month or so and she has taken some time off to recover with my strong endorsement.

The CHAIR: Yes. Thank you, Mr Coutts-Trotter, we have received her apology and I hope she is feeling better.

Mr DAVID SHOEBRIDGE: And we accepted her apology.

Mr COUTTS-TROTTER: Thank you very much.

The CHAIR: There is no provision for opening statements, so we will begin with questions from the Opposition.

The Hon. PENNY SHARPE: Thank you, Premier, and congratulations on holding this very new and important position.

Mr DOMINIC PERROTTET: Thank you, Ms Sharpe. This is certainly going to be a highlight of my appointment today, just being with you.

The Hon. PENNY SHARPE: I hope so. Congratulations too to Mr Coutts-Trotter.

Mr COUTTS-TROTTER: Thank you very much.

The Hon. PENNY SHARPE: Premier, you are now in charge of the oversight of the Ministerial Code of Conduct, are you not?

Mr DOMINIC PERROTTET: Yes.

The Hon. PENNY SHARPE: And that includes the Ministerial Register of Interests?

Mr DOMINIC PERROTTET: Yes.

The Hon. PENNY SHARPE: All of your Ministers are required to provide their pecuniary interest returns as part of that, are they not?

Mr DOMINIC PERROTTET: That is my understanding.

The Hon. PENNY SHARPE: There are currently 21 Ministers. Have all of them updated and provided the latest declaration on the change in your position?

Mr DOMINIC PERROTTET: That is my understanding, yes.

The Hon. PENNY SHARPE: Are you sure that they are all there?

Mr DOMINIC PERROTTET: That is my understanding.

Mr COUTTS-TROTTER: I can confirm that they have been updated and the Premier's rulings have been re-endorsed as well.

The Hon. PENNY SHARPE: Thank you.

Mr DOMINIC PERROTTET: Yes, the former Premier's rulings in relation to specific matters have been re-endorsed.

The Hon. PENNY SHARPE: Terrific. In terms of the declarations that are provided and the way that you manage those—this might be one for Mr Coutts-Trotter—they are just accepted and filed, are they not? There is not an audit done of the pecuniary interests, is there?

Mr COUTTS-TROTTER: I will pass to my colleague Kate Boyd, but the short answer is no. Ministers have a responsibility to make disclosures. I will invite Kate Boyd to tell the Committee about the administrative support that she and her team provide.

The Hon. PENNY SHARPE: I am really just wanting to check. Ministers provide their pecuniary interest declaration that they are required to provide to Parliament and the extra requirements under the code for family and that kind of thing, but essentially what the Ministers give you is what is accepted. Is that right?

Mr DOMINIC PERROTTET: That is my understanding.

Ms BOYD: May I jump in there?

The Hon. PENNY SHARPE: Yes.

Mr COUTTS-TROTTER: Please do.

Ms BOYD: Thanks. Obviously if there are any anomalies or information that is missing from a Minister's return, we would follow up with the ministerial office to make sure that that information is provided.

The Hon. PENNY SHARPE: There is some checking of that then?

Ms BOYD: Yes, of course. We will look at the return and if we see that there is something missing or that there is an incomplete disclosure, we will of course follow up with the Minister to assist them to comply with their obligations.

The Hon. PENNY SHARPE: Premier, you would be concerned if a Minister had not provided all of the information that they are required to?

Mr DOMINIC PERROTTET: If they needed to provide that information, they should have provided that information, and if they have not and that came to light I would raise that with Kate Boyd as the head of Department of Premier and Cabinet [DPC] Legal and make sure that any amendments that needed to be made were made.

The Hon. PENNY SHARPE: You would not be taking action on Ministers that were failing to provide the correct information?

Mr DOMINIC PERROTTET: That would depend on the circumstances.

The Hon. PENNY SHARPE: Premier, you are aware that MPs are required to provide their pecuniary interest disclosures as part of their ministerial declaration?

Mr DOMINIC PERROTTET: Sorry, say that again?

The Hon. PENNY SHARPE: You are aware that MPs are required to provide their pecuniary interest disclosures as part of their ministerial declaration?

Mr DOMINIC PERROTTET: Yes.

The Hon. PENNY SHARPE: This includes that any income greater than \$500 in any reporting period has to be provided?

Mr DOMINIC PERROTTET: Any additional income?

The Hon. PENNY SHARPE: Yes.

Mr DOMINIC PERROTTET: Yes, I think in relation to gifts or the like.

The Hon. PENNY SHARPE: There is a section, "Other income".

Mr DOMINIC PERROTTET: Other income, okay.

The Hon. PENNY SHARPE: So anything over \$500 is separate to that. The Deputy Premier has three current properties that are not his principal place of residence and it appears that he is receiving rent for some or all of those properties. He has never declared this. Are you concerned about that?

Mr DOMINIC PERROTTET: I will obviously take that on notice and check if that were to be true, and if it were to be true and it needed to be declared then I would raise that with the Deputy Premier and raise it with the head of DPC Legal.

The Hon. PENNY SHARPE: That is a breach of the code of conduct for MPs, is it not?

Mr DOMINIC PERROTTET: I will have to seek legal advice on that from DPC and I am taking your question on face value without understanding the circumstances of those matters.

The Hon. PENNY SHARPE: Sure. What I am saying to you is that the Deputy Premier has had a range of different investment properties over a period of time, including ones currently, and he has never declared any other income on his pecuniary interest forms.

Mr DOMINIC PERROTTET: In light of that, I will take that on notice, and I will raise that directly with the Deputy Premier and determine his obligations in relation to the declaration of those properties with DPC Legal.

The Hon. PENNY SHARPE: Thank you, Premier. I want to ask you about the upcoming reshuffle and your desire to have more women in the ministry. You currently have five out of 21, and only two of those are Liberal women. How are you going to increase the number of women in Cabinet in the reshuffle?

Mr DOMINIC PERROTTET: By adding them.

The Hon. PENNY SHARPE: How many are you going to be adding?

Mr DOMINIC PERROTTET: Ms Sharpe, obviously I have not conducted a reshuffle since I became Premier. I have inherited the current Cabinet. I want to ensure that we have the best team in Cabinet representing the people of New South Wales in their capacities. I have said that obviously I would like to see an increase in women in the Cabinet. I believe that not only should our parliaments be diverse, but our cabinets should be diverse as well. I think that provides for better representation. Over the summer break I will be working closely with the Deputy Premier in relation to a reshuffle of the Cabinet.

The Hon. PENNY SHARPE: The Nationals are doing fine, 50 per cent of their Ministers are women. There are currently three ministries vacant and one of those is a National Party person. Are you going to be filling those with one or two women? What is your view of success in relation to this?

Mr DOMINIC PERROTTET: My success is twofold. One, I would like to see more women being preselected and being candidates for the Liberal Party, both in the Legislative Assembly and the Legislative Council, and ultimately I would like to see more women in the New South Wales Cabinet. I certainly have not made any commitments to my ministerial colleagues in relation to—sorry, not just my ministerial colleagues, the Liberal parliamentary party room in relation to the upcoming reshuffle. I will make those decisions in due course over the break.

The Hon. PENNY SHARPE: Women in New South Wales can expect maybe one extra woman in your Cabinet from the Liberal Party after the reshuffle from the sound of that?

Mr DOMINIC PERROTTET: I have not made any commitments. My commitment, Ms Sharpe, is that I want to see greater representation and greater diversity in Cabinet and in the Parliament and I will seek to do that.

The Hon. PENNY SHARPE: We will wait and see then, Premier.

Mr DOMINIC PERROTTET: We will and I will be judged on my actions.

The Hon. PENNY SHARPE: Premier, I want to ask you about climate change. Obviously you have had a bit to say about it in the past and a bit more recently. Just to be clear, Premier, do you question the science of man-made climate change?

Mr DOMINIC PERROTTET: No.

The Hon. PENNY SHARPE: You have previously expressed concern about spending funds on addressing climate change, arguing that it is an ideological issue and in some cases a gratuitous waste. What has made you change your mind or have you changed your mind?

Mr DOMINIC PERROTTET: I am against waste in any area of government spending, Ms Sharpe. As somebody who has been Treasurer for five years and finance Minister for a number of years prior to that, I am very much against waste of any description.

The Hon. PENNY SHARPE: You say you are against pork-barrelling too, Premier—

Mr DOMINIC PERROTTET: That is true.

The Hon. PENNY SHARPE: —but as Treasurer, that has not gone so well, has it?

Mr DOMINIC PERROTTET: Not at all. I think we have got a great track record of investing right across New South Wales. I think the record of this Government is incredibly strong in investing record amounts, whether that is in community infrastructure, schools, hospitals, road and rail.

The Hon. PENNY SHARPE: And in relation to climate change?

Mr DOMINIC PERROTTET: Our record speaks for itself. As Treasurer, we have certainly led the way in relation to our environmental and climate change policies in this State. I think we are leading the nation in relation to those policies. Talk about ideological battles, there is a lot of discussion on both sides in relation to that debate. I think governments should be judged on their actions, not what they say. When it comes to climate change policy, going all the way back to the ETS debates under former Prime Minister John Howard all the way through, there has been a lot of talk, a lot of ideological debate and very little action.

The Hon. PENNY SHARPE: Sure.

Mr DOMINIC PERROTTET: If you look at the record of this Government, when it comes to the investments in renewable energy zones, when it comes to the electric vehicles policy that we brought to the budget this year, our investments in a whole range of areas across the environment portfolio—

The Hon. PENNY SHARPE: Thank you, we did actually go through all that investment with the Minister for Energy—

Mr DOMINIC PERROTTET: I bet you did.

The Hon. PENNY SHARPE: —so I appreciate that. Thank you, Premier.

The Hon. BEN FRANKLIN: There is a lot to go through.

The Hon. PENNY SHARPE: He had a lot to say.

Mr DOMINIC PERROTTET: He would have.

The Hon. PENNY SHARPE: He always does. Premier, have you read your Government's roadmap to net zero emissions by 2050?

Mr DOMINIC PERROTTET: I have read a summary of it.

The Hon. PENNY SHARPE: Are you aware that within that document it basically shows that New South Wales will not get to net zero by 2050?

Mr DOMINIC PERROTTET: There are a lot of events that have surpassed that Ms Sharpe. The comments that I have made previously are based on the track record of this Government and its policies. We are on track for our announcement that we made a few months ago in respect of halving our emissions from 2005 levels to 2030.

The Hon. PENNY SHARPE: Correct.

Mr DOMINIC PERROTTET: Then subsequently to that, we have seen more recently at the Federal Government level a commitment from their government.

The Hon. PENNY SHARPE: I am not talking about the Feds though; I am talking about this Government.

Mr DOMINIC PERROTTET: But we are part of the Commonwealth.

The Hon. PENNY SHARPE: Sure. But you are aware that in your own roadmap it basically shows that, yes, you will get to 50 per cent by 2030—

Mr DOMINIC PERROTTET: Yes.

The Hon. PENNY SHARPE: —but without other action, you are not going to get anywhere near net zero by 2050. Do you accept that that is in your own roadmap?

Mr DOMINIC PERROTTET: Yes, and I accept that we will be working with the Commonwealth Government in relation to those policies moving forward.

The Hon. PENNY SHARPE: You have in recent weeks basically said that you believe we can get to net zero without doing anything additional. Do you still agree with that or has the Treasurer and energy Minister set you straight on that?

Mr DOMINIC PERROTTET: No, my comments were related to the fact that our most recent policy, which we announced a few months ago, was that we would halve emissions by 2030.

The Hon. PENNY SHARPE: No, just to be clear Premier, you have been actually very explicit about this. You said that we will get to net zero without doing anything.

Mr DOMINIC PERROTTET: No, my—

The Hon. PENNY SHARPE: Anything additional.

Mr DOMINIC PERROTTET: What I was saying was that the announcement we made a few months ago in relation to halving our emissions by 2030, we were on track to do so without making any policy changes. In relation to the 2050 target, we will obviously work with the Commonwealth Government in relation to any policy changes. It has obviously come out very clearly and said that that is what it is committed to. Like any Premier of any State, we will work with them on that.

The Hon. PENNY SHARPE: Do you accept that there is going to have to be more done outside of what the Federal Government may or may not do, which is relying heavily on technology only, to get New South Wales to net zero or is net zero considered to be an aspirational target?

Mr DOMINIC PERROTTET: An aspirational target, no—

The Hon. PENNY SHARPE: Or is it really you are actually committing to net zero by 2050?

Mr DOMINIC PERROTTET: I think the entire country is and we will work very closely with our Federal counterparts.

The Hon. PENNY SHARPE: But your own plan does not get you there, so what action is New South Wales going to take to get us there post-2030?

Mr DOMINIC PERROTTET: I think the announcement more recently by the Federal Government will result in—there is some detail in its document, but clearly there is work—

The Hon. PENNY SHARPE: I am talking about your document, Premier.

Mr DOMINIC PERROTTET: Yes, but that is the Commonwealth Government. It cannot get to that target without working with the States. My understanding is that we would be working collaboratively—

The Hon. PENNY SHARPE: Have you spoken to the Federal Government about getting to net zero?

Mr DOMINIC PERROTTET: I have spoken to the Federal Treasurer, Josh Frydenberg, not just as Premier but as Treasurer, in relation to the targets and how the States need to be working collaboratively with the Federal Government to achieve that result. Ultimately it has to occur in a way that drives economic growth and jobs growth and that it ensures affordable, reliable energy right across the State. These are substantial challenges facing not just New South Wales but the country. But we cannot do that alone. We will work very closely with them.

The Hon. PENNY SHARPE: Sure. But you do accept that you are going to have to take more action in New South Wales to get to net zero, otherwise we are not getting there?

Mr DOMINIC PERROTTET: Action in terms of policy development would be a matter of working through those issues with the Federal Government because—

The Hon. PENNY SHARPE: Premier, up until a week ago you were saying we could get to net zero by 2050 by doing business as usual. That is not the case.

Mr DOMINIC PERROTTET: Ms Sharpe, what I was referring to was the 2030 target.

The Hon. PENNY SHARPE: It was not.

Mr DOMINIC PERROTTET: That is what I believe I was referring to Ms Sharpe.

The Hon. PENNY SHARPE: I think that you were wrong and I think you will find that the Treasurer and energy Minister had to correct that for you.

Mr DOMINIC PERROTTET: Well, he is the expert.

The Hon. PENNY SHARPE: Premier, you have previously told budget estimates and others that you believe that nuclear power should be considered as energy for New South Wales.

The Hon. TAYLOR MARTIN: Hear, hear!

The Hon. PENNY SHARPE: Pauline Hanson's One Nation Party has a bill before the Parliament that will repeal the Uranium Mining and Nuclear Facilities (Prohibitions) Act that opens the door for exploration and mining, and the development of nuclear facilities in New South Wales. Is your Government going to be supporting that bill?

Mr DOMINIC PERROTTET: No, we are not.

The Hon. PENNY SHARPE: You are aware that your Deputy Premier and the Leader of the House in the upper House has told the Parliament and budget estimates hearings that you will be looking at that bill again with fresh eyes and reconsidering it. Are you telling us today that you are not going to do that?

Mr DOMINIC PERROTTET: We look at everything with fresh eyes, Ms Sharpe, and in relation to the substantive nature of the bill in the upper House, we will not be supporting it. But I am very open to looking at energy policy and not ruling anything out, if there are safeguards in place. I know that the Deputy Premier has raised these issues. The environment Minister—

The Hon. PENNY SHARPE: He has a bill coming apparently. He said at budget estimates yesterday that he has a bill coming.

Mr DOMINIC PERROTTET: The Deputy Premier did?

The Hon. PENNY SHARPE: The Deputy Premier.

Mr DOMINIC PERROTTET: Well, there we go. So why would he be bringing a bill if apparently we are going to be supporting the One Nation bill?

The Hon. PENNY SHARPE: That is not my point. My point is: Are you going to be supporting the reopening of exploration, mining and development for uranium in New South Wales?

Mr DOMINIC PERROTTET: The Government has not made a decision in relation to that. If the Deputy Premier is going to bring a bill for the consideration of Cabinet, I look forward to the discussion.

The Hon. PENNY SHARPE: You are aware that the Treasurer and the Minister for energy and climate change said the following this week:

I would love to make a very clear statement on uranium mining. Let us get the facts on the table. The uranium price is at record lows. No-one is going to build a new uranium mine while the prices are that low. Secondly, they are closing uranium mines in Australia. In fact, in South Australia they are actually closing uranium mines. Thirdly, all the value in uranium is in the enrichment, which is not going to be done here in New South Wales or in Australia. So people pursuing this are pushing this mad ideological barrow—fact.

Do you agree with your Treasurer?

Mr DOMINIC PERROTTET: I would certainly say it is great to see we have such diverse views across the Government. That makes for better executive government, in my view. We all do not believe in the same thing. That would make a very boring Cabinet process in government deliberations, but ultimately—

The Hon. PENNY SHARPE: Are you concerned that so many people in your Cabinet are freelancing on this issue?

The Hon. BEN FRANKLIN: Point of order: The Premier was clearly in the middle of a sentence. The Leader of the Opposition has been very well behaved up until now, but perhaps she could allow him to finish his sentence.

Mr DOMINIC PERROTTET: I encourage—

The CHAIR: In relation to the point of order, it is not about being well behaved or not. The Premier is entitled to answer the question.

The Hon. BEN FRANKLIN: I was using her words about me back at her.

Mr DOMINIC PERROTTET: I encourage my Ministers to freelance and to think critically; I think that is an important part of policy development. But to the question, Ms Sharpe, if the energy Minister is right, there would be no problem lifting the ban because you will not actually have any capital investment that would flow from the lifting of that ban.

The Hon. PENNY SHARPE: I just want to also say what the environment Minister and Treasurer said. He said:

Uranium mining is not on the table. The Hon. Mark Latham has put it on the table ...

You are clearly saying today that it is on the table.

Mr DOMINIC PERROTTET: My view in public life, Ms Sharpe, is that everything should be on the table and should be considered appropriately. I encourage all my Ministers to think critically, have different ideas and to debate them fearlessly around the Cabinet table. That leads to better public policy decision-making. The Deputy Premier has every right in his capacity to bring a bill or a submission to the Cabinet. Not all submissions to the Cabinet end up in government policy, but if that is the Deputy Premier's intention I look forward to him bringing the submission and I look forward to the ensuing debate that would no doubt occur given the comments made by the energy Minister.

The Hon. PENNY SHARPE: Have you discussed this issue with the Deputy Premier?

Mr DOMINIC PERROTTET: Not particularly.

The Hon. PENNY SHARPE: He is out publicly saying that he is going to be bringing a bill that might include this, but this is the first you have heard of it?

Mr DOMINIC PERROTTET: It has been discussed in passing. I encourage all my Ministers to bring submissions that they think would make a difference to the people of New South Wales. I think that is a good thing.

The Hon. PENNY SHARPE: He is the Deputy Premier.

Mr DOMINIC PERROTTET: Yes.

The Hon. PENNY SHARPE: And you are not discussing this fairly important thing?

Mr DOMINIC PERROTTET: There are a lot of policies this Government is doing. We have a great track record right across the board and great Ministers doing great things in their—

The Hon. BEN FRANKLIN: Hear, hear!

The Hon. PENNY SHARPE: Wouldn't the Deputy Premier be better off getting his pecuniary interests in order rather than freelancing on something in direct conflict with his colleagues?

Mr DOMINIC PERROTTET: We will check that, but maybe he is too busy developing great policies for the people of New South Wales.

The Hon. PENNY SHARPE: Do you think it is a good thing that he is too busy to get his pecuniary interests in order and a clear breach—

Mr DOMINIC PERROTTET: No, I am not saying that.

The Hon. PENNY SHARPE: Well, I think that is what you were saying.

Mr DOMINIC PERROTTET: No, I am not saying that.

The Hon. PENNY SHARPE: It is actually a serious matter.

Mr DOMINIC PERROTTET: Yes.

The Hon. PENNY SHARPE: And he needs to sort that out.

Mr DOMINIC PERROTTET: Yes, and if he needs to he will, but—

The Hon. PENNY SHARPE: It is more than just letting it go through to the keeper, is it not, Premier?

Mr DOMINIC PERROTTET: I said that I would take action and that I would speak to the Deputy Premier about it. Perhaps in that conversation we will also have a discussion in relation to the bill that he might bring to the Cabinet.

The Hon. PENNY SHARPE: It would be good if you actually spoke to your Deputy Premier a bit more, by the sound of it, Premier.

Mr DOMINIC PERROTTET: I spoke to him this morning.

The Hon. PENNY SHARPE: He obviously did not give you a heads up about this, did he?

Mr DOMINIC PERROTTET: About?

The Hon. PENNY SHARPE: Uranium mining in New South Wales.

Mr DOMINIC PERROTTET: No. I said we have had the occasional discussion in passing, but I do not think it is a unique aspect that Ministers working in their own areas of portfolio responsibility bring submissions to Cabinet for discussion, and I look forward to the debate.

The Hon. PENNY SHARPE: You have previously been in support of nuclear power as an option for New South Wales into the future. Is this where you see getting to net zero in New South Wales?

Mr DOMINIC PERROTTET: No, a lot of this is predicated on the capacity of the private sector to drive capital investment into this State, and ultimately when it comes to power generation into the future we need to ensure that there is sufficient baseload power, reliable energy, into the future as we transition to a more renewable generation of power in New South Wales. That will happen over time. That is where the private sector is investing and that is where the New South Wales Government will help facilitate that as we move forward.

Ms ABIGAIL BOYD: Good morning, Premier.

Mr DOMINIC PERROTTET: Good morning, Ms Boyd.

Ms ABIGAIL BOYD: Picking up on that discussion in relation to uranium, I was in the hearing room in budget estimates when the Deputy Premier did fail to rule out, shall we say, the prospect of a lift of the uranium mining ban coming in legislation this month. Are you telling us that Cabinet has not considered the legislation that he is intending to bring?

Mr DOMINIC PERROTTET: That would be Cabinet-in-confidence.

Ms ABIGAIL BOYD: Was the lifting of the ban on uranium part of the discussions when you became Premier?

Mr DOMINIC PERROTTET: No.

Ms ABIGAIL BOYD: From a personal perspective, do you think that lifting the ban on uranium—you are saying that this is something you discuss within the Cabinet and it is great that you all have these wild ideas to discuss—

Mr DOMINIC PERROTTET: I would not call them wild.

Ms ABIGAIL BOYD: It is very wild. Do you personally support the lifting of a ban on uranium mining?

Mr DOMINIC PERROTTET: I have not turned my mind to it sufficiently to form a view. What I would say is that I am open to a range of ideas that are going to ensure that our energy source is secure moving forward. I am not ideologically opposed to the idea. If it were to occur there would need to be a number of safeguards in place and I would need to examine all the issues that are there. I do not believe in taking things off the table before you have been able to examine them properly.

Ms ABIGAIL BOYD: You do understand, though, that if the ban on uranium mining was to be lifted today, that uranium would not be used in nuclear power generation; that takes way too long to build. What we are looking at here is—

Mr DOMINIC PERROTTET: And that is clearly the view of the energy and environment Minister.

Ms ABIGAIL BOYD: Will you take off the table the idea of lifting—

Mr DOMINIC PERROTTET: I will not take anything off the table.

Ms ABIGAIL BOYD: Okay. Could I just finish the question, though?

Mr DOMINIC PERROTTET: Yes.

Ms ABIGAIL BOYD: I am very curious that you will not take this off the table. Will you take off the table the idea of lifting the ban on uranium mining in order to export it and to have more uranium in the international market, which will then lead to more uranium finding its way into weapons? Will you take that off the table?

Mr DOMINIC PERROTTET: That would obviously be a concern, clearly, but we are not at that point. There is no submission or bill for me to have considered in my capacity as Premier and as a member of the Cabinet.

The question you are asking implies that somehow that is the view and that is a submission that the Deputy Premier will be taking to the Cabinet. I am not going to deal in hypotheticals. I will deal in what is in front of me and, once I have seen a submission, if that is the intention of the Deputy Premier, I will consider it, as will all the members of the Cabinet.

Ms ABIGAIL BOYD: Are you telling us that you do not have an opinion on whether or not we should be exporting uranium?

Mr DOMINIC PERROTTET: It is not about my personal opinion, Ms Boyd, it is about getting across the issues that are within a submission that will be brought to the Cabinet and in my capacity as Premier I would form a view on that issue. In relation to the question that Ms Sharpe has raised in respect of the Latham bill, we have said that we do not support that as a government. The Deputy Premier—

The Hon. PENNY SHARPE: You have not so far. It is the first time today.

Mr DOMINIC PERROTTET: Is that right?

The Hon. PENNY SHARPE: Yes.

Mr DOMINIC PERROTTET: There you go, breaking news.

Mr DAVID SHOEBRIDGE: Second time.

Mr DOMINIC PERROTTET: Second time?

Mr DAVID SHOEBRIDGE: You did not support it a year and a half ago, then you got wobbly and you are not supporting it again.

Mr DOMINIC PERROTTET: Thank you for the history lesson, Mr Shoebridge, but here we are. We are not supporting that bill. The Deputy Premier has a view in relation to uranium mining and he will bring that to the Cabinet. I will get across those issues at that point in time and form a view myself, but ultimately that is a matter for the deliberations of Cabinet. We would rely on the advice, obviously, from the public service, from the different ends, from the environment side, the energy side and Treasury side.

Ms ABIGAIL BOYD: You said earlier—and perhaps this goes to this point—governments should be judged on their actions and not what they say. Perhaps what you say here today in relation to the uranium ban is kind of irrelevant anyway. We will just have to wait and see what happens. Can you tell me, does that approach to being judged on your actions and not what you say explain the original press release in relation to WestInvest?

Mr DOMINIC PERROTTET: I don't understand the premise of the question.

Ms ABIGAIL BOYD: The original press release on WestInvest implied that the WestInvest funds were made possible by the sale of WestConnex, which we now know not to be true.

Mr DOMINIC PERROTTET: That is true.

Ms ABIGAIL BOYD: Could you explain, because the Treasurer was very hard pressed to explain how you can be both paying off debt with the WestConnex sale proceeds as well as putting it into the WestInvest Fund?

Mr DOMINIC PERROTTET: You can do both.

Ms ABIGAIL BOYD: You can do both?

Mr DOMINIC PERROTTET: Yes.

Ms ABIGAIL BOYD: The same pot of money can go to two different places?

Mr DOMINIC PERROTTET: No—can I have a copy of the press release?

Ms ABIGAIL BOYD: I do not have it on me.

The Hon. DANIEL MOOKHEY: I do.

The Hon. TAYLOR MARTIN: Of course he does.

Mr DOMINIC PERROTTET: Previously as Treasurer, in decisions that I would make or recommend, more appropriately, to the Expenditure Review Committee in relation to infrastructure investment, as part of that process I would consider the headroom capacity of the State. We have always prided ourselves in New South Wales over the last 10 years that ultimately we had the triple-A credit rating both with S&P and with Moody's. Despite the fact that we lost the triple-A credit rating with S&P, which is now double-A+, that we would continue to run our finances along with a view of keeping in line with triple-A credit metrics.

As part of that, from a Moody's perspective and debt-to-GSP or from S&P from debt-to-revenue, I would constantly examine the capacity of the State as new infrastructure proposals would come through to the Expenditure Review Committee. The construction of the WestConnex road and the ensuing sale, plus the dividends that had been received as a consequence of the investment of the \$9.26 billion as part of tranche one of the WestConnex sale, increased the capacity and the headroom of the State to invest in—

The Hon. DANIEL MOOKHEY: But you don't have it yet.

Mr DOMINIC PERROTTET: —infrastructure to the tune of \$5 billion. As a consequence of the transaction, where in the second tranche we received \$11 billion, as a result of that transaction and obviously in discussions with the current Treasury secretary, it was always my view that where there was a capacity as part of that asset recycling process to alleviate headroom, we would establish a fund to invest the equivalent of what we had made on that transaction into western Sydney. That is how we established the WestInvest Fund.

Ms ABIGAIL BOYD: This is an incredibly long answer to what is a simple question.

Mr DOMINIC PERROTTET: It is pretty clear.

Ms ABIGAIL BOYD: The WestConnex funds are no more responsible for being able to allocate a notional \$5 billion to WestInvest than any other of the revenue coming in to New South Wales.

Mr DOMINIC PERROTTET: No, not at all, not at all because if you are operating within triple-A metrics—

Ms ABIGAIL BOYD: Which you are not.

Mr DOMINIC PERROTTET: We are the only State that has a triple-A credit rating with Moody's. In terms of our position compared to Victoria, we are in a much stronger state and that goes back to our strong financial and economic management leading into the pandemic, where we have been able to invest substantial amounts to help—in fact, \$44 billion over the course of the pandemic. The infrastructure investment of the State going forward is predicated on the investment being in line with those metrics. The sale of WestConnex created \$5 billion in extra capacity, which will go into the WestInvest Fund to invest in those 15 council areas across western Sydney.

Ms ABIGAIL BOYD: You are effectively saying, are you not, good news everybody, we have—

Mr DOMINIC PERROTTET: It is not good news; it is great news.

Ms ABIGAIL BOYD: You do not even know what I am saying yet.

Mr DOMINIC PERROTTET: What is the issue with western Sydney?

Ms ABIGAIL BOYD: You need to let me finish the question so you can know what I am talking about.

Mr DOMINIC PERROTTET: Okay. Sorry, Ms Boyd.

Ms ABIGAIL BOYD: I am not talking about WestInvest at this part of my sentence, so perhaps if you could just hold fire for a second.

Mr DOMINIC PERROTTET: Okay, I will.

Ms ABIGAIL BOYD: Effectively, I think what you are saying is good news everybody, we are able to pay down this debt because we have sold off a public asset. At the same time as them saying, however—whatever great descriptor we want—amazing news everybody, we are also able to apply the same money over here.

Mr DOMINIC PERROTTET: No, no. No we are not.

Mr DAVID SHOEBRIDGE: Objectively.

Mr DOMINIC PERROTTET: No we are not. We are saying the construction of a road that The Greens opposed, the sale of the road as well, which The Greens opposed—

Ms ABIGAIL BOYD: Correct.

Mr DOMINIC PERROTTET: —increased the headroom capacity of the State to the tune of \$5 billion, which we are now investing in western Sydney. The people of western Sydney get a road and from the proceeds of that transaction, which goes to debt retirement, which creates additional headroom, allows the Government to invest an additional \$5 billion within the debt metrics that we have set aside.

Ms ABIGAIL BOYD: We will judge WestInvest when we actually see it being rolled out.

Mr DOMINIC PERROTTET: You should come to some of the announcements.

Ms ABIGAIL BOYD: It is great that you are so pleased—

Mr DOMINIC PERROTTET: You might even start encroaching into Labor territory out in western Sydney, because they are very triggered by this fund.

Ms ABIGAIL BOYD: Can I just check that you are also very pleased with the burden that you are putting on everyday drivers with such a massive toll? Every time they go anywhere, they have to pay such a massive toll. Are you proud of that as well for the people of western Sydney?

Mr DOMINIC PERROTTET: I am proud of our investment right across the board in public transport and in road infrastructure. The alternative, Ms Boyd, would be to see traffic backed up every single day on Parramatta Road.

Ms ABIGAIL BOYD: As though you cannot build a road with public finances.

Mr DOMINIC PERROTTET: It is important.

Ms ABIGAIL BOYD: Okay. It's all right.

Mr DOMINIC PERROTTET: It is important. You have asked the question. It is important that you provide alternatives. It is important that you continue to build the infrastructure as Sydney grows so it grows well. These debates that you are raising today are the same debates that were held back in the 1990s in respect of building the M2 where the Labor Party and The Greens called it a road to nowhere because no-one was going to live in north-west Sydney. You censured the former transport Minister—or tried to—Bruce Baird.

Ms ABIGAIL BOYD: Premier, where are the alternatives for truck drivers driving on NorthConnex? There are no alternatives, are there?

Mr DOMINIC PERROTTET: What was that?

Ms ABIGAIL BOYD: There are no alternatives for truck drivers.

Mr DOMINIC PERROTTET: NorthConnex is a great road project.

Ms ABIGAIL BOYD: Are there alternatives? You just said that you are building alternatives. That is not an alternative.

Mr DOMINIC PERROTTET: For the public. This is a new policy from The Greens, to be opposed to NorthConnex. NorthConnex has not only provided a great road, it significantly alleviated pressure on Pennant Hills Road. From Pearce's Corner to Thompsons Corner, Pennant Hills Road is flowing incredibly well. Not only is that important for congestion—which you should be supportive of—it is also important for safety because the amount of trucks going down Pennant Hills Road every single day was a substantive safety concern. You must be the only party to be opposing NorthConnex.

Ms ABIGAIL BOYD: Private toll roads.

Mr DAVID SHOEBRIDGE: Premier, first of all, congratulations.

Mr DOMINIC PERROTTET: Thank you, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: I am glad you have enjoyed your exchange with my colleague.

Mr DOMINIC PERROTTET: I thought it was pleasant.

Mr DAVID SHOEBRIDGE: For the record, I join with Ms Abigail Boyd and all Greens MPs in opposing every one of your private toll roads.

Mr DOMINIC PERROTTET: Okay.

The Hon. TAYLOR MARTIN: Don't use them then.

Mr DOMINIC PERROTTET: Have you used NorthConnex?

Mr DAVID SHOEBRIDGE: There is no alternative, as Ms Boyd says.

Mr DOMINIC PERROTTET: There is, there is Pennant Hills Road. Are you a truck driver?

Mr DAVID SHOEBRIDGE: Premier, moving on, without paying a toll. Again, congratulations. Premier, you were Treasurer for four years, eight months and six days. At any point can you point to a single statement you made opposing your Government's pork-barrelling projects during those four years, eight months and six days as Treasurer?

Mr DOMINIC PERROTTET: I am not going to accept the premise in the question.

Mr DAVID SHOEBRIDGE: You were the Treasurer for four years, eight months and six days.

Mr DOMINIC PERROTTET: But, as Treasurer of the State, I am very proud of our track record in investing in communities right across New South Wales. We have gone from a period of time where there was not the financial capacity of the State to invest in community infrastructure that has made a difference to people's lives. I am very proud of my track record as Treasurer.

Mr DAVID SHOEBRIDGE: Premier, you have come out recently and said that you have never supported pork-barrelling. Is that right?

Mr DOMINIC PERROTTET: I was asked a question at a press conference in relation to whether I support pork-barrelling and I said no.

Mr DAVID SHOEBRIDGE: Did you support it during the four years, eight months and six days you were Treasurer?

Mr DOMINIC PERROTTET: No.

Mr DAVID SHOEBRIDGE: One of the biggest pork-barrel schemes that your Government rolled out was the scandalous \$252 million in the Stronger Communities scheme, where money was pork-barrelled to Coalition councils and the former Premier shredded the documents and destroyed the electronic records about how it was allocated. Do you remember that big pork-barrel scandal?

Mr DOMINIC PERROTTET: I am not agreeing with the premise of how you are describing it. I certainly remember the issues in relation to the Stronger Communities Fund and the concerns that were raised at the time, yes.

Mr DAVID SHOEBRIDGE: It was wrong, was it not? What your Government did in the way it allocated those moneys without a business case, destroying the records, for partisan advantage was wrong, was it not?

Mr DOMINIC PERROTTET: Governments should never invest for partisan advantage.

Mr DAVID SHOEBRIDGE: What you did with the \$252 million—

Mr DOMINIC PERROTTET: I did not do anything.

Mr DAVID SHOEBRIDGE: What your Government did, while you were Treasurer, with the \$252 million was wrong, was it not?

Mr DOMINIC PERROTTET: Mr Shoebridge, no government should invest for partisan purposes; it should invest where need is. It is the role of the Treasurer to set the framework and the guidelines and the quantum of the funds, for that to go through the expenditure committee and then it is ultimately the responsibility of Ministers to make the determination in support of the department's advice that comes in relation to individual projects.

Mr DAVID SHOEBRIDGE: At the time—this time last year—you had a chance to speak the truth about this project when you were asked, and this is what you said—

Mr DOMINIC PERROTTET: Which project?

Mr DAVID SHOEBRIDGE: The \$252 million pork-barrel scandal called Stronger Communities Fund. This is what you said:

We're very proud of our record, of \$250 million being invested, giving support to councils. This Government is more than happy to be criticised for investing where it matters ...

Mr DOMINIC PERROTTET: Yes, sounds pretty good.

Mr DAVID SHOEBRIDGE: Do you remember saying that?

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: Do you stand by those words about the \$252 million that was splashed around to Coalition councils without a business case and in relation to which your predecessor shredded and destroyed the documents? Do you stand by those comments?

Mr DOMINIC PERROTTET: I stand by the comments in relation to the fact that I am very proud of the fact that we have invested record amounts through that fund in councils right across the State and that has enabled councils to invest in community infrastructure to make a difference to people's lives. Governments should always be held to account in relation to the projects they invest in and there will always be different views and

different perspectives in relation to whether those funds were invested in the right place, but I can assure you that, in my role as Treasurer and now as Premier, I have always sought to make sure that investments are going in areas which will have an impact.

Mr DAVID SHOEBRIDGE: You cheered in the biggest, most scandalous pork-barrel program that your Government had been involved in. You cheered it in.

Mr DOMINIC PERROTTET: I cheer in—

Mr DAVID SHOEBRIDGE: How does that stand with your conversion now to not supporting pork-barrelling?

Mr DOMINIC PERROTTET: I have not had a conversion. I have always been against pork-barrelling. Always.

Mr DAVID SHOEBRIDGE: You funded it up to the gunwales, did you not, while you were Treasurer? You say you are against it, but you just shoved the money into it—a couple of hundred million here, a couple of hundred million there—while you were Treasurer.

Mr DOMINIC PERROTTET: I invested significant amounts right across the State as Treasurer and I gave the capacity to fellow Ministers to ensure that communities right across the State, regardless of whether they support The Greens, Labor, the National Party, the Liberal Party—it does not bother me. What I care about is making sure that investments are made which will improve the lives of people right across the State and, as Treasurer, and in relation to the comments that you are referring to that I made, I am very proud of our track record in investments. It is much better to be criticised for investing and doing something than to be criticised for not doing anything at all, and that is what we saw under years of the Labor Party previously where the State ran up a \$30 billion infrastructure backlog and now we are actually seeing substantive investment made. Having said that, the Government should be open to critique in relation to investments that we make—absolutely.

Mr DAVID SHOEBRIDGE: Premier, I am not hearing any understanding from you about just how angry the Government has been about the grossly partisan use of hundreds of millions of dollars of public money by your Government. There is the Stronger Communities Fund, there is the recent analysis about where the money went for air conditioning in schools—

Mr DOMINIC PERROTTET: I checked that—

Mr DAVID SHOEBRIDGE: —there is the scandalously partisan use of emergency support following the bushfires, and I do not get any acceptance from you that that partisan use of the money was wrong. Is that what I am to understand?

Mr DOMINIC PERROTTET: I am refuting the premise in the question that somehow those decisions—

Mr DAVID SHOEBRIDGE: It was just a coincidence that the money got showered on Coalition seats—just a coincidence.

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

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: Seriously?

Mr DOMINIC PERROTTET: In relation to the renewable infrastructure investment, I accept—and you can look at face value—that a lot of those schools have occurred in Coalition seats, but that does not mean that there was not the need. They were selected by the Department of Education. If the Department of Education says, "Here is where the need is", why does it matter? Why does it matter the way an electorate votes? It does not matter at all. What matters—

Mr DAVID SHOEBRIDGE: Except for how your Government showers the money around. You are telling us it is just coincidence after coincidence after coincidence that hundreds and hundreds of millions of dollars of public money is skewed towards Coalition electorates.

Mr DOMINIC PERROTTET: I found in my time—

The Hon. PENNY SHARPE: Does "Pork Barilaro" not mean anything to you?

Mr DOMINIC PERROTTET: I found in my time, Mr Shoebridge, particularly as part of the budget process, that my door is always open to all members of Parliament to come and advocate for their electorates.

Mr DAVID SHOEBRIDGE: On the Stronger Communities Fund.

Mr DOMINIC PERROTTET: And the budget papers speak for themselves, whether it is the Transport Access Program—

Mr DAVID SHOEBRIDGE: You see, though, Premier, you say your door is always open, but when it came to the \$252 million in the Stronger Communities Fund, you only told Coalition MPs. Nobody else even knew this huge pot of money was available. How can you knock on the door and ask for funds from a program you do not know about?

Mr DOMINIC PERROTTET: Well, I can certainly say to you that, in the capacity that I have operated within as Treasurer, in the preparation of the budget every year, and that Labor—

Mr DAVID SHOEBRIDGE: You were the facilitator-in-chief of pork-barrelling.

Mr DOMINIC PERROTTET: Not at all. Not at all.

The CHAIR: We will have to return to this; it is Opposition time.

Mr DOMINIC PERROTTET: My job, Mr Shoebridge, as Treasurer is to set the funding envelopes, to set the framework and the guidelines. There are some funds that come back to the Expenditure Review Committee as part of Restart and Snowy, and WestInvest will as well, but in the main those envelopes are set. Decisions should always be made by the Government to invest where the need is. You could look at the program—the schools program, for example—and say the majority of them are held in Coalition seats. I accept that, but the advice that you receive from the Department of Education is "Here are the schools that do not have the grid capacity to run new air con systems." You do not divvy up funding based on how electorates vote; you divvy up funding based on where the need is, and the reality is if a lot of these schools are in regional New South Wales it is probably likely that they are represented by either the Shooters or the Nationals—certainly not The Greens.

The Hon. DANIEL MOOKHEY: Greetings, Premier, and can I also congratulate you on your ascension to the premiership of New South Wales.

Mr DOMINIC PERROTTET: Thank you, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I have already conveyed my congratulations to Mr Coutts-Trotter on his ascension.

Mr COUTTS-TROTTER: Thank you again.

The Hon. DANIEL MOOKHEY: Can I also wish you a happy Diwali.

Mr DOMINIC PERROTTET: Thank you. I am going to the Opera House on Monday evening to set the Opera House alight for the festival.

The Hon. DANIEL MOOKHEY: Don't burn it down.

Mr DOMINIC PERROTTET: I will try not to.

The Hon. DANIEL MOOKHEY: That would be my advice to you, but I can assure you tonight I will say a prayer to Lakshmi for your budget.

Mr DOMINIC PERROTTET: I am going to miss you as my shadow, Mr Mookhey. I am sure you will always be there, lurking in the shadows.

The Hon. DANIEL MOOKHEY: Every breath you take, Premier; every breath you take, I will be watching.

Mr DOMINIC PERROTTET: I cannot wait.

The Hon. DANIEL MOOKHEY: Premier, on 5 October at your inaugural press conference as Premier you committed yourself and the Government to pursuing a policy of replacing stamp duty on residential properties with land tax.

Mr DOMINIC PERROTTET: On 5 October?

The Hon. DANIEL MOOKHEY: Yes, amongst many other occasions; but that was, I think, the most recent statement that you made about the matter.

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Can you please tell us what are the advantages of applying land tax in lieu of stamp duty on residential transactions?

Mr DOMINIC PERROTTET: Well, there are a number. Obviously we are currently working through that policy. We issued at the budget, you might recall Mr Mookhey, a progress report in respect of that policy. Stamp duty is an inherently terrible tax, by far the most inefficient tax that we have in our State. The removal of that tax and moving to a system that provides greater flexibility and opportunity to drive home ownership, which has clearly come through the initial paper, would be determinant based on the policy setting that was in place. In addition, advances and improvements in mobility, so that particularly key workers—nurses and teachers—are not in a position where they are forced into continuous rent but have the opportunity to facilitate home ownership.

Then if they were to move, particularly between metropolitan Sydney and regional New South Wales, they would be able to continue to remain in home ownership without that substantive upfront impediment. I think you will find that any economist or any great public policy mind, including your own shadow Treasurer, Jim Chalmers and even the McKell Institute—which I think is a Labor aligned think tank—certainly believe that stamp duty is a substantive barrier, particularly to young people entering the property market. Any policy in that place would need to ensure going forward that it was driving housing affordability and ownership. We will continue to work through that policy.

The Hon. DANIEL MOOKHEY: Thank you, Premier. You spoke about the inefficiency of stamp duty. Can you speak to us specifically about the efficiency of land tax in its place?

Mr DOMINIC PERROTTET: Clearly if you are paying an annual amount that you can potentially cap at some point in time—the worst taxes are transfer taxes; taxes that are an impediment to purchase or transfer. Moving to an annual system like council rates is a much better system, not just in driving economic and productivity growth but ultimately ensuring over time people have access to the housing market, which they do not have now. I think I heard you saying recently in relation to increase in land values, that that could create a greater liability over time.

The Hon. DANIEL MOOKHEY: We will get to that, Premier. I was just asking you specifically about the benefits of land tax in lieu of stamp duty. I think you were nominating its efficiency in terms of transfer. Is that the main reason why you have been pursuing this policy?

Mr DOMINIC PERROTTET: The main reason first and foremost in the development of this policy, which we continue to work on, is fundamentally to drive home ownership, which has come through in some of the modelling that we have received, particularly as part of the Progress Paper. The second reason is also to drive economic and productivity growth. It is very clear from report after report, both at a Federal and State level, including our own Productivity Commissioner in New South Wales, that having a better Federal financial relations system and a better tax system in this State would drive economic growth opportunity and prosperity for people right across New South Wales.

The Hon. DANIEL MOOKHEY: It is your view that a land tax in lieu of stamp duty results in a better New South Wales tax system?

Mr DOMINIC PERROTTET: I believe that an annual amount that is paid is better than a substantive upfront figure, yes.

The Hon. DANIEL MOOKHEY: Thank you. You made reference to the Progress Paper that you released as part of the budget, which I presume you have a copy of or it is not far from you. I am sure we can get you one as well.

Mr DOMINIC PERROTTET: I do not need it; it is fine.

The Hon. DANIEL MOOKHEY: I was going to ask you: You have read it, right?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: That is better than the Treasurer.

Mr DOMINIC PERROTTET: It is our paper. I read it pre-Delta.

The Hon. DANIEL MOOKHEY: Good. You said in your foreword—I think I will read the relevant section to you.

Mr DOMINIC PERROTTET: Clearly I read it; I wrote it.

The Hon. DANIEL MOOKHEY: Good.

The Hon. PENNY SHARPE: You need to refer it to the Treasurer, because he has not read it and he needs to.

Mr DOMINIC PERROTTET: He has only just started. He will get there.

The Hon. DANIEL MOOKHEY: I did offer to provide it to him as an audio book that I would narrate. He did not take me up on the offer. This is what you said:

The proposed new property tax system, which replaces stamp duty with a small, annual tax, would not be a panacea for our future economic challenges. Nor could it single-handedly solve the ever complex home-ownership puzzle for NSW citizens.

Mr DOMINIC PERROTTET: It sounds inspired.

The Hon. DANIEL MOOKHEY: Indeed. Then it goes on:

But it would make things better—substantially so. It would stimulate home ownership, grow the economy and create jobs. It is estimated that, as a result of reform, more than 300,000 NSW residents could achieve their dream of home ownership and Gross State Product could increase by 1.7%.

Mr DOMINIC PERROTTET: It sounds pretty good.

The Hon. DANIEL MOOKHEY: I might even nominate you for Miles Franklin on the basis of the writing.

Mr DOMINIC PERROTTET: That is great.

The Hon. DANIEL MOOKHEY: You support that still?

Mr DOMINIC PERROTTET: Yes, but that obviously depends, Mr Mookhey, on the policy.

The Hon. DANIEL MOOKHEY: Indeed.

Mr DOMINIC PERROTTET: And the settings that you bring through. There is a whole range of aspects. You start with the principle and then once you go through various consultations, you then get to a final policy. There is no doubt if you ask five economists an opinion on something you will probably get 10 different opinions. But the reality is, the final settings is the point at which you would be able to make a clearer determination in relation to the increase in home ownership, the increase in economic growth and jobs growth off the back of it.

The Hon. DANIEL MOOKHEY: Indeed, and I do not disagree with you.

Mr DOMINIC PERROTTET: So we are not there yet.

The Hon. DANIEL MOOKHEY: I do not disagree that that is when you will be in a position to test whether or not what you have said in your inspired foreword is likely to be realised, but you made reference to the fact that you have to make this assessment at the time when you have the final policy settings. When do you envisage your Government will have the final policy settings?

Mr DOMINIC PERROTTET: We are working through that at the moment.

The Hon. DANIEL MOOKHEY: When you say "that", who is working through this?

Mr DOMINIC PERROTTET: Obviously we have just had a change in government.

The Hon. DANIEL MOOKHEY: Indeed.

The Hon. PENNY SHARPE: A brand new government.

Mr DOMINIC PERROTTET: We issued the Progress Paper in June just prior to handing down this year's budget. We have obviously been distracted during the Delta outbreak and the focus of the Government has been to keep people safe, to get the economy open again and to get businesses back open and people back into work. That has been a focus and we will continue that work moving forward. Housing affordability—you might have missed it—is a substantial challenge for people right across our State. We should not take any ideas off the table. There are two key areas here: taxation change and planning changes that need to be examined. We will examine all of it. Everything is on the table. This is clearly, as it says there in an inspired way, not a panacea but it would have a substantive impact on driving home ownership across the State, but not alone will it solve it. There is a whole range of policies that we need to pursue, and we will.

The Hon. DANIEL MOOKHEY: Indeed, Premier, but you are not leading a think tank; you are leading a government. When are we going to have a policy?

Mr DOMINIC PERROTTET: I am going to turn the Government into a think tank.

The Hon. DANIEL MOOKHEY: Perhaps if you could ask it how to govern too.

Mr DAVID SHOEBRIDGE: The Perrottet Institute.

Mr DOMINIC PERROTTET: Yes, the Perrottet Institute. You could become a founding board member.

The Hon. DANIEL MOOKHEY: The Centre for Independent Studies I am sure will be happy to have your services in the future, but for right now, the people of New South Wales would like to know when we are going to have a policy, with respect. You mentioned the challenge of housing affordability. You made reference to the planning aspect but the tax aspect, you have to be fair, you have been consulting on now for two years. When exactly—

Mr DOMINIC PERROTTET: I think that you—

The Hon. DANIEL MOOKHEY: Just let me finish, Premier. We have been having a very respectful exchange by our standards.

The Hon. BEN FRANKLIN: True.

Mr DOMINIC PERROTTET: It is early days. You have two hours to go.

The Hon. DANIEL MOOKHEY: Indeed. In the spirit of Diwali I am trying to be as kind to you as possible and I am being judged. Can you tell us when you are expecting to have a policy here in place? Can you also identify whether this work is being led by the Premier's department or is it being led by Treasury now?

Mr DOMINIC PERROTTET: It is obviously with Treasury.

The Hon. DANIEL MOOKHEY: Thank you.

Mr DOMINIC PERROTTET: It is obviously with Treasury and the progress report had a number of issues that came through that that need to be addressed. I will work with the Treasurer in addressing those issues and I will work with the planning Minister in relation to planning areas that can be improved, which will help drive housing affordability alongside the continued development of this policy as well. If we can get it in a form which will achieve what I would like it to achieve and, that is, to improve housing affordability and improve economic and jobs growth, then we will pursue it.

The Hon. DANIEL MOOKHEY: Indeed.

Mr DOMINIC PERROTTET: Obviously as you are aware, there are substantive fiscal challenges in relation to the development of such a policy, particularly in relation to the current arrangements on GST which penalise States that embark on reform and remove revenue-raising areas of the State.

The Hon. DANIEL MOOKHEY: Rest assured, Premier, I am intending to ask you about the specifics of that, so we will get to that.

Mr DOMINIC PERROTTET: Okay.

The Hon. DANIEL MOOKHEY: I think in previous times references have been made to the next step being further consultation, of course, as you described, but at some point we are going to need to see an exposure draft. Can you at least tell us when we are going to be seeing an exposure draft about this particular proposal?

Mr DOMINIC PERROTTET: When it is finalised.

The Hon. DANIEL MOOKHEY: Do you anticipate that that is likely before the next budget, or are we likely to see this in the next budget?

Mr DOMINIC PERROTTET: I have not turned my mind to that yet.

The Hon. DANIEL MOOKHEY: But it is possible that we will presumably see it between now and the next budget?

Mr DOMINIC PERROTTET: Anything is possible, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Thank you very much. Premier, let us get into some of the aspects that have surfaced about the policy proposal. To be fair, I did put these propositions to the Treasurer yesterday and there was some discrepancy perhaps between what he said and what you have said this morning, and I accept that because he has only been in the job—

Mr DOMINIC PERROTTET: In terms of what?

The Hon. DANIEL MOOKHEY: Many of the questions that I have asked you and many of the questions I am about to ask you, but rest assured, I accept your point, he has only been in the job for 30 days.

Mr DOMINIC PERROTTET: How can I disagree with the Treasurer about questions that you have not even asked me yet?

The Hon. DANIEL MOOKHEY: Let me ask you and then we can find out whether you disagree with him or not.

Mr DOMINIC PERROTTET: Okay, let's go. I missed his estimates. I hear he did rather well.

The Hon. PENNY SHARPE: Probably should have watched.

The Hon. DANIEL MOOKHEY: I think there is a highlights package which I am sure someone can give you.

Mr DOMINIC PERROTTET: Okay.

The Hon. DANIEL MOOKHEY: Premier, you made reference to housing affordability and you made some reference I think to the question I was asking the Treasurer yesterday. I am going to allow you to put me in my place here—

Mr DOMINIC PERROTTET: I would never do that.

The Hon. DANIEL MOOKHEY: Of course not, but the value of all New South Wales homes calculated using the unimproved score rose by 5.33 per cent per annum between 2015 and 2020, yet at the same time wages only grew by 2.01 per cent per annum over the same period.

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Had this proposal been in effect over those five years, the tax bills that would have been sent to residential property owners who had elected to pay the land tax would have risen more than twice as fast as wages.

Mr DOMINIC PERROTTET: Right.

The Hon. DANIEL MOOKHEY: Do you have any concerns as to whether or not it is affordable for families to pay the charge, especially in circumstances where wages are structurally not growing?

Mr DOMINIC PERROTTET: Clearly that is an issue that would need to be addressed in any final public policy position, but I would also make the point to you, Mr Mookhey, that even over the last 12 months we have seen property prices here in Sydney increase by 25 per cent. We have seen the average stamp duty bill increase by \$10,000 just in 12 months alone. You cannot look at those issues in isolation; you need to look at them across the board, and stamp duty has continued to grow and be a substantive impediment to people getting into the property market. I accept your point that if land values increase at a greater rate than wage growth, that puts family budgets under pressure. That is also occurring in relation to council rates every single year. The alternative that you have in place under the current system is that you have property values increasing at around 25 per cent increasing stamp duty by around \$10,000. That makes it harder and harder. By the time first home buyers have scrambled together their deposit, they are going backwards.

The Hon. DANIEL MOOKHEY: Indeed.

Mr DOMINIC PERROTTET: Do you agree with that?

The Hon. DANIEL MOOKHEY: I accept that that is your view.

Mr DOMINIC PERROTTET: Don't you believe that stamp duty is an impediment to people getting into the property market? Don't you believe that stamp duty has increased over time?

The Hon. DANIEL MOOKHEY: Premier, we are reverting to one of your poor habits as Treasurer, which was asking questions in budget estimates. If you want to ask questions in budget estimates, I suggest you—

The Hon. PENNY SHARPE: You can swap with Mr Tudehope again.

Mr DOMINIC PERROTTET: I am just trying to give the public who are tuning in today a holistic understanding of the issues that are at hand.

The Hon. DANIEL MOOKHEY: Mr Tudehope might be prepared to swap with you, but let us stick to the habit of me asking questions and you providing answers.

Mr DOMINIC PERROTTET: All right, got it.

The Hon. DANIEL MOOKHEY: Good. Premier, one of the issues which I raised with the Treasurer yesterday—which, to be fair, he seemed to have no idea about—was the aspect of the proposal that limits choice

or bars the top 20 per cent of property owners from having choice. Is it still your intention to feature that as part of the model?

Mr DOMINIC PERROTTET: It is not the intention to feature it as part of the model; it is examining it as part of the policy development to ensure that the policy is fiscally viable. The challenge of abolishing stamp duty, which is a substantive part of the tax revenue base for the State, whilst it will drive economic growth, provides significant fiscal challenges. The idea in relation to the cap and allowing that choice at the lower levels, which is still a substantive amount, provided an opportunity for this—it is working through how you can achieve a reform that works in terms of driving home ownership and at the same time mitigates the fiscal impact on the State. There was no decision made in relation to that. We do not have a final policy, but in the examination—

The Hon. DANIEL MOOKHEY: Indeed, you are still doing work on that.

Mr DOMINIC PERROTTET: Yes. I think that is an important aspect of it because it is clear that a substantial impediment to being able to pursue this reform is the fiscal sustainability of such a reform.

The Hon. DANIEL MOOKHEY: I appreciate that, Premier, but one of the aspects I put to the Treasurer yesterday which is curious is that in shifting to this system of land tax you are also removing the premium threshold for land tax.

Mr DOMINIC PERROTTET: We are not. That is under consideration, lifting the premium threshold.

The Hon. DANIEL MOOKHEY: It is under consideration, but you are considering removing the premium land tax—

Mr DOMINIC PERROTTET: That is under consideration.

The Hon. DANIEL MOOKHEY: It is under consideration.

Mr DOMINIC PERROTTET: Everything is under consideration in developing a policy.

The Hon. DANIEL MOOKHEY: Premier, again, let me just ask the question.

Mr DOMINIC PERROTTET: Okay, sorry.

The Hon. DANIEL MOOKHEY: That would deliver quite a windfall gain to the people who happen to own properties, be it commercial or otherwise, who are above the premium rate. Is it fair to be asking families to incur the cost of the annual charge, if they so choose, if at the same time we are creating an incentive for residential and commercial property investors to take a massive tax cut at their expense?

Mr DOMINIC PERROTTET: I think that came through the progress paper and the ultimate outcome of any policy that we would land on is to favour property owners—households, home owners—over investors in commercial properties. When you go through the different models, when we got to that point, you would consider everything that makes the policy fiscally viable, but at the same time start with the end in mind, and that is driving home ownership. That is the key focus. There will have to be trade-offs on the way through, but I accept your point in relation to those thresholds.

The Hon. DANIEL MOOKHEY: It seems that there was perhaps a bit of discrepancy on the part of the Treasurer yesterday when he was implying that work was less active on this proposal than what you are portraying right now. It is the case that you are continuing to pursue this proposal. Correct?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: I understood that part of your evidence correctly?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: You made reference to the fact that you were in conversation with the Commonwealth about the Commonwealth Grants Commission criteria and GST—

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: No surprise here, for what it is worth; I also agree that the Commonwealth Grants Commission criteria seem to be unduly punitive on States that wish to embark upon—

Mr DOMINIC PERROTTET: Unity ticket.

The Hon. DANIEL MOOKHEY: Indeed, but when was the last time you had a conversation with either Prime Minister Morrison or Treasurer Frydenberg about removing the Commonwealth hurdles that would stop you from being able to pursue this process?

Mr DOMINIC PERROTTET: When I was Treasurer.

The Hon. DANIEL MOOKHEY: Indeed, and since then are you seeking Federal Government financial support to allow you to shift the New South Wales tax system in favour of land tax in lieu of stamp duty?

Mr DOMINIC PERROTTET: It would be very challenging to pursue such a policy in circumstances where the Commonwealth Grants Commission did not make the requisite changes.

The Hon. DANIEL MOOKHEY: Indeed.

Mr DOMINIC PERROTTET: In fact, it would penalise unfairly the people of our State.

The Hon. DANIEL MOOKHEY: But you and I both know that the Federal Treasurer has the authority to override the Commonwealth Grants Commission in this respect. Are you asking the Federal Treasurer to use his authority to override it to allow you to pursue your reform of putting land tax in lieu of stamp duty on residential properties?

Mr DOMINIC PERROTTET: I have raised with the Federal Treasurer numerous times, and the current Prime Minister when I was Treasurer, the need to improve the system of Federal financial relations, of which this is a core component. This is merely just one aspect. There is substantive change that needs to occur in relation to the GST and if that change occurred, Mr Mookhey, we would be in a much better position to work through a policy. If the question is, "Are you continuing work?" the answer is yes, and we will continue to do that alongside advocating the Federal Government to improve the system because the current system is not working for the country. So hopefully we will get some movement.

The Hon. DANIEL MOOKHEY: Premier, and I am sure it was a very polite conversation you had with the Prime Minister.

Mr DOMINIC PERROTTET: I have very polite discussions with the Prime Minister.

The Hon. DANIEL MOOKHEY: You are renowned for your politeness in this respect. What did he say to you about whether or not the Federal Government is going to provide you the assistance to allow you to facilitate a shift to land tax in lieu of stamp duty on residential properties?

Mr DOMINIC PERROTTET: That really was not the question or the point of the conversations that I have had, and I am going back in time. I have had numerous conversations with the Prime Minister and the Federal Treasurer generally around improving the tax system, which would facilitate States to embark on economic reform for the benefit of our people. In terms of the specifics on this, I cannot recall a direct conversation. I certainly recall numerous conversations in relation to improving the system. I can assure you, as Premier, I will continue those discussions with the Prime Minister and the Federal Treasurer. I would expect that—

The Hon. DANIEL MOOKHEY: The State Treasurer would do it?

Mr DOMINIC PERROTTET: —new Treasurer Kean will also do that.

The Hon. DANIEL MOOKHEY: Will he read the paper?

Mr DOMINIC PERROTTET: Apparently the Treasurer does what the Premier tells him to do, so he will read the paper.

The Hon. PENNY SHARPE: We hope, we hope.

Mr JUSTIN FIELD: Good morning, Premier. How are you today?

Mr DOMINIC PERROTTET: I am very well.

Mr JUSTIN FIELD: I noticed the announcement in the media or some reports in the media this morning that the Government is not going to proceed with the Mole River and Wyangala dams. Would you like to confirm to the Committee and to the public that that is the case?

Mr DOMINIC PERROTTET: I am not sure that is the case. What I am sure of is that there are business cases in relation to Wyangala, Dungowan and Mole River that are due to come before the New South Wales Government. There is currently an agreement in place between the State Government and the Commonwealth Government in relation to the financing of those dams. My understanding, going back over the last six or so months—12 months probably—there have been issues in relation to cost escalation of those dams and the costings that were derived through WaterNSW at the time may not have been as close to the mark as we would have thought. Once the business cases are returned, then that will be a matter for the Cabinet and discussion with the Commonwealth Government in relation to whether the Government will make an investment decision.

Mr JUSTIN FIELD: Nothing yet is off the table?

Mr DOMINIC PERROTTET: Nothing is ever off the table, Mr Field.

Mr JUSTIN FIELD: You are not walking away from these dams as the media report suggests?

Mr DOMINIC PERROTTET: I have not seen the article.

Mr JUSTIN FIELD: It states, "The NSW Government is poised to back away from two of the country's largest water infrastructure projects", and points to Mole River and Wyangala.

Mr DOMINIC PERROTTET: Well I did not say that.

Mr JUSTIN FIELD: No, I did not say that you did.

Mr DOMINIC PERROTTET: Okay.

Mr JUSTIN FIELD: The community will be glad to know—or they probably will not be glad to know that—

Mr DOMINIC PERROTTET: Can I have a look at the article?

Mr JUSTIN FIELD: —I have got limited time, so I will let the secretariat pass it to you.

Mr DOMINIC PERROTTET: But the point is—let us cut to the chase.

Mr JUSTIN FIELD: Let us cut to the chase a different way. You are not ruling those projects out, you are waiting on the business cases and there will be a Cabinet decision?

Mr DOMINIC PERROTTET: And I will examine those business cases—

Mr JUSTIN FIELD: Fair enough.

Mr DOMINIC PERROTTET: —discuss it with the Commonwealth Government and we will make a decision.

Mr JUSTIN FIELD: You have pointed to escalating costs. This report talks about escalating costs, lack of community support and cost of biodiversity offsets. Warragamba Dam Raising proposal, which of course has a different purpose, also has seen costs blow out to \$1.6 billion and that is before the biodiversity offset costs are considered. You have got now multiple stakeholders calling for the Government to consider alternatives rather than the dam wall raising, for a range of reasons. Are you prepared to open your mind to alternatives for that project as well?

Mr DOMINIC PERROTTET: Yes. I think the Government should always look at alternatives. We are obviously committed to ensure particularly that those areas of the Hawkesbury-Nepean are protected from flooding, but there always needs to be an examination of the benefits, particularly when you are talking about major infrastructure investment, to the people of New South Wales. I have got a very open mind in relation to those infrastructure projects. We are very much committed to ensuring that people are kept safe, particularly in those flood-prone areas. It would be remiss of any government to not look at alternatives in terms of ways in which you can achieve the end that you are seeking the outcome of in a fiscally prudent way.

Mr JUSTIN FIELD: The Insurance Council of Australia, who were previously supportive of the proposal, now that it has had a look at it, has called on the Government to consider alternatives. You would think the actuaries in the insurance industry would have the best sort of mind around potential downstream risks to infrastructure and people. It is calling for alternatives and has supported the idea of a round table to get stakeholders together now before you proceed any further with the EIS and the business case, to look in more detail at those alternatives. Is that something you would be prepared to support?

Mr DOMINIC PERROTTET: I am open to that. I understand that the planning Minister has said that he is going through the EIS at the moment. It is good for government to get a broad range of perspectives in determining its final position.

Mr JUSTIN FIELD: If you change the Warragamba Dam to be a flood mitigation dam, there is a change to the legal liability it seems that the Government might be exposed to should management of that type of dam fail. Leaked reports show that WaterNSW requested from the Government amendment to enabling legislation to provide a complete statutory limitation of liability to the operator. That was because it cited increased risks of negligence, duty to warn, trespass and nuisance. Basically, if you get the management of a flood mitigation dam wrong, you end up flooding downstream properties and there could be a huge liability on the State. It wants the State to be indemnified from that, essentially passing that risk onto downstream residents. Do you support that sort of legislative change, to give the State that immunity?

Mr DOMINIC PERROTTET: Can I take that on notice because I am not aware of that leaked report, but I am happy to take that on notice and get back to you.

Mr JUSTIN FIELD: Thanks, Premier.

Mr DOMINIC PERROTTET: Can I get a copy of that article as well?

Mr JUSTIN FIELD: Sure.

Mr DAVID SHOEBRIDGE: Premier, have you seen the business cases for the two dams?

Mr DOMINIC PERROTTET: No.

Mr DAVID SHOEBRIDGE: It has not been considered by Cabinet yet?

Mr DOMINIC PERROTTET: But apparently Perrottet do bail out of water projects. I had read it, but I can assure you the facts are that I have not seen the business cases. They have not come to Cabinet. When they do come to Cabinet or the Expenditure Review Committee I will consider them, alongside my colleagues.

Mr DAVID SHOEBRIDGE: Now you are Premier, you do not just do what *The Australian* says?

Mr DOMINIC PERROTTET: I have never done what *The Australian* says.

The Hon. DANIEL MOOKHEY: The Telegraph.

Mr DOMINIC PERROTTET: The Herald, actually.

Mr DAVID SHOEBRIDGE: I thought it was *The Australian*.

The Hon. PENNY SHARPE: This is from *The Australian* this morning.

Mr DAVID SHOEBRIDGE: Anyhow, it does not matter. We will move on.

Mr DOMINIC PERROTTET: I like all the media outlets; very strong supporters of the New South Wales Government and our agenda.

Mr DAVID SHOEBRIDGE: The Murdoch press, did you say?

Mr DOMINIC PERROTTET: No, all of them. Just not the Green Left Weekly. I do not think they are so supportive.

Mr DAVID SHOEBRIDGE: Talking about supportive, are you supportive of making pork-barrelling illegal?

Mr DOMINIC PERROTTET: Define that.

Mr DAVID SHOEBRIDGE: The partisan use of public money for the purposes of benefitting the political party in power rather than the public good.

Mr DOMINIC PERROTTET: But that should not happen.

Mr DAVID SHOEBRIDGE: Are you supportive of laws to make it illegal?

Mr DOMINIC PERROTTET: Well, I would have to take advice on that. We would agree on principle.

Mr DAVID SHOEBRIDGE: I put this to the new Treasurer and he was not in a position to agree or disagree about making pork-barrelling illegal. It seems to me a pretty fundamental question. Do you think it should be illegal?

Mr DOMINIC PERROTTET: Well, it should not occur. I have said that very clearly and it certainly will not be occurring during the time that I am Premier, and it certainly—

Mr DAVID SHOEBRIDGE: Housebreaking should not occur.

Mr DOMINIC PERROTTET: In my view, there was never any allocation of funds when I was Treasurer that lent itself to that activity.

Mr DAVID SHOEBRIDGE: History suggests otherwise on that.

Mr DOMINIC PERROTTET: But that is subjective.

Mr DAVID SHOEBRIDGE: Premier, you say pork-barrelling should not occur.

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: Housebreaking should not occur, and one of the ways we stop the theft of other people's goods is we make it illegal. Similarly, do you think pork-barrelling should be illegal?

Mr DOMINIC PERROTTET: It comes down to the definition of that and I would seek advice. That goes to the misuse of public funds for partisan purposes. That should not occur.

Mr DAVID SHOEBRIDGE: Stealing a chocolate bar can get you before the courts, but the partisan, brutal—

Mr DOMINIC PERROTTET: You would oppose that.

Mr DAVID SHOEBRIDGE: —appalling use of \$250 million of public money, politicians in power just get a get-out-of-jail-free card. Are you happy with the way the law operates?

Mr DOMINIC PERROTTET: Mr Shoebridge, I am not going to accept the premise of the question. There is always going to be criticisms and critiques of government spending right across the board. I accept that. In the last round of questioning you have raised three areas where you disagreed with the Government investment—one in relation to this Stronger Communities grant, the \$252 million. You have raised—

The Hon. PENNY SHARPE: Was it \$90 million to Hornsby?

Mr DOMINIC PERROTTET: —the Schools Renewable Energy Infrastructure Pilot, which you have classified as pork-barrelling, when the advice and the note that I have received from the department is that they were all selected from the Department of Education for schools that did not have the grid capacity to run new air-con systems. The third one you raised was in relation to bushfires, and I have never received—

Mr DAVID SHOEBRIDGE: The partisan use of money following bushfires.

Mr DOMINIC PERROTTET: That is new information to me. My understanding is that the investments we made—I think we allocated close to \$4.5 billion in the bushfire effort right across the State—

Mr DAVID SHOEBRIDGE: You know that Hornsby Council, for example, in the \$252 million fund—

Mr DOMINIC PERROTTET: I know Hornsby Council really well. I live in it.

Mr DAVID SHOEBRIDGE: You know it got \$90 million in a three-day turnaround without even having to put a grant application in? It literally got a call from the Office of Local Government saying, "Do you want 90 million bucks?" It said, "Yes". Within three days, the money rolled in.

Mr DOMINIC PERROTTET: Right.

Mr DAVID SHOEBRIDGE: Do you think that is fine?

Mr DOMINIC PERROTTET: What I think is there needs to be public—

Mr DAVID SHOEBRIDGE: No, no. Do you think that is fine?

Mr DOMINIC PERROTTET: I do not know the details in relation to that; I am not—

Mr DAVID SHOEBRIDGE: You were the Treasurer.

Mr DOMINIC PERROTTET: I did not make—

The Hon. TAYLOR MARTIN: The Premier is trying to answer the question.

Mr DAVID SHOEBRIDGE: You provided this pot of money that was then pork-barrelled.

Mr DOMINIC PERROTTET: Yes, but I did not make—

Mr DAVID SHOEBRIDGE: And now you say it is all fine.

Mr DOMINIC PERROTTET: No, no.

Mr DAVID SHOEBRIDGE: It is all fine.

Mr DOMINIC PERROTTET: No, I did not say that. I said I am not across the detail in relation to—

Mr DAVID SHOEBRIDGE: It is not a detail; it is \$90 million.

Mr DOMINIC PERROTTET: I have not finished the sentence.

The Hon. BEN FRANKLIN: Be respectful, David. Calm down.

Mr DOMINIC PERROTTET: I am not across the detail in relation to the processes that took place. As the then Treasurer, my responsibility was always to set the funding envelopes, set the framework and guidelines. I announced yesterday a review of grants administration that has not occurred since 2010. I think that is fundamentally important. It will probably—hopefully—resolve and improve the confidence or concerns you may have in relation to the process, and ultimately it is up to ministerial responsibility. Ministers should be accountable for the decisions they make in relation to the expenditure of grants.

Mr DAVID SHOEBRIDGE: But they should not be held legally accountable. That is your position, is it not? You always want that get-out-of-jail-free for politicians. That seems to be the position of your Government.

Mr DOMINIC PERROTTET: I would not say that.

Mr DAVID SHOEBRIDGE: You are willing to put someone in jail for stealing a chocolate bar, but for the partisan use of hundreds of millions of dollars of government and public money—

Mr DOMINIC PERROTTET: No-one is going to jail for stealing—

Mr DAVID SHOEBRIDGE: —you are not willing to have a legal penalty in place. Is that the situation?

The Hon. BEN FRANKLIN: Let us start on your staff breaking the law, shall we, David?

Mr DAVID SHOEBRIDGE: Is that the situation?

Mr DOMINIC PERROTTET: No-one is going to jail for stealing a chocolate bar. In relation to grants and any use of government expenditure, Ms Sharpe raised the point about gratuitous waste. I am completely against wasting government expenditure and always have been, and at times I have been criticised by your own party in relation to—

Mr DAVID SHOEBRIDGE: The waste and pork-barrelling?

Mr DOMINIC PERROTTET: —not spending in those areas. I am very open to looking at that. I have put this review together in relation to the establishment of the framework for those grants programs going forward. I will wait to hear back from the Productivity Commissioner and DPC and, when they come back to me, I will make a determination. Mr Shoebidge, we are on a unity ticket. I want there to be confidence.

The Hon. PENNY SHARPE: What have you been doing for the past 10 years?

Mr DAVID SHOEBRIDGE: We are on a unity ticket provided we arrive at a destination where it becomes illegal to pork-barrel.

Mr DOMINIC PERROTTET: Okay.

Mr DAVID SHOEBRIDGE: Otherwise we are not on a unity ticket.

Mr DOMINIC PERROTTET: Maybe we are not completely on a unity ticket—I will seek advice on that—but we are on a unity ticket in ensuring that there is public confidence and that government spending is not achieved for political purposes or partisan decisions but in the best interests of the people of the State.

Mr DAVID SHOEBRIDGE: In this review that has been done by the Productivity Commissioner do you believe the public should have a right to make submissions and let you know what they think about pork-barrelling?

Mr DOMINIC PERROTTET: I am not planning on getting politically involved in relation to this review.

Mr DAVID SHOEBRIDGE: Do you think the public should have a role in putting submissions?

Mr DOMINIC PERROTTET: I would seek advice from the Secretary of DPC and from the Productivity Commissioner. With the Productivity Commissioner it was important—certainly when I appointed him when I was Treasurer this was my view to Ministers was, and many have—to utilise his expertise to work with their department to drive better outcomes. My view would be that that is a matter for the Department of Premier and Cabinet.

Mr DAVID SHOEBRIDGE: Why do we not cut to the chase and get the opinion of the secretary. Mr Coutts-Trotter, do you think there should be public submissions?

Mr COUTTS-TROTTER: I think I should think about it but I am open to the idea. But I should give it due consideration.

Mr DAVID SHOEBRIDGE: I am tempted to ask you whether or not you think pork-barrelling should be illegal, but that is probably an opinion.

Mr COUTTS-TROTTER: That would be a policy judgement.

Mr DAVID SHOEBRIDGE: For the gentleman next to you?

Mr COUTTS-TROTTER: Yes.

Mr DAVID SHOEBRIDGE: Premier, within two weeks of you becoming Premier, your department, the Department of Premier and Cabinet, put a submission in to ICAC to try to make private all of that scandalous material we heard in the last two weeks of ICAC's hearings. You wanted to put a cloak of secrecy over all of ICAC's hearings in relation to those Cabinet documents and the discussions about the Cabinet documents. Why did you do that?

Mr DOMINIC PERROTTET: I am not sure that is factually correct. I will pass to Ms Boyd in relation to that, but just let me have a crack first. My understanding in relation to that is that the ICAC wrote to the Department of Premier and Cabinet seeking submissions in relation to that issue and the Department of Premier and Cabinet, of its own volition, made those submissions as requested by the Commissioner of the ICAC. I will just check with Ms Boyd that that is correct, but that is my understanding.

Mr DAVID SHOEBRIDGE: We will go to Ms Boyd in a second, but the submission that the Department of Premier and Cabinet put, according to the ruling by ICAC, was that any evidence about documents which relate to the contents of Cabinet documents or of Cabinet deliberations should be heard in private. Did you know that that effort at putting a gag over the public hearings, a cloak of secrecy over the public hearings, was being done in the first few weeks of your premiership?

Mr DOMINIC PERROTTET: I will pass to Mr Coutts-Trotter for further explanation of that because that was a decision made by the department, but my understanding is that clearly there needs to be a balance, particularly in circumstances where you are talking about Cabinet-in-confidence discussions and what could be raised in a public hearing as opposed to a private hearing—

Mr DAVID SHOEBRIDGE: You wanted the WTF memo. You know the one? You probably remember getting the WTF memo about how could this—

Mr DOMINIC PERROTTET: Which one is that?

Mr DAVID SHOEBRIDGE: I could spell out what "WTF" means if you like?

Mr DOMINIC PERROTTET: Go for it; that will make the news.

Mr DAVID SHOEBRIDGE: The "what the fuck" memo—

Mr DOMINIC PERROTTET: There we go.

Mr DAVID SHOEBRIDGE: —where you were getting very frank advice about how the \$5.5 million funding to the gun club should not go ahead.

Mr DOMINIC PERROTTET: Sorry, I remember the one, the Nigel Blunden one. I did not receive that.

Mr DAVID SHOEBRIDGE: That was part of the Cabinet deliberations.

Mr DOMINIC PERROTTET: No, that would have been—

Mr DAVID SHOEBRIDGE: That would have been secret; that would have been covered by the secrecy.

Mr DOMINIC PERROTTET: No, no, no. That was an advice from the former adviser to the Premier to the Premier in preparation of an Expenditure Review Committee meeting.

Mr DAVID SHOEBRIDGE: That was a Cabinet document that would have been kept secret if your department's submission had succeeded, and any evidence about it would have been secret too. Is that what you think should have happened?

Mr DOMINIC PERROTTET: No, that is not—

Mr DAVID SHOEBRIDGE: That the public should not have heard any of that?

Mr DOMINIC PERROTTET: No, that is not what I am saying, and I will get DPC who actually made this determination to provide the explanation. But there is clearly an important consideration that needs to be made in relation to balancing what is Cabinet-in-confidence—that is a crucial part, an integral part, of the Westminster system—and information that could be in the public domain or, if it is not prejudicial to the outcome of an inquiry, that information would be discussed in camera.

Mr DAVID SHOEBRIDGE: Are you telling me that in the first two weeks of you being Premier your department, without any notice to you, made a submission to ICAC that tried to keep secret—

Mr DOMINIC PERROTTET: Why would I politically—

Mr DAVID SHOEBRIDGE: Let me finish—that tried to keep secret all of that evidence we heard in the last two weeks about Cabinet processes and all of the evidence we heard about documents like the WTF. Are you telling me that happened and you did not know anything about it?

Mr DOMINIC PERROTTET: Hold on. Two points: The premise of your question is that DPC made a request—

Mr DAVID SHOEBRIDGE: "Submits that any evidence about documents which relate to the contents of Cabinet documents or of Cabinet deliberations should be heard in private"—yes, secrecy. That is it.

Mr DOMINIC PERROTTET: It is not secrecy. If a matter is Cabinet-in-confidence then clearly the provision of that information publicly needs to be balanced with the principles of information that is Cabinet-in-confidence and the Department of Premier and Cabinet, to my understanding, made a determination to lodge a submission on request of the Independent Commission Against Corruption.

Mr DAVID SHOEBRIDGE: Did you know about it?

Mr DOMINIC PERROTTET: No, my understanding is I did not.

Mr COUTTS-TROTTER: No, we did not consult with the Premier on that.

Mr DAVID SHOEBRIDGE: So you tried to shut down the ICAC inquiry without going to the Premier even though it was about the evidence of the former Premier. Is that really what happened?

Mr COUTTS-TROTTER: Can I address the assumption? We have cooperated vigorously with the inquiry. The counsel assisting made a submission on the way he intended to handle Cabinet documents. What we sought to do was to get more information about the nature of the documents and how they would be used within the inquiry because there is an important balance of interest here. Yes, the ICAC needs to do its work and, on occasion, that will involve making public elements of Cabinet documents or Cabinet decision-making. Our concern was to ensure that that was constrained to those things that were relevant to the inquiry and did not simply put on the public record Cabinet documents that were not fundamental to the inquiry. It is a fundamental element of our system of government. We are the only agency who really speaks for that aspect to the public interest, and we did our job in making that submission. There was no attempt to gag an inquiry to avoid transparency—

Mr DAVID SHOEBRIDGE: That is not how your submission is reported from the ICAC commissioner. Are you saying that the ICAC commissioner wrongly reported your submission?

Mr COUTTS-TROTTER: I am saying—reasonable people can disagree, but our intent was to assist the commission make good judgements about those things that can and should be in the public record in support of the inquiry and those things that may not need to be.

Mr DAVID SHOEBRIDGE: You see, Premier, that is what Mr Coutts-Trotter says—and I am accepting that is what he believes.

Mr DOMINIC PERROTTET: Sounds very reasonable to me.

Mr DAVID SHOEBRIDGE: It is just that is not what the submission said. The submission said, according to ICAC—and I believe them—any evidence about documents that relates to the contents of Cabinet documents or a Cabinet deliberation should be heard in private. So I am going to ask you now: What part of the evidence that we heard in the last two weeks in ICAC about the way your Government allocates money, the way in which your Cabinet works, the way in which memorandums were considered do you think should have been heard in private and the public should not have heard about?

Mr DOMINIC PERROTTET: I did not follow the ICAC hearings. I read some—

Mr DAVID SHOEBRIDGE: You seem to know what was going on on a daily basis when you are asked. Are you saying you did not follow what happened in ICAC?

Mr DOMINIC PERROTTET: I would say on a daily basis, as I will say here, that as Premier of the State I am not going to get a running commentary on matters before the ICAC. That would potentially be prejudicial to their final deliberations in respect of the determination of a final report.

Mr DAVID SHOEBRIDGE: I am happy for you to take this on notice: What part of the evidence about the way in which your Government handled public money, the Cabinet deliberations and the Cabinet documents do you think should have been secret and kept from the people of New South Wales?

Mr DOMINIC PERROTTET: I am unaware of what information you are referring to. Maybe there is information that it would seem to be reasonable and in the public interest that it be in a public hearing; it may be the case that there is other information that should not be. But I would have thought, contrary to your question, Mr Shoebridge, that it would be inappropriate, actually, for DPC to ask me in relation to that, as Premier, to be politically intervening in submissions that the Department of Premier and Cabinet are making in respect of an ongoing inquiry into decisions that were made by the previous Premier.

The CHAIR: On that note, it is 11.00, so we are scheduled to have a break. We will return at 11.15.

(Short adjournment)

The CHAIR: We will resume questioning with the Opposition.

The Hon. DANIEL MOOKHEY: Thank you, Premier. Welcome back.

Mr DOMINIC PERROTTET: Thank you, Mr Mookhey. Good to see you again.

The Hon. DANIEL MOOKHEY: Indeed. Premier, are you satisfied with the performance of Insurance and Care NSW?

Mr DOMINIC PERROTTET: I think it is heading in the right direction, but there is more work to do.

The Hon. DANIEL MOOKHEY: When you say it is heading in the right direction, what do you mean it is heading in the right direction?

Mr DOMINIC PERROTTET: I think in terms of the financial sustainability of the scheme, there are obviously challenges based on the outcome of the statutory review that was undertaken by Justice McDougall, and there are obviously a number of recommendations that were made in relation to that review; there were 49 or so. I understand 31 do not require any legislative change and icare is currently working through those matters—yes, 31, that is right. Then, in relation to the others, that would be in the remit of the Treasurer and the customer service Minister, through the relevant agencies.

The Hon. DANIEL MOOKHEY: On that, Premier, I was going to ask you about the status of the McDougall review, which, you would recall, is what you commissioned in the wake of the revelations of wrongdoing at icare last year. You, of course, recall commissioning that review, I presume?

Mr DOMINIC PERROTTET: Certainly. How could I forget?

The Hon. DANIEL MOOKHEY: You recall that on 26 August or thereabouts you put out a press release that said that legislation to implement its recommendations was coming into the Parliament? Yet the Minister for Customer Service tells us last week that it is actually not coming into the Parliament until at least some time next year on a date yet fixed. Given that you made a commitment to bring in this legislation that would actually give the regulator power to do something, why is your Government delaying the key piece of legislation required to clean up the mess that was created under your watch?

Mr DOMINIC PERROTTET: I reject the premise of the question. If the Government is delaying, obviously some of the more complex areas that would require a legislative change would need to occur through both the State Insurance Regulatory Authority [SIRA] and icare, and my understanding is that both—well, I certainly know this to be true because, as the former Treasurer, there were discussions in relation to progressing those elements of legislative change. What is important is that icare continue to progress those areas that are within their responsibility.

The Hon. DANIEL MOOKHEY: But, Premier, as Treasurer you were the person who put the press release out that said the legislation had gone through Cabinet and was ready to go. That was the view that you put. Unless this is another example of you being slightly tricky in your press releases, where is the legislation?

Mr DOMINIC PERROTTET: What does that mean?

The Hon. DANIEL MOOKHEY: Well, it means that you have a habit of being tricky in your press releases. Where is the legislation?

Mr DOMINIC PERROTTET: Like when?

The Hon. DANIEL MOOKHEY: Perhaps 26 August, when you said that this legislation was coming in. Can you give us some assurance that we are going to be seeing the legislation sometime in the next two years?

Mr DOMINIC PERROTTET: I will follow that up for you.

The Hon. DANIEL MOOKHEY: When were you first advised that the legislation you promised in August is not coming until next year?

Mr DOMINIC PERROTTET: You have just advised me, Mr Mookhey. I will chase that up for you. Obviously they are important legislative changes. In fact, when the Government received the statutory review and worked through the recommendations, we committed to ensuring that those that did not require legislation were implemented immediately. My understanding is that icare is working through that and SIRA is working through those changes. Then in relation to the legislation, I will chase that up. Obviously I want that legislation passed as expeditiously as possible.

The Hon. DANIEL MOOKHEY: Icare said to us yesterday that, as Treasurer, they were providing you with monthly updates on the scheme's finances. Do you recall, as Treasurer, getting those monthly updates?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: When were you first advised that icare had suffered another \$1.4 billion underwriting loss in the last financial year?

Mr DOMINIC PERROTTET: I will take that on notice.

The Hon. DANIEL MOOKHEY: Icare has cumulatively, over the past three years, lost—

Mr DOMINIC PERROTTET: Do you want me to take that on notice?

The Hon. DANIEL MOOKHEY: I presume you just did, so thank you.

Mr DOMINIC PERROTTET: Well, I just want you to accept when I say that I will. You moved to the next question and I am not sure what you are asking me to follow up on, but I will—would you like me to take that on notice?

The Hon. DANIEL MOOKHEY: Premier, you offered to take it on notice. I accept your offer.

Mr DOMINIC PERROTTET: No, but you just moved through so quickly, Mr Mookhey.

The CHAIR: That is why we have Hansard. It is all good.

Mr DOMINIC PERROTTET: I lose track of what I need to take on notice.

The Hon. DANIEL MOOKHEY: Try to keep up.

The Hon. BEN FRANKLIN: I think he is just asking you to acknowledge it with appreciation. "Thank you" would be an appropriate response, and then you can move on to the next question.

The Hon. DANIEL MOOKHEY: Thank you, Ben.

The Hon. BEN FRANKLIN: You are welcome.

The Hon. DANIEL MOOKHEY: Premier, over the past three years icare lost \$6.18 billion on an underwriting basis, which was not the Treasury target. As Treasurer, you set the target of them having to break even on their underwriting position.

Mr DOMINIC PERROTTET: Right.

The Hon. DANIEL MOOKHEY: Does it concern you that this organisation lost another \$1.4 billion on an underwriting basis last year?

Mr DOMINIC PERROTTET: No. Clearly—

The Hon. DANIEL MOOKHEY: You are not concerned about that?

Mr DOMINIC PERROTTET: No, no. As Premier and previously as Treasurer, I am incredibly concerned about the financial aspects of everything during the difficult period that we have gone through in relation to challenges in the past, in relation to the financials of the Nominal Insurer, the Treasury Managed Fund and the other funds, the State's budget. There is enormous pressure on all our schemes, just like there is—that is not unique to New South Wales; that is happening right around the country. So, yes. Am I concerned? I live concerned, Daniel, about all aspects of the State's finances—

The Hon. DANIEL MOOKHEY: Well, Dominic—

Mr DOMINIC PERROTTET: Sorry—Mr Mookhey.

The Hon. DANIEL MOOKHEY: I am glad you are concerned that they lost another \$1.4 billion, which is \$258 million more than they thought they would lose, for what it is worth. But, as a result, Premier—

Mr DOMINIC PERROTTET: Tell you what, if you look at the State budget, mate—

The Hon. DANIEL MOOKHEY: As a result of that underwriting loss, they made clear yesterday—

Mr DOMINIC PERROTTET: Who is "they"—Mr Harding?

The Hon. DANIEL MOOKHEY: Icare.

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: They made clear that the 326,000 businesses who paid premiums to the Nominal Insurer are going to be facing premium increases of 1.4 per cent next year and premium increases every year for the next foreseeable years. Isn't it the case that those 326,000 businesses are now paying higher premiums as a result of the mismanagement and the scandals which took place at icare under your watch?

Mr DOMINIC PERROTTET: That is untrue.

The Hon. DANIEL MOOKHEY: In what respect is it untrue?

Mr DOMINIC PERROTTET: The premiums the businesses have been paying in New South Wales are at their lowest level since the 1970s.

The Hon. DANIEL MOOKHEY: So you are saying they can afford to pay this? Is that what you are saying?

Mr DOMINIC PERROTTET: No, that is not what I am saying. I am saying that the prudent management of the workers compensation scheme, the transformation from the previous scheme to the icare arrangement, has ensured a much better financial position than we would have otherwise been in. Yes, I accept that there have been challenges. I mean you raised issues last year with the Treasury Managed Fund and that also came at a time when, from the State's perspective, there were significant liabilities in relation to historic child sex abuse claims, bushfires that we had gone through—there are always those challenges from the State's perspective and then from a business perspective, particularly during the pandemic. I would also expect there would be greater pressures on the scheme as we move forward. That does not mean it is a result of mismanagement; it is a result of the circumstances we find ourselves in.

The Hon. DANIEL MOOKHEY: Mr Premier, you are saying—

Mr DOMINIC PERROTTET: No, let me finish. The point I would make is that the fact that we have been able to keep premiums at record low levels is testament to the position we find ourselves in that provides the capacity to increase slightly those premiums. The Treasurer will have to take advice from the public financial corporations in relation those potential premium increases. But let us put that in context: The premiums to date are the lowest they have been in 30 years.

The Hon. DANIEL MOOKHEY: If you want to talk about the context of this, are you seriously suggesting that there is no correlation whatsoever between the increased premiums that New South Wales businesses are now having to pay, and the scandals and mismanagement which took place at icare under your watch? Is that seriously the proposition you are putting?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Fair enough. You talk about the context in which these businesses are getting premium increases. Do you have any concerns and/or sympathy for those businesses that are getting these higher premium bills at the same time they are desperately trying to recover from the COVID lockdowns?

Mr DOMINIC PERROTTET: Firstly, yes. But, firstly, in relation to that, we have worked side by side with the business community during this pandemic to provide substantial financial support to get them through. I have said from the outset that I will always prioritise workers and businesses of this State before the budget, and that is exactly what we have done. We have invested, from the outset of the pandemic to today, \$44 billion in support. That is almost half the expenditure of an annual State budget here in New South Wales. So would I be concerned, yes, but ultimately it is from a very good starting position.

The Hon. DANIEL MOOKHEY: You are saying they are in a very good starting position? Is that what you said?

Mr DOMINIC PERROTTET: I am glad you are now the shadow Treasurer because previously your predecessor ran, at the last election, on scrapping all our payroll tax, cuts which would have put businesses in a much worse position—

The Hon. DANIEL MOOKHEY: I accept your view that you think that they can afford it.

Mr DOMINIC PERROTTET: You sit here, Mr Mookhey, at a time talking about supporting businesses—

The Hon. DANIEL MOOKHEY: Can we just move on?

Mr DOMINIC PERROTTET: —when you wanted to increase taxes on every small business across the State.

The Hon. DANIEL MOOKHEY: You said just 10 minutes ago that you thought icare was heading in the right direction.

Mr DOMINIC PERROTTET: I do.

The Hon. DANIEL MOOKHEY: Between December last year and June this year icare's return-to-work rate for the Nominal Insurer for four weeks dropped a further 6 per cent. It is heading back to the record lows that it was—

Mr DOMINIC PERROTTET: For the Nominal Insurer?

The Hon. DANIEL MOOKHEY: Yes, under your watch as Treasurer. How can you honestly be saying it is heading in the right direction when icare's performance is getting worse; it is getting worse compared to the specialist insurers—

Mr DOMINIC PERROTTET: Well, that is untrue.

The Hon. DANIEL MOOKHEY: It is getting worse compared to the self-insurers. In the exact same six months icare's performance fell by three points over that time.

Mr DOMINIC PERROTTET: To 84 per cent?

The Hon. DANIEL MOOKHEY: From 66 per cent—

Mr DOMINIC PERROTTET: For the return-to-work rate within six weeks?

The Hon. DANIEL MOOKHEY: Four weeks. Just listen please. Let me just finish.

Mr DOMINIC PERROTTET: Okay, well four weeks—

The Hon. DANIEL MOOKHEY: Let me just finish. It went from 66 per cent in December to 63 per cent, which is back towards the record low at the four-week level. How can you honestly say it is heading in the right direction when its performance was faltering after all the scandals and mismanagement came to light?

Mr DOMINIC PERROTTET: Mr Mookhey, you are cherrypicking numbers to suit your proposition.

The Hon. DANIEL MOOKHEY: No.

Mr DOMINIC PERROTTET: You are choosing four weeks.

The Hon. DANIEL MOOKHEY: I am identifying the same numbers the regulator has identified as being of key concern.

Mr DOMINIC PERROTTET: There is a reason why the Labor governments in Queensland and Victoria do not even publicly—

The Hon. DANIEL MOOKHEY: No, there is a reason why this scheme lost \$6 billion under your watch.

The CHAIR: We need to have one person speak at a time. Hansard is trying to record this. I am sure everyone is going to be very interested in the transcript being accurate.

Mr DOMINIC PERROTTET: They seem to be doing very well.

The CHAIR: One person at a time.

Mr DOMINIC PERROTTET: Okay. Mr Mookhey, do you want to finish the question because I want to make sure this is a very congenial dialogue here?

The Hon. DANIEL MOOKHEY: Yes, I do. It is always congenial.

Mr DOMINIC PERROTTET: I just want to make sure that you are getting the answers that you require.

The Hon. DANIEL MOOKHEY: Premier, this is not cherrypicking data; this is the same data that SIRA has cited as a reason why it has serious concerns about the financial viability, the collapse again in the four-week rate which took place under your watch after you said you would fix it. You didn't fix it, did you?

Mr DOMINIC PERROTTET: So you are choosing the four-week rate. I think that is an unfair dataset to be choosing in relation to the comparison of return-to-work rates. Early on, as you would be quite well aware, when somebody is injured in the workplace there are range of issues that occur in the first four weeks that make it very, very difficult to use that as a performance measure in relation to the scheme. And that is why the Labor States of Queensland and Victoria do not even publish what the return-to-work rates are at four weeks. I do accept return-to-work rates generally are probably the most outstanding and substantive issue where more work is required by icare, and also in conjunction with the regulator, in relation to improving return-to-work rates.

The Hon. DANIEL MOOKHEY: Premier—

Mr DOMINIC PERROTTET: I listened to the question. I will wrap it up. I think it is better to look at the six-month period when it comes to return to work. That is clearly still below what is recommended in the statutory review. I understand that. But, in context, that rate for the Nominal Insurer is at 84 per cent for the [inaudible] it is at 81 per cent. I am trying to compare it completely to other States, but in Victoria your return-to-work rate at six months is 74 per cent. It is higher than it is in Victoria. Does that mean it is perfect? No, substantial work still needs to occur. But to come in here and choose the four-week return-to-work rate, I think, is pretty misleading and unfair.

The Hon. DANIEL MOOKHEY: Premier, were you aware—either as Treasurer or as Premier—that the former Minister for Transport asked the Office of Transport Safety Investigations to launch an inquiry into the Transport Asset Holding Entity?

Mr DOMINIC PERROTTET: Not that I am aware of.

The Hon. DANIEL MOOKHEY: As the shareholding Minister in August, which you were—

Mr DOMINIC PERROTTET: Not that I am aware of, by the way. I would have to check and take that on notice.

The Hon. DANIEL MOOKHEY: Would you like to take it on notice?

Mr DOMINIC PERROTTET: I will take that on notice.

The Hon. DANIEL MOOKHEY: Thank you very much, Premier. But you are just saying to the best of your recollection—

Mr DOMINIC PERROTTET: Correct.

The Hon. DANIEL MOOKHEY: You have no recall that the then Minister for Transport had commissioned the Office of Transport—

Mr DOMINIC PERROTTET: To the best of my recollection.

The Hon. DANIEL MOOKHEY: Has anyone provided you with advice to the outcome as to what that review was?

Mr DOMINIC PERROTTET: No, to the best of my recollection.

The Hon. DANIEL MOOKHEY: That review has been given to the transport Minister this week. It is a serious review. It is about whether or not the creation of the Transport Asset Holding Entity has created increased operational risk to rail safety.

Mr DOMINIC PERROTTET: All reviews are serious.

The Hon. DANIEL MOOKHEY: Are you aware of what the review is?

Mr DOMINIC PERROTTET: Yes. I read about it.

The Hon. DANIEL MOOKHEY: Are going to be making inquiries, as Premier, into the outcome of that investigation?

Mr DOMINIC PERROTTET: I inquire into the outcomes of any reviews. I expect all Ministers to review important areas and issues that arise within their portfolios.

The Hon. DANIEL MOOKHEY: Thank you, Premier. You made the decision in 2018 to commence the Transport Asset Holding Entity in that budget. Correct?

Mr DOMINIC PERROTTET: Which budget was it?

The Hon. DANIEL MOOKHEY: In 2018.

Mr DOMINIC PERROTTET: Obviously previous work had been done. We made it clear, I think, in the half yearly review, whoever the Treasurer was at that point in time in 2013-14, and then that was in the 2015-16 budget papers. It took Labor five years to catch up.

The Hon. DANIEL MOOKHEY: But you commenced it in 2018. Correct?

Mr DOMINIC PERROTTET: Yes, through the legislation.

The Hon. DANIEL MOOKHEY: Yes, you did.

Mr DOMINIC PERROTTET: Why did the Government establish the Transport Asset Holding Entity?

The Hon. DANIEL MOOKHEY: I will give you a very clear answer in relation to that because it was in the second reading speech, which is obviously the best—

The Hon. DANIEL MOOKHEY: While you are looking for that, can I put this proposition to you?

Mr DOMINIC PERROTTET: Keep going to the next one.

The Hon. DANIEL MOOKHEY: Was the reason why the Government commenced the Transport Asset Holding Entity whilst you were Treasurer to shift billions of dollars of rail expenses off books?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Did that have any correlation—

Mr DOMINIC PERROTTET: I have got the answer. Let me go back to the last question.

The Hon. DANIEL MOOKHEY: I will let you do that.

Mr DOMINIC PERROTTET: I will be very quick. I think it is important for the record. The TAHE was established to optimise the existing transport asset base to enable a more effective, efficient and commercial approach to managing transport assets, particularly property, and allowing transport operating entities to focus on the core functions of operating transport services and delivering improved customer service.

The Hon. DANIEL MOOKHEY: And you are saying that there was no part of the Government's thinking about transferring cost from the general government sector of the budget to the total sector.

Mr DOMINIC PERROTTET: Well, that is clearly an outcome.

The Hon. DANIEL MOOKHEY: But was there any motivation in the mind of the Government at the time, and you as Treasurer?

Mr DOMINIC PERROTTET: I inherited the implementation of the previous decisions of the New South Wales Government to move to the management of the State's transport assets in a similar way to the way that they are managed in the States of Victoria and Queensland.

The Hon. DANIEL MOOKHEY: Okay. Are you confident that TAHE is properly accounted for in the State budget and has been in every budget that you have delivered?

Mr DOMINIC PERROTTET: To date, yes, but obviously as we work through the implementation—so to get to the question: As we have gone through the transformation to a State-owned corporation, there have been milestones that have been required to be met. Some have not been met from time to time and we have had to request and work with the Australian Bureau of Statistics [ABS] in relation to extensions. In addition to that, obviously Treasury continues to work with the Auditor-General in relation to how those assets are budgeted for. But, to your question, to date, despite the fact that at points in time we have had to ask for extensions, I think the answer to that question is yes.

The Hon. DANIEL MOOKHEY: You made reference to the Auditor-General.

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Have you, as Premier, received any advice about how the Auditor-General's inspection of the State accounts is going in respect to the Transport Asset Holding Entity?

Mr DOMINIC PERROTTET: To me directly?

The Hon. DANIEL MOOKHEY: As Premier.

Mr DOMINIC PERROTTET: From whom?

The Hon. DANIEL MOOKHEY: Any advice from any source whatsoever.

Mr DOMINIC PERROTTET: Not directly from the Auditor-General.

The Hon. DANIEL MOOKHEY: Of course not. She is an independent officer.

Mr DOMINIC PERROTTET: But during my time as Treasurer and time as Premier, I have had discussions in relation to the implementation of the Transport Asset Holding Entity and the connection to that in terms of the accounting of that in relation to the budget. Obviously, with the Total State Sector Accounts [TSSA], the Auditor-General works through those issues with Treasury. My understanding is that Treasury is in discussions with the Auditor-General, as they would be—that is not unusual; as they would be in the ordinary course—and it is important that the Auditor-General is satisfied with the progress that has been made and the classification of those assets.

The Hon. DANIEL MOOKHEY: Indeed, and I appreciate the answer, Premier, because it does confirm what Treasury told us yesterday.

Mr DOMINIC PERROTTET: There you go.

The Hon. DANIEL MOOKHEY: But what Treasury also told us yesterday—

Mr DOMINIC PERROTTET: We are on the same page.

The Hon. DANIEL MOOKHEY: Well, perhaps you might want to listen to the next bit.

Mr DOMINIC PERROTTET: Okay.

The Hon. DANIEL MOOKHEY: What Treasury did also tell us yesterday was that the Auditor-General has not signed off on the State's accounts, as she usually does in October, after she raised concerns about how the Transport Asset Holding Entity is being accounted for in the State's budget.

Mr DOMINIC PERROTTET: Right.

The Hon. DANIEL MOOKHEY: Are you aware of that?

Mr DOMINIC PERROTTET: Well, I am aware that the Auditor-General has not signed off, yes.

The Hon. DANIEL MOOKHEY: Were you aware that the reason why she has delayed signing off on the State's accounts was because of the accounting treatment of the Transport Asset Holding Entity?

Mr DOMINIC PERROTTET: Look, this is not unusual.

The Hon. DANIEL MOOKHEY: Has it happened before?

Mr DOMINIC PERROTTET: No, no, but what has happened annually is that there are generally discussions as we head into the TSSA with the Auditor-General and Treasury, so it is—

The Hon. DANIEL MOOKHEY: Does it create concern in your mind that the Auditor-General has delayed signing off on the State's accounts—

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: —as a result of the treatment of the Transport Assets Holding Entity, which took place under your watch as Treasurer. It causes you no concern.

Mr DOMINIC PERROTTET: No. It is not unusual for Treasury to be working through with the Auditor-General ahead of any concerns she or her office may have, and particularly in relation to such a substantive transformation of the management of the State's transport assets. No, it does not surprise me that there are issues that Treasury would need to work through with the Auditor-General. Ultimately I would expect—the Auditor-General plays a very important role in making sure that the way that Treasury's accounting within the budget is in order and, if there are any changes that need to be made, clearly Treasury and the State would provide advice to the Treasurer in relation to that.

Ms ABIGAIL BOYD: Thank you. Premier, I have been informed that the Government's Auslan interpretation contract provides an interpreter be available and on stand-by for the Government with technology available to provide interpretation remotely, if need be. Are you aware of that?

Mr DOMINIC PERROTTET: Aware of? Sorry. Aware of?

Ms ABIGAIL BOYD: Are you aware that the Government has a contract that enables it to have Auslan interpreters available?

Mr DOMINIC PERROTTET: Yes. Well, we have Auslan interpreters at some of our press conferences, yes.

Ms ABIGAIL BOYD: Why do you not have them at all of your press conferences, Premier?

Mr DOMINIC PERROTTET: Because my understanding is that is not the policy.

Ms ABIGAIL BOYD: What policy?

Mr DOMINIC PERROTTET: The advice that I have received is that from time to time if there is a decision or a public announcement by the New South Wales Government that is determined by the Department of Premier and Cabinet—Mr Coutts-Trotter might correct me—in certain circumstances it would be the view, and advice would come from DPC to the Premier's office or, potentially I guess, any Minister's office that at that press conference the Minister or the Premier of the day should be accompanied by Auslan interpreters. But it would be on a case-by-case basis, I would have thought, based on the importance of the information that was being provided by the State.

Ms ABIGAIL BOYD: Okay. We will come back to that in just a second.

Mr DOMINIC PERROTTET: Yep.

Ms ABIGAIL BOYD: Are you aware that it is actually an international human right to have all political communications signed?

Mr DOMINIC PERROTTET: No, I am not.

Ms ABIGAIL BOYD: Since 2007 when Australia first signed on the United Nations Convention on the Rights of Persons with Disabilities, we have been in breach of our international obligations. Is your Government going to do things better? Are you going to change your policy so that you will actually have Auslan interpreters available at all of your press conferences?

Mr DOMINIC PERROTTET: I will take that on notice. What I would say is that the Government is completely committed in making sure that all areas of critical communication that the Premier or Ministers make should be accessed to every single person. Every single person in this State should have access to that. If there are things that could be improved, whether it is Auslan interpreters, whether it is translation services, I think these are things that the Government should look at, and be very willing to look at, because I think it is important that all the important and positive news from the New South Wales Government in terms of our management of the State is spread large and wide all around our great State.

Ms ABIGAIL BOYD: You talked just then about doing this on the case-by-case basis for the important communications or the most important of the press conferences, perhaps.

Mr DOMINIC PERROTTET: Well, I do not make that assessment.

Ms ABIGAIL BOYD: Okay. But on a case-by-case basis is when we will have Auslan interpreters. That is my understanding under your policy.

Mr DOMINIC PERROTTET: Let us take, for example, this week. So I think it was Tuesday—yes, it was definitely Tuesday—we made an announcement in relation to easing of restrictions as part of the pandemic. We had an Auslan interpreter there because in relation to the important health advice that was being provided by the health Minister and Dr Kerry Chant, it was the view that that information and that press conference was of such a nature that an Auslan interpreter was an important part of that announcement. Now, there might be something else—I do not want to probably get into diminishing what announcements the Government might make—but there clearly might be some announcements that do not warrant that same treatment.

Ms ABIGAIL BOYD: Just to put yourself in the shoes of a person who is deaf or hard of hearing, is the expectation that they turn on the live feed or the TV, or whatever, to look at the press conference and wait to see if there is an Auslan interpreter and, if there is not, then they just—that's it.

Mr DOMINIC PERROTTET: No.

Ms ABIGAIL BOYD: Are they expected to try and—like what?

Mr DOMINIC PERROTTET: Well, I am surprised that everyone is tuning in to our press conferences every single day. The reality is the Government makes an assessment and provides advice to the Premier or the Minister in respect of those announcements that they believe should be accompanied with an Auslan interpreter,

who do an amazing job and have actually played a very, very key role in the communication of very important health advice during the pandemic.

Ms ABIGAIL BOYD: Yes.

Mr DOMINIC PERROTTET: But to suggest that somehow there has been a change in policy—

Ms ABIGAIL BOYD: That was not my suggestion.

Mr DOMINIC PERROTTET: Well, I don't know.

Ms ABIGAIL BOYD: I think until recently—

Mr DOMINIC PERROTTET: You were kind of getting pretty close in the first question.

Ms ABIGAIL BOYD: Let's clarify that. Before the COVID press conferences where we had the Auslan interpreters, we were breaching our human rights obligations in not providing accessible—

Mr DOMINIC PERROTTET: You are saying that.

Ms ABIGAIL BOYD: Yes, I am. It is very clear. Then, thank goodness, we finally got Auslan interpreters who are there and giving real-time communication during COVID to people who are deaf or hard of hearing and we thought, "That's great. We finally have a part compliance with our human rights obligations." Now we have gone back to it on a case-by-case basis, where people are having to tune in to find out—

Mr DOMINIC PERROTTET: No, I disagree with that. Under the former Premier, and given the point in time we were in the pandemic, there were daily press conferences that occurred at 11.00 a.m. I cannot recall if last year's press conferences, which were held at 8.00 a.m., were accompanied by an Auslan interpreter. I will take it that then we have improved in relation to that change in direction to the 11.00 a.m. press conferences that occurred this year. Now, as Premier, in light of where we are in the pandemic, we have not had daily press conferences in relation to case numbers and the health advice; we provide those online in the morning at 9.00 a.m. so that everybody in the State can have access to those numbers and any relevant health advice for the day. If it is the case that at a relevant point in time or on a certain day we are providing public information by way of press conference in addition to the 9.00 a.m. release, then my expectation is that there would be an Auslan interpreter at such a press conference.

Ms ABIGAIL BOYD: Okay. Just to clarify, what you are saying is there has been no change of policy because the policy stayed the same, it is just that during COVID it was deemed that those press conferences were important enough to have an Auslan interpreter at?

Mr DOMINIC PERROTTET: I will take that on notice.

Ms ABIGAIL BOYD: Let us just agree that that is probably the case—I do not know. I do not think it is relevant to the questions.

Mr DOMINIC PERROTTET: It would be unusual that we have changed a policy on Auslan interpreters in the last 12 months.

Ms ABIGAIL BOYD: Okay. Do you personally understand the difference between a translation service and an Auslan interpreter and why they are not equivalent?

Mr DOMINIC PERROTTET: If there is advice that we receive that it is important for certain government announcements to provide an Auslan interpreter or a translation service, then we are happy to take that advice on board.

Ms ABIGAIL BOYD: Do you understand that they are not the same thing, that for somebody who is deaf or hard of hearing an Auslan interpreter gives a much richer and greater communication experience than just reading about it afterwards? Closed captioning, for instance, is not the equivalent of Auslan, which is why—

Mr DOMINIC PERROTTET: Yes, that would be why Auslan interpreters are at press conferences.

Ms ABIGAIL BOYD: But that is why they should be at every press conference, in line with our essential obligations. Correct?

Mr DOMINIC PERROTTET: I will take advice on that. But obviously, Ms Boyd—let us get to the point—we obviously want to make sure that every bit of important government information that is publicly communicated is accessible to every single person across the State.

Ms ABIGAIL BOYD: Absolutely, and that would be in line with the obligation to make all political communications available to people who are deaf or hard of hearing.

Mr DOMINIC PERROTTET: I can assure you that I will look into this—

Ms ABIGAIL BOYD: Thank you.

Mr DOMINIC PERROTTET: —and that, not just in relation to that issue, we will look at more enhanced ways of ensuring that government information is provided to the public in a way that everybody can access it.

Ms ABIGAIL BOYD: Okay, that is good. Are you aware that the Andrews Government makes every press conference accessible for people who are deaf or hard of hearing with Auslan interpreters?

Mr DOMINIC PERROTTET: Every single press conference?

Ms ABIGAIL BOYD: That is right, and if they cannot get one for some reason they give an express apology for their failure to do it on that occasion.

Mr DOMINIC PERROTTET: Every press conference?

Ms ABIGAIL BOYD: Every press conference.

Mr DOMINIC PERROTTET: Even from like a Parliamentary Secretary for sport?

Ms ABIGAIL BOYD: I am not aware of whether a Parliamentary Secretary for sport is covered, but I understand—

Mr DOMINIC PERROTTET: But the Minister for sport?

Ms ABIGAIL BOYD: I do not know.

Mr DOMINIC PERROTTET: But you just said "every press conference".

Ms ABIGAIL BOYD: Let me have a look. In Victoria all press conferences with the Premier have an Auslan interpreter present.

Mr DOMINIC PERROTTET: Okay.

Ms ABIGAIL BOYD: Could you do as well—

Mr DOMINIC PERROTTET: I will certainly look at that.

Ms ABIGAIL BOYD: —as the Andrews Government?

Mr DOMINIC PERROTTET: I will certainly look at that.

Ms ABIGAIL BOYD: Thank you. Just sticking with the topic of accessibility for people with disability, are you aware that your Government is an outlier in not signing up to the minimum accessibility standards under the National Construction Code?

Mr DOMINIC PERROTTET: No.

Ms ABIGAIL BOYD: You are not aware of that?

Mr DOMINIC PERROTTET: No, I am not.

Ms ABIGAIL BOYD: Is this another thing that you could perhaps look into?

Mr DOMINIC PERROTTET: What was it again?

Ms ABIGAIL BOYD: This is the National Construction Code minimum accessibility standards, and these are really simple things. This is like all new builds having, for example, a toilet on the lowest floor; all new buildings having accessible entryways for somebody who is having mobility needs—they are really basic.

Mr DOMINIC PERROTTET: So you are saying that every other State and Territory in the country has signed up to that code?

Ms ABIGAIL BOYD: Not every. But the ACT—

Mr DOMINIC PERROTTET: They do not count.

Ms ABIGAIL BOYD: —Queensland, Victoria. I think the ACT is a particular—given that they are going to have it—

The Hon. PENNY SHARPE: We will send the tape to Andrew.

Mr DOMINIC PERROTTET: Come on, it is the ACT.

Mr DAVID SHOEBRIDGE: It is also Victoria.

Ms ABIGAIL BOYD: But it is the same builders, it is the same construction companies.

Mr DOMINIC PERROTTET: Okay, Victoria and Queensland. I will look at it. I was unaware of that.

Ms ABIGAIL BOYD: Could you look at that?

Mr DOMINIC PERROTTET: Ms Boyd, I will take that on notice and I will look at it and I will come back to you.

Ms ABIGAIL BOYD: Thank you very much.

Mr DOMINIC PERROTTET: Who is next? Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Yes. Just on that construction standard, you know it costs about \$2,000 or \$3,000 to build a new house so it is accessible, so people can age into it with grace.

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: And it costs about \$75,000 to retrofit it, and that is why Victoria and Queensland have moved, because we want to have housing that people can age into gracefully or continue to occupy.

Mr DOMINIC PERROTTET: I understand. And it is going to become a more important issue as our population ages here in our State.

Mr DAVID SHOEBRIDGE: Premier, do you believe that our elections should be safe and secure and adequately funded, whether it is local or State?

Mr DOMINIC PERROTTET: Yes. Do you?

Mr DAVID SHOEBRIDGE: I do.

Mr DOMINIC PERROTTET: A big supporter of the—

Mr DAVID SHOEBRIDGE: Commissioner, do you have the resources necessary to ensure that our elections are safe from cybersecurity attacks?

Mr SCHMIDT: Thank you, Mr Shoebridge. Just to put a bit of context to the question, there is no organisation in Australia—government or private—who can give an absolute guarantee that they will not be subject to successful cyber attacks. It is the nature of the world we live in.

Mr DAVID SHOEBRIDGE: But you do not want to leave the door open.

Mr SCHMIDT: I will address that. Have I done all that I can with the resources I have got to address cyber risks? Yes. Do I believe I should be able to do more? Yes. Would I have been able to do more if I had received the funding I have sought for the past four budget cycles? Absolutely.

Mr DAVID SHOEBRIDGE: Can you meet the New South Wales Government's cybersecurity standards with the resources you have to hand?

Mr SCHMIDT: No, and I have given attestation—if you go back to the annual report of this year, which I think is now out there, and the previous one, the answer is no.

Mr DAVID SHOEBRIDGE: And how much have you sought in the most recent budget cycle to improve your cybersecurity protections, I assume to meet New South Wales Government minimum standards? How much have you sought?

Mr SCHMIDT: If the Committee could bear with me. The original figure over 10 years was just over \$40 million. I am aware of a discussion of this issue at a previous estimates committee as part of this round, and the figure of \$22 million has been used. The \$22 million refers to the first four years of that. If I could expand then upon how it has worked in practice. There is an underlying issue here, which I have repeatedly aired at a number of committees, about the structural problems with the funding model for an organisation such as myself, and I am hoping this is illustrative of those problems.

We have put in the funding bids. As part of the current round, in discussions with Treasury—I must confess I am not 100 per cent sure whether the bid ever went to a Cabinet hearing; I am not privy to those discussions and we do get limited feedback—the decision was taken to refer it across to the Digital Restart Fund. That was discussed with the organisation, and that was, I presume, because money is very tight in the COVID situation. One of my officers was at the very first meeting with some of the people from the department and the

question was raised, "Why are you bringing this here? You do not meet the criteria", and that is true, we do not meet the criteria for the Digital Restart Fund. The Digital Restart Fund is meant to only provide time-limited funding. We are not seeking time-limited funding; we are seeking ongoing operational funding.

The first cyber bid that I put in as commissioner was 2018-2019. Half of that bid—I think it was a very modest \$1.7 million—\$600,000 was for an operating centre, a security operation centre for the State general election in 2019.

A security operation centre is an external provider who monitors all your traffic flows, monitors alerts within your system, looks out for problems, identifies them, offers triaging for you, comes in, et cetera. I had to get emergency funding of \$600,000—a grant—from the Department of Premier and Cabinet to enable me to have that system in place for that election. That money of course lapsed; there was no ongoing funding—I have sought money for subsequent years. One of the benefits of having a delayed local government election, strangely enough, is I have now gone out to the market and got a new provider that is providing security operation and a security services arrangement. I am doing that by firstly using some of the core funding for the local government election and then as part of the core funding for the State general election. But when those are exhausted, the money falls away.

Mr DAVID SHOEBRIDGE: That is for a one-off contracting arrangement; it is not a permanent fix?

Mr SCHMIDT: Yes, with extensions if we get the money. But the problem is that the whole point of having a relationship and an arrangement like that is that the service provider learns from the experience of monitoring your systems. In the very early days they see alerts which trigger their alerts because it looks suspicious but that is because of the nature of my systems. To cut to the chase, we have it, we have done it through piecemeal funding—it is always piecemeal funding each year—for State Government employees [SGE]; no assured funding. I have 70 positions of my core staff where funding expires at the end of this financial year.

On top of that, I have to find additional budget savings. Those savings would equate to another nine people. I am trying to convert people from contractors to public servants to save money as instructed by Treasury to give people assurances; to get good quality people in to give them careers. Yet the year before this we got funding for 12 months for a number of those positions—and that was COVID, and I understand money was short and there was no guarantee. However, I went through the budget round last time—and some of these are security people—and I was only given another 12 months funding. I am engaging those people on long-term engagements because how can I go to the market and tell people that they cannot have security of tender.

Mr DAVID SHOEBRIDGE: Commissioner, we will come back to this. Premier, do you believe, having heard that evidence, that your Government is prioritising—

Mr DOMINIC PERROTTET: This sounds like a public Expenditure Review Committee meeting. It is giving me substantial flashbacks.

Mr DAVID SHOEBRIDGE: We do not know if any of this went to ERC.

Mr DOMINIC PERROTTET: I am just saying that this is the usual practice that would occur at an Expenditure Review Committee as Ministers and their agencies come in one by one and go through the substantive issues—

Mr DAVID SHOEBRIDGE: But—

Mr DOMINIC PERROTTET: I am going to get to what you would like me to say and then I will pass to Mr Coutts-Trotter. From time to time over the course of a budget period Ministers and members of the department come in and prosecute their case as forcefully as Mr Schmidt has just done in relation to their need for funding. I accept the point that there is obviously a speciality or a separation in relation to more independent bodies like the Electoral Commission, the ICAC—

Mr DAVID SHOEBRIDGE: The Auditor-General.

Mr DOMINIC PERROTTET: —and the Auditor-General. I completely understand that that is unique. I have obviously heard the concerns that Mr Schmidt has made. My understanding is that the issues in relation to some of those cybersecurity issues will be dealt with by the Digital Restart Fund, and we are working through that.

Mr DAVID SHOEBRIDGE: Commissioner Schmidt has just told you that he is not eligible for the Digital Restart Fund and that he has been sent down a cul-de-sac.

Mr SCHMIDT: Mr Shoebridge, if I could clarify, they have agreed to consider the application. But, again, this is the Kafkaesque nature of how this has unfolded. When they first accepted that bid of \$22 million, we did detailed assessments—

Mr DOMINIC PERROTTET: This is ERC.

Mr DAVID SHOEBRIDGE: The problem is Commissioner Schmidt does not get in front of the ERC. It all happens in a black box. None of this happens with any transparency.

Mr DOMINIC PERROTTET: No, but Mr Schmidt has just advised you that he is getting a hearing. I understand that he is unhappy, which I can tell you—

Mr DAVID SHOEBRIDGE: We are all unhappy—

Mr DOMINIC PERROTTET: Everyone is unhappy.

The Hon. PENNY SHARPE: This is a bit awkward.

Mr DAVID SHOEBRIDGE: —because there are cybersecurity issues when an election is about to start in four weeks. We are all unhappy.

Mr DOMINIC PERROTTET: As former Treasurer, I can tell you that you leave everyone unhappy.

The Hon. DANIEL MOOKHEY: You certainly did.

Mr DOMINIC PERROTTET: What was that?

The Hon. DANIEL MOOKHEY: You certainly do.

Mr DOMINIC PERROTTET: Unfortunately, that is part of the challenge of that job.

Mr DAVID SHOEBRIDGE: Premier, we are talking about the bedrock of democracy.

Mr DOMINIC PERROTTET: Correct.

Mr DAVID SHOEBRIDGE: If the election falls over because of a cybersecurity attack, we will be more than unhappy.

Mr DOMINIC PERROTTET: I understand that completely and, Mr Shoebridge, I have heard those concerns. My commitment today to Mr Schmidt is—

Mr DAVID SHOEBRIDGE: Is to pay the \$22 million?

Mr DOMINIC PERROTTET: No, is that these issues will be worked through with the Digital Restart Fund. I know that they are coming through and I will make sure that the concerns of the past are better handled in the future. I certainly accept the point in relation to certainty of funding because when you do one-off emergency funding that does provide challenges in relation to investments into perpetuity, which can create a challenge. I also accept the premise, being in of the role of Treasurer, that in relation to savings there are certain areas of government, which we obviously currently have in place, that could potentially be expanded into other areas, particularly smaller areas of government that have a role that is fundamental to our democratic practices.

The Hon. DANIEL MOOKHEY: I might just ask one follow-up to that line of questioning. It is hard to resist.

Mr DOMINIC PERROTTET: This is a very unique moment. Has this ever occurred before?

The Hon. DANIEL MOOKHEY: Indeed, welcome to the job. Premier, will you at least commit to having a direct meeting with the Electoral Commissioner, the Auditor-General, the head of ICAC—

Mr DOMINIC PERROTTET: Yes, absolutely.

The Hon. DANIEL MOOKHEY: —as well as the Legislature directly yourself to discuss, firstly, the matters that the commissioner has raised, which the other agencies share, and, secondly, reform to their structural funding model?

Mr DOMINIC PERROTTET: I commit, now that I am in this role, to meeting personally with Mr Schmidt—

The Hon. DANIEL MOOKHEY: And the others?

Mr DOMINIC PERROTTET: —without this Committee being present.

Mr DAVID SHOEBRIDGE: We are happy to cater.

Mr DOMINIC PERROTTET: We will be fine. And also with the other integrity agencies because, let us get to the point, there is no doubt there have been particular issues raised with respect to the funding of integrity agencies and independent organisations like the Electoral Commission. I want to start afresh, look at this with a new set of eyes and resolve the issues to ensure confidence in the system.

The Hon. DANIEL MOOKHEY: Given that there are local government elections in four weeks and by-elections sometime thereafter, will you treat this as a matter—at least with the Electoral Commission—of high urgency?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Premier, is the only reason why your Government committed to the Northern Beaches Link to win the North Sydney by-election?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Is the only reason why you are intending to spend \$10 billion—

Mr DOMINIC PERROTTET: You certainly were not going to win that by-election.

The Hon. DANIEL MOOKHEY: Indeed. Is the only reason why you are spending \$10 billion building the Beaches Link to win the Willoughby by-election?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Are you confident that the Northern Beaches Link has been recommended with high priority by Infrastructure NSW and Infrastructure Australia?

Mr DOMINIC PERROTTET: Sorry, I missed the question.

The Hon. DANIEL MOOKHEY: Are you sure and certain that Infrastructure NSW and Infrastructure Australia told you that the Northern Beaches Link is a project that should have high priority or however they wish to say "high priority"?

Mr DOMINIC PERROTTET: Sorry, am I—

The Hon. DANIEL MOOKHEY: Has Infrastructure NSW or Infrastructure Australia told you that the \$10 billion Northern Beaches Link is a project that should have high urgency?

Mr DOMINIC PERROTTET: No, they have not.

The Hon. DANIEL MOOKHEY: Indeed. Is it the case that you are building the Northern Beaches Link despite the populations of the northern beaches and Mosman LGAs growing by 31,200 and 1,400 by 2041, at the expense of Blacktown, which is growing by 264,000, Liverpool, which is growing by 229,000 and Parramatta, which is growing by 203,000?

Mr DOMINIC PERROTTET: We are building \$108 billion of infrastructure over the next four years across the State. A substantive component of that is in western Sydney. We should not turn this into an east versus west, north versus south issue.

The Hon. DANIEL MOOKHEY: It is not, Premier.

Mr DOMINIC PERROTTET: On the one hand, I have Mr Shoebridge coming in here asking about partisan political decisions in relation to infrastructure investment and, on the other, you are coming in here—

The Hon. DANIEL MOOKHEY: Asking you about partisan influences on infrastructure decisions.

Mr DOMINIC PERROTTET: From the party that refused to build the North-West Metro because your former Prime Minister Kevin Rudd said there were no votes in it for the Labor Party.

The Hon. DANIEL MOOKHEY: Premier, are you seriously suggesting—

Mr DOMINIC PERROTTET: You would never have built that road; you would never have built the M2.

The Hon. DANIEL MOOKHEY: Do you accept the view of Mosman LGA, clearly expressed in the upper House to us directly—

Mr DOMINIC PERROTTET: Who did? The Mosman LGA?

The Hon. DANIEL MOOKHEY: Mosman LGA have said to us that they will happily accept the \$10 billion investment you are making, subject to them not getting one extra house coming into their LGA. Is that an acceptable position that your Government is accepting?

Mr DOMINIC PERROTTET: When you build infrastructure, there is clearly development that comes off the back of that. We have seen the same thing with all our major infrastructure projects. That is an important part. What is most crucial, Mr Mookhey, is that you build the infrastructure as well as possible prior to the development occurring. What we have seen with so many projects after the years of decay under Labor was that backlog had to be addressed, infrastructure needed to be invested in and once that infrastructure was invested in, there has been development. I am very familiar with the north-west Metro—an \$8 billion project. There has been development around those stations. WestConnex, for example, is another road project that you opposed and another project you opposed the sale of. The WestInvest fund—you opposed the investment into western Sydney at \$5 billion.

The Hon. DANIEL MOOKHEY: If you could find where the money is coming from—

Mr DOMINIC PERROTTET: I have made that very clear. It really triggered you, didn't it? Mr Mookhey, you did not like the WestInvest.

The Hon. PENNY SHARPE: You are asking questions again, Premier. If you want to do a swap with Minister Tudehope, feel free, but otherwise you do not get to ask the questions.

Mr DOMINIC PERROTTET: Okay. Epping is going well.

The Hon. DANIEL MOOKHEY: The northern Beaches Link was at one point being pursued with the Western Harbour Tunnel.

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: It is occupying 75 per cent of the cost but only carrying 25 per cent of the traffic.

Mr DOMINIC PERROTTET: Beaches Link to Western Harbour?

The Hon. DANIEL MOOKHEY: The Beaches Link component of the project. How can you seriously be saying that this is not partisan pork-barrelling when you are clearly causing one part of the project to subsidise another because it does not make any economic sense whatsoever to build it otherwise?

Mr DOMINIC PERROTTET: We have got a substantive infrastructure pipeline. There are a range of projects in that. Investment decisions get made at points in time, and when the final business cases come to the Expenditure Review Committee, we will manage the pipeline of those projects in the way that we believe best suits and supports the people of New South Wales. We allocated just over \$450 million in the budget for Western Harbour Tunnel and the Beaches Link program. Obviously the Western Harbour Tunnel is a project that is underway and will provide a great opportunity, particularly for western Sydney, in connecting through to the WestConnex program. That is a western Sydney road connecting into another harbour crossing that benefits the people and the families of western Sydney.

The Hon. DANIEL MOOKHEY: Premier, your apparent road to Damascus conversion against pork-barrelling is simply not believable.

Mr DOMINIC PERROTTET: It is no conversion; I was already at Damascus.

The Hon. DANIEL MOOKHEY: Your road to Damascus conversion on pork-barrelling is simply not believable, when you are spending \$10 million on the northern Beaches Link ahead of a Willoughby by-election when Infrastructure Australia has made it clear that this is a project that should be deprioritised.

Mr DOMINIC PERROTTET: Hold on a sec. The Government's commitment in building the Western Harbour Tunnel and Beaches Link has been in place for many years.

The Hon. DANIEL MOOKHEY: Since the North Sydney by-election. By-election to by-election.

Mr DOMINIC PERROTTET: How is that in any way connected to a Willoughby by-election?

The Hon. DANIEL MOOKHEY: Are you honestly telling me that it has not entered your consideration that the reason we are building this is to help you in the by-elections you expect?

Mr DOMINIC PERROTTET: Not at all. This is a commitment the former—

The Hon. PENNY SHARPE: It is okay; we are going to move on now.

Mr DOMINIC PERROTTET: Okay. We will take this up later—but, no.

The Hon. PENNY SHARPE: I am sure you will. Premier, I just want to ask a couple of follow-up questions in relation to the grants and pork-barrelling because you have quite an interesting view about what has been happening on your watch as Treasurer. I want to quickly go back to the issue of, and your endorsement of, the \$90 million that went to Hornsby council when the amalgamated councils of Inner West and also Canterbury-Bankstown (a) were never told that they were able to apply for money and (b) as a result, received zero. Do you think that is a reasonable outcome for a grants program that you, as Treasurer, surely had at least some interest in?

Mr DOMINIC PERROTTET: No, I do not believe it was a fair outcome and I believe that, unsure of the process that occurred in that circumstance, if guidelines were changed—

The Hon. PENNY SHARPE: The previous Premier changed them. I am not going to take you through the shredding exercise.

Mr DOMINIC PERROTTET: No, I am answering your question in relation to—if guidelines change, they should be clearly communicated to the public so that councils like the Inner West Council should have known that those funds were available. I completely agree with that, yes.

The Hon. PENNY SHARPE: Under your watch, you are not going to have a situation where, essentially, the Premier's office rings around Liberal-held local government areas and tells them that there is funding available and they just basically should apply. That is not going to happen under your watch.

Mr DOMINIC PERROTTET: Clearly not, and I do not understand the time line of events that occurred in that situation, but—

The Hon. PENNY SHARPE: Trust me, it did, Premier.

Mr DOMINIC PERROTTET: In relation to grants programs, once the guidelines and the envelope has been endorsed by the Expenditure Review Committee, it should be publicly announced, and whether it is community groups or council areas, they should have access to the same information and they should be able to apply on equal standing.

The Hon. PENNY SHARPE: Premier, are you aware that there is a Premier's memorandum called the Good Practice Grants Administration?

Mr DOMINIC PERROTTET: From 2010?

The Hon. PENNY SHARPE: Yes.

Mr DOMINIC PERROTTET: Yes, that is the one that I have asked to do a review on.

The Hon. PENNY SHARPE: Yes, it is being reviewed, but it has actually been in place this entire time for the past 10 years.

Mr DOMINIC PERROTTET: Are you saying it has been breached?

The Hon. PENNY SHARPE: Yes, I am—

Mr DOMINIC PERROTTET: There we go.

The Hon. PENNY SHARPE: —which is why I am surprised that all of a sudden you have had this moment where you have decided that you are against pork-barrelling, that you are going to look at other jurisdictions and that there is going to be a review to make sure that it never happens when, actually, there is a Good Practice Guide to Grants Administration. If you had have followed it—if all of your Ministers had followed it—then, frankly, you would not be in the situation you are in now.

Mr DOMINIC PERROTTET: I have always followed that process.

The Hon. PENNY SHARPE: We have just had the \$90 million example to Hornsby, which you have said was a bad process, but you are now saying that that had nothing to do with you and that as Treasurer you were not even asking your Ministers whether they were following the existing Good Practice Guide to Grants Administration.

Mr DOMINIC PERROTTET: No, what I would say is that I am unaware of the time line of the events in relation to the grants that you are referring to. What I am saying—

Mr DAVID SHOEBRIDGE: Hornsby was a three-day turnaround from the phone call to the money in the account.

Mr DOMINIC PERROTTET: What I am saying in relation to that is that if there is a change in guidelines, they should publicly be communicated. In respect of the 2010 Premier's memorandum into—

The Hon. PENNY SHARPE: Which is still in force into good practice and which has clearly been ignored—

Mr DOMINIC PERROTTET: Correct.

The Hon. PENNY SHARPE: —by every single one of your Ministers and you as Treasurer. At no point did you ever ask one of your Ministers whether they were following the Premier's own guide to good governance and grants practice?

Mr DOMINIC PERROTTET: Clearly I believe in good governance, and I would expect—

The Hon. PENNY SHARPE: Have you ever asked a Minister whether they were actually following the guidelines that this Government has in place for this?

Mr DOMINIC PERROTTET: Clearly there is an expectation from whoever is the Premier of the day that—

The Hon. PENNY SHARPE: But as Treasurer you never asked this question. All of a sudden you are telling us that you care about pork-barrelling. It has all happened for the past 10 years; it has happened under the past four years of you as Treasurer. The question is, have you ever asked a Minister, when they have come to ERC or in any other purpose, whether they have actually followed the Government's own guide to good grants process?

Mr DOMINIC PERROTTET: I should not have to.

The Hon. PENNY SHARPE: Right. Clearly you did not.

Mr DOMINIC PERROTTET: If it is very clearly set out, all Ministers have an obligation to comply with Premier's memorandums.

The Hon. PENNY SHARPE: What are you going to do to Ministers who have failed the current test?

Mr DOMINIC PERROTTET: I am not going to sit in Cabinet and say, "Who is complying today?"

The Hon. PENNY SHARPE: Why not?

Mr DOMINIC PERROTTET: My expectation is they are complying. They are complying and they should comply.

The Hon. PENNY SHARPE: You have got a Deputy Premier who is not complying with his pecuniary interests. You have got a bunch of Minister who have been pork-barrelling their way around the State, including the former Deputy Premier who called himself "Pork Barilaro"—

Mr DOMINIC PERROTTET: I think he said that in jest.

Mr DAVID SHOEBRIDGE: He said it proudly.

The Hon. PENNY SHARPE: You have got all of these issues and you have just said you are not going to ask, even though you were the Treasurer. Clearly you are now not going to ask as the Premier. Is that what you are saying to us?

Mr DOMINIC PERROTTET: No, it is my expectation that Ministers fulfil their obligations—

The Hon. PENNY SHARPE: But you are not going to ask them about it.

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

Mr DOMINIC PERROTTET: —in relation to all aspects of their responsibilities as a Minister. Treasury and the Expenditure Review Committee sets the guidelines. Certain funds do come back to ERC; that is the exception, not the rule. Ministers are completely accountable and should be completely accountable—

The Hon. PENNY SHARPE: Are any Ministers going to be accountable for not following your current good grants processes?

Mr DOMINIC PERROTTET: Absolutely, and if we can—

The Hon. PENNY SHARPE: Really? How are they going to be held accountable?

Mr DOMINIC PERROTTET: There are two issues, Ms Sharpe. One is that the framework and the guidelines themselves for that 2010 memorandum—

The Hon. PENNY SHARPE: Which has been completely ignored for 10 years.

Mr DOMINIC PERROTTET: It has not been completely ignored for 10 years. You have raised—

The Hon. PENNY SHARPE: Again, we go back to \$90 million out of a \$252 million program as just one example. There are a lot more examples than that.

Mr DOMINIC PERROTTET: You have raised one example.

The Hon. PENNY SHARPE: Zero money to the large cities of Canterbury-Bankstown and the Inner West, and you think that is reasonable too.

Mr DOMINIC PERROTTET: They are all going to love the \$5 billion WestInvest fund, which somehow the Labor Party seems to be opposing.

The Hon. DANIEL MOOKHEY: Premier, let's move on from the Premier's presumption of ministerial innocence on all matters. Let us talk about your decision to break your Government's promise by privatising the remaining half of WestConnex.

Mr DOMINIC PERROTTET: That was not a broken promise.

The Hon. PENNY SHARPE: It is.

The Hon. DANIEL MOOKHEY: You are aware that your predecessor said prior to the last election that there would be no further privatisations in the term of the next Government, or are you unaware of that?

Mr DOMINIC PERROTTET: Was that in the debate?

The Hon. DANIEL MOOKHEY: Indeed.

Mr DOMINIC PERROTTET: I think it was pretty clear that we had always intended to sell the second half of WestConnex. I do not think any—

The Hon. DANIEL MOOKHEY: So you knew—

The Hon. PENNY SHARPE: So Gladys lied about that?

The Hon. DANIEL MOOKHEY: So you knew prior to the last—

Mr DOMINIC PERROTTET: Well, if you go back through the tape, she was not asked specifically in relation to WestConnex. She was asked specifically in relation to the electricity assets, water—

The Hon. DANIEL MOOKHEY: No, she was not.

Mr DOMINIC PERROTTET: Yes, I remember because I remember that debate really, really well.

Mr DAVID SHOEBRIDGE: There should have been a little asterisk.

Mr DOMINIC PERROTTET: That was the Daley's car crash. That was that moment when you knew the election was over. I remember the debate very, very clearly.

The Hon. DANIEL MOOKHEY: Premier, just to be clear—

Mr DOMINIC PERROTTET: Extra kick in my step the next morning.

The Hon. DANIEL MOOKHEY: —you have now said that at the time the Premier was saying that in the debate, you already had formed the intention to sell WestConnex.

Mr DOMINIC PERROTTET: Absolutely. I think there was no issue with the public understanding, given we had sold the first tranche of WestConnex, that it was always the intention of the Government to complete that second transaction.

The Hon. DANIEL MOOKHEY: Do you reject the proposition that the previous Premier was misleading the public when she said that there would be no further—

Mr DOMINIC PERROTTET: Yes, I do. I do not believe that her comments related to the second half of WestConnex. I believe her comments related to electricity, water, and that is the Government's commitment.

The Hon. DANIEL MOOKHEY: So your view is that the public needs to read the fine print of any such pledge that comes from the head of a Liberal Government?

Mr DOMINIC PERROTTET: Not at all. Even Mr Shoebridge would admit that he would have believed the Liberal-Nationals Government would have sold the second half of WestConnex.

Mr DAVID SHOEBRIDGE: I never believed the statement, but I always thought it was misleading, for the record.

Mr DOMINIC PERROTTET: You believed it was misleading?

Mr DAVID SHOEBRIDGE: Absolutely.

The CHAIR: We are not debating—

Mr DAVID SHOEBRIDGE: I assumed anything that was not nailed down would be sold, despite the statement.

The Hon. PENNY SHARPE: You will have time.

The Hon. DANIEL MOOKHEY: Just to answer the question, your view is that when it comes to all such promises about privatisation, the public has got to read the fine print of any Perrottet commitment?

Mr DOMINIC PERROTTET: No. I make it very, very clear and I stick to my word.

The Hon. DANIEL MOOKHEY: Fair enough. You have said that you think the public would expect a Liberal-Nationals Government to be selling an asset like WestConnex in full.

Mr DOMINIC PERROTTET: Because we had already sold 51 per cent. We made it very, very clear that our intention when it came to the transaction of the WestConnex road that we would be selling down. It was a public commitment. We had already made a public commitment to sell down the State share of WestConnex. We made a public commitment to do it in two tranches. We sold the first 51 per cent prior to the election, and we had always intended and made it very clear we were selling down the second 49 per cent.

The Hon. DANIEL MOOKHEY: Premier, are you contemplating or should the public expect you to be privatising further motorways that you will be building?

Mr DOMINIC PERROTTET: We have not made any commitment in that, and if we were to we would make that public.

The Hon. DANIEL MOOKHEY: You think it is reasonable, therefore, on the basis of what you just said, that the public should expect that any—

Mr DOMINIC PERROTTET: The public—

The Hon. DANIEL MOOKHEY: Let me finish. On the basis of what you just said, the public should expect and are on notice that you might privatise any future motorway?

Mr DOMINIC PERROTTET: No. What I am saying is that the public—because the Government made it very clear in relation to the WestConnex transaction when we built the road, which you opposed, we had always committed to the sale of that asset.

The Hon. DANIEL MOOKHEY: Fair enough.

Mr DOMINIC PERROTTET: We had already sold 51 per cent, and we have made it very clear that we were selling down our residual share in WestConnex. That was very clear prior to the election. I think it is an unfair interpretation to be suggesting that the Premier's comments in that press conference somehow were to turn back on what was already a previous government commitment. If you were so concerned at the time, you would have made it very clear that the Liberals and The Nationals have cancelled their intention of pursuing the State's residual interest in WestConnex. No-one in the public thought that because it was not reported.

The Hon. DANIEL MOOKHEY: Premier, basically the summation of what you have just said is that, really, it is the public's fault that they could not really understand what Ms Berejiklian was saying?

Mr DOMINIC PERROTTET: We made it clear.

The Hon. DANIEL MOOKHEY: Okay. Fair enough. I will move on.

Mr DOMINIC PERROTTET: No-one in the media—

The Hon. DANIEL MOOKHEY: I accept that is your view. Premier, are you, as Premier, contemplating any further privatisation of public assets of any form? No caveats or asterisks. Are you currently contemplating any additional privatisation?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Can you guarantee that there is not going to be any privatisation at any time whatsoever under a government you lead?

Mr DOMINIC PERROTTET: Can I guarantee there will not be?

The Hon. DANIEL MOOKHEY: Yes.

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Why can't you provide that guarantee?

Mr DOMINIC PERROTTET: Because I will always assess information and advice that comes through and if I believe conducting a transaction is in the best interests of the people of New South Wales and will drive investment and economic opportunity, just like the WestConnex transaction, then we will proceed down that path. That does not mean, unlike Labor, we have an ideological position either way. We will weigh up the information. I have done that numerous times in my role as Treasurer. When it came to forestry, for example, I conducted a scoping study, information came back, considered that information, did not proceed. I think it is—

Mr DAVID SHOEBRIDGE: Only because of the fires.

Mr DOMINIC PERROTTET: Well, that may be—

Mr DAVID SHOEBRIDGE: You would have flogged it off—

The Hon. DANIEL MOOKHEY: I am asking the questions, Mr Shoebridge.

Mr DOMINIC PERROTTET: No. That is not necessarily the case, Mr Shoebridge.

The Hon. DANIEL MOOKHEY: Premier, returning to the question, I accept that view. Well, I accept that is your view.

Mr DOMINIC PERROTTET: But you would not have \$5 billion for WestInvest.

The Hon. PENNY SHARPE: Nor do you.

The Hon. DANIEL MOOKHEY: Premier, your budget that you introduced as Treasurer just in June flagged further scoping studies in it.

Mr DOMINIC PERROTTET: In the budget in June?

The Hon. DANIEL MOOKHEY: Yes, it is. It is on page 3 - 1, if you want to follow along.

Mr DOMINIC PERROTTET: At least someone reads it.

The Hon. DANIEL MOOKHEY: To be fair, you should encourage your other Ministers to read it. It has been quite the surprise when we have asked them questions about the budget at budget estimates.

Mr DOMINIC PERROTTET: It is quite rare that we actually get questions on the budget in budget estimates.

The Hon. DANIEL MOOKHEY: I know; it is the new approach as shadow Treasurer. Premier, given that you have just said that you are open to it on the basis of the scoping studies—

Mr DOMINIC PERROTTET: Open to what?

The Hon. DANIEL MOOKHEY: Further privatisation, if that is what the scoping studies recommend.

Mr DOMINIC PERROTTET: And wider considerations, yes.

The Hon. DANIEL MOOKHEY: Are you saying that if a scoping study was to recommend to you to privatise electricity, you would consider it?

Mr DOMINIC PERROTTET: I consider everything.

The Hon. DANIEL MOOKHEY: Can you also say that if a scoping study was to come to you that suggested that you should privatise Sydney Water, are you open to that?

Mr DOMINIC PERROTTET: I will tell you what I am not going to do. I am not going to be a Premier who is going to engage with the Labor Party on a scare campaign in relation to privatisations. I stand on our record. I stand on our asset recycling approach. That approach has delivered significant investments right across the State. It has seen our asset base grow from when you were in office from \$133 billion to close to—sorry, \$160 billion to close to a quarter of a trillion dollars. Now the asset base has grown; we have swapped old assets for new assets. I am not going to take things off the table. That does not mean I am going to do them. Run your scare campaign. Run it. It does not bother me. I am going to stand on our record. We have got a great record in this State.

The Hon. DANIEL MOOKHEY: Premier, the reason I am asking you this question is because of the record.

Mr DOMINIC PERROTTET: A great record.

The Hon. DANIEL MOOKHEY: To be fair, having previously just established that commitments from the leaders of the Liberal and National parties are subject to conditions, I am just trying to elucidate at the early part of your premiership precisely how you intend to make decisions about this. I have asked you specifically about Sydney Water. Can I ask you, given that—

Mr DOMINIC PERROTTET: The Government has no plan—this is the game. This is the game. The Government does not have any plans—

The Hon. DANIEL MOOKHEY: Premier, the next one I would like to—okay, please go ahead.

Mr DOMINIC PERROTTET: The Government does not have any plans for any future—

The Hon. DANIEL MOOKHEY: But you are open to it on the basis of recommendations?

Mr DOMINIC PERROTTET: The Government does not have any plans in relation to future privatisations. That is a fact.

The Hon. DANIEL MOOKHEY: Okay. Premier, I am just—

Mr DOMINIC PERROTTET: So run a campaign that says, "You do not rule it out, therefore you will do it." It will not work.

The Hon. DANIEL MOOKHEY: Premier, one of the issues when you were finance Minister at the time that your Government privatised the electricity assets—

Mr DOMINIC PERROTTET: A great era in New South Wales history.

The Hon. DANIEL MOOKHEY: For the history books. One of the decisions, which I assume you considered to be an historic decision that was made at the time you were the finance Minister, was to privatise the electricity networks. At the same time then Deputy Premier Andrew Stoner got a carve-out for Essential Energy.

Mr DOMINIC PERROTTET: Yes, I recall.

The Hon. DANIEL MOOKHEY: In your view, is that a continuing commitment from you—

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: —to carve out Essential Energy or is it also open—if a scoping study was to recommend to you that Essential Energy be sold, is it something you would consider?

Mr DOMINIC PERROTTET: But nothing has changed. Mr Mookhey, you are talking in hypotheticals. I am not going to engage in hypotheticals.

The Hon. DANIEL MOOKHEY: I am trying to properly understand for the public—

Mr DOMINIC PERROTTET: I am engaging—

The Hon. DANIEL MOOKHEY: —given the Liberal-Nationals commitment from leaders is always subject to conditions, as you have just said—

Mr DOMINIC PERROTTET: I never said that.

The Hon. DANIEL MOOKHEY: —the public needs to be on notice.

The Hon. PENNY SHARPE: You did.

Mr DOMINIC PERROTTET: No, I didn't.

The Hon. DANIEL MOOKHEY: I am just saying, in respect to Essential Energy if a scoping study was to come to you and suggest that it should be sold—

Mr DOMINIC PERROTTET: It is a hypothetical. There is no scoping study—

The Hon. DANIEL MOOKHEY: But can you rule it out?

Mr DOMINIC PERROTTET: There is no scoping study that is before the New South Wales Government in relation to the privatisation of the electricity assets. That is a hypothetical.

Ms ABIGAIL BOYD: I want to clarify some points you made in response to Ms Sharpe's questions about women in Cabinet. Is it your view that the low numbers of Liberal women in Cabinet is as a result of there being low numbers of Liberal women in Parliament? Is it a problem of preselection or is it a problem in Parliament?

Mr DOMINIC PERROTTET: Both.

Ms ABIGAIL BOYD: Okay. Are you aware that if you are a Liberal MP—so having actually made it into this place—you are four times more likely to be elevated to the Cabinet if you are man than if you are a woman?

Mr DOMINIC PERROTTET: Is that based on the current Cabinet arrangement?

Ms ABIGAIL BOYD: Yes.

Mr DOMINIC PERROTTET: Okay.

Mr DAVID SHOEBRIDGE: It is not okay.

Mr DOMINIC PERROTTET: Okay in terms of your maths, yes.

Ms ABIGAIL BOYD: So how long have you been a member of Cabinet?

Mr DOMINIC PERROTTET: Eight years, nine years.

Ms ABIGAIL BOYD: At any time have you sought to proactively increase that percentage of women MPs being elevated to the Cabinet?

Mr DOMINIC PERROTTET: I was not the Premier. I am the Premier now. That is a matter for the Premier.

Ms ABIGAIL BOYD: Solely for the Premier? There is no room for anyone to advocate to do things better?

Mr DOMINIC PERROTTET: People will always advocate. If they are a member of Parliament I would assume that they would see the merits of them being appointed to the Cabinet. But ultimately that is a matter for the Premier, and for National Party it is a matter for the Deputy Premier.

Ms ABIGAIL BOYD: You said earlier—and I think it is quite telling in light of the previous conversation on privatisation as well—that governments should be judged on their actions and not what they say. Presumably that applies to individuals within government as well? You, Premier, should be judged on your actions and not just by what you say?

Mr DOMINIC PERROTTET: Yes.

Ms ABIGAIL BOYD: When you became the Premier you thought it would be better, when people resigned, to spread those available portfolios to the existing men in your Cabinet instead of even temporarily elevating women into those positions. Why did you make that decision?

Mr DOMINIC PERROTTET: Well, two points. I think that is a completely unfair characterisation to say that those portfolios were allocated to men, as in somehow that is wrong. I think that is deeply offensive.

Ms ABIGAIL BOYD: Can you explain why?

Mr DOMINIC PERROTTET: Because I allocated those portfolios to Ministers—there was really the jobs Minister who has portfolio responsibilities that were in line with the previous responsibilities of the Deputy Premier; in relation to planning Minister, Minister Stokes, on the resignation of Minister Constance, that planning infrastructure for a short period of time would be best served with the connection of those two portfolios.

Ms ABIGAIL BOYD: So you think it was—

Mr DOMINIC PERROTTET: Hold on. I need to finish the answer to the question.

Ms ABIGAIL BOYD: Go on.

Mr DOMINIC PERROTTET: My second point is it was not a focus of mine to change the Cabinet because we were in the middle of a pandemic. At the point in time of the transition from the former Premier to myself, I wanted every single Minister to continue the work that they are doing to ensure, as we move through the road map as we opened up the State, that everyone was dedicated on ensuring that we kept people in work, kept businesses open and at the same time kept people safe. That was the decision. I was not going, in my role, to

immediately change the Cabinet in those circumstances. I wanted my team to focus on one thing, and that is the people of the State. That is why I made the decision.

Ms ABIGAIL BOYD: Okay, so you thought that it was better to have, for example, the new Treasurer also responsible for Energy and Environment—

Mr DOMINIC PERROTTET: Well, he kept his responsibilities for Energy and the Environment—

Ms ABIGAIL BOYD: Right. But he now has two—

Mr DOMINIC PERROTTET: —and because of the fact that I moved from being Treasurer to being Premier that position needed to be filled.

Ms ABIGAIL BOYD: So he is now the head of, or responsible for, two completely separate departments in two different clusters of this Government, and you think that that is a better outcome for the people of New South Wales than having a new Minister put in, even temporarily—

Mr DOMINIC PERROTTET: Absolutely, for the circumstance we found ourselves in and the focus I needed from Ministers in my Government that they were completely dedicated to ensuring, as we opened up, we opened up safely. I was not going to cause the uncertainty and change at that time. I believe that decision was the right decision and I completely stand by it. I have also said over the summer break I will conduct a reshuffle of the Cabinet. That is the most appropriate decision to make and I would expect that every single person across New South Wales, in light of the change and transition that has occurred here, is completely focused on getting through this pandemic. The decision I made I completely stand by. I am not going to get into a debate about the fact you should have potentially put certain people in temporarily to deal with it.

The Hon. ROBERT BORSAK: Further to your answer in relation to Minister Kean, do I take it from your answer that you expect him not to carry two portfolios after you do the reshuffle?

Mr DOMINIC PERROTTET: I have not made any commitments to any Minister in relation to what changes I will make in consultation with the Deputy Premier over the summer break. I will consider all aspects of it. To be completely frank with you, I have not turned my mind to it because I have been completely focused on getting through this difficult time. It is just not an issue that—

The Hon. PENNY SHARPE: I think your colleagues have.

Ms ABIGAIL BOYD: Yes.

The Hon. PENNY SHARPE: And even more of a reason, Ms Sharpe, as to why the decision I made was the correct one.

Ms ABIGAIL BOYD: How long until the reshuffle, realistically?

Mr DOMINIC PERROTTET: I have said over summer.

Ms ABIGAIL BOYD: What does that mean? By when? By February? By March?

Mr DOMINIC PERROTTET: Summer—the summer months.

The Hon. ROBERT BORSAK: Do you agree it may be a—

Mr DOMINIC PERROTTET: I am not going to announce what day I am doing a reshuffle in the budget estimates.

Ms ABIGAIL BOYD: I am just curious as to how long—

Mr DOMINIC PERROTTET: I know you are used to getting all this information from section 52s but you cannot get information on what is inside my head.

Ms ABIGAIL BOYD: It is called an SO 52.

The Hon. BEN FRANKLIN: Standing Order 52.

Mr DOMINIC PERROTTET: Standing Order 52.

The Hon. DANIEL MOOKHEY: What do you think we should SO 52, Premier?

Mr DOMINIC PERROTTET: You SO 52'd, apparently, my incoming Premier's brief. Is there anything you think the upper House believes it is not entitled to any more?

Ms ABIGAIL BOYD: It is like we want accountability in government.

The Hon. ROBERT BORSAK: Don't you believe—and I am not saying it will happen—if that major spending portfolio like Energy and Environment was retained by the Treasurer there would be a conflict of interest?

Mr DOMINIC PERROTTET: Good question. In relation to that issue at the moment, we are ensuring that that conflict is managed—if there is a conflict—based on a submission that would come before the Expenditure Review Committee. But, ultimately, moving forward I will make sure that the team selected is in the best interests of the State, that we put the best people into the best roles and, importantly, that those roles are allocated in a way that works and minimises potential conflicts.

The Hon. ROBERT BORSAK: Thank you for that. Just carrying that logic a little bit further, I know icare has been a bit of a problem for you, as Treasurer, in the past in the sense of it is a hard one to get right. Do you think that that continued direct responsibility of the Treasurer for icare—especially given the level of deficits that are running, underwriting losses et cetera—should be farmed out to a specialist finance Minister to look after and think about?

Mr DOMINIC PERROTTET: Obviously I had portfolio responsibility of icare when I was finance Minister and then took icare through as Treasurer—

The Hon. DANIEL MOOKHEY: Good decision.

Mr DOMINIC PERROTTET: Hindsight. Anyway, that went well.

The Hon. ROBERT BORSAK: What I am saying is now it is such a large expenditure area—

Mr DOMINIC PERROTTET: I take your point, Mr Borsak—

The Hon. ROBERT BORSAK: —and a policy area that is problematic.

Mr DOMINIC PERROTTET: —and I can assure you that is part of my considerations, not just in relation to allocation of portfolio responsibilities but allocation of aspects within an allocation of Acts within ministerial responsibility as well.

Ms ABIGAIL BOYD: Just a final question on this then. So you are saying that we could have up to five months of a temporary Cabinet; five months in which you could have appointed—

Mr DOMINIC PERROTTET: It is not a temporary Cabinet; it is the current Cabinet. I have indicated clearly that I will be conducting a reshuffle over summer.

Ms ABIGAIL BOYD: And we should judge you on your failure to have appointed any additional women to your Cabinet over those five months?

Mr DOMINIC PERROTTET: I think that is incredibly unfair.

The Hon. BEN FRANKLIN: Absolutely.

Mr DOMINIC PERROTTET: I have made a decision to ensure stability in the New South Wales Government to make sure we get through this difficult period of time, and I stand by it. It would have been completely the wrong decision at a time three months ago, as the State had high case numbers of COVID, there was substantive concern in the community and we were opening up in a way over time that was safe. We are still driving up the vaccination rate. The Crisis Cabinet was still in regular meetings. The COVID and Economic Recovery Committee is currently meeting weekly as well—

Ms ABIGAIL BOYD: You have made those points, Premier.

Mr DOMINIC PERROTTET: I made the point and you re-asked the question. I think it is very clear why I made the decision I made, and I believe it was the right one.

Ms ABIGAIL BOYD: I hear you loud and clear, and we can disagree on that.

Mr DOMINIC PERROTTET: We can agree to disagree. Who would you have liked to see in Cabinet, Ms Boyd?

The Hon. DANIEL MOOKHEY: She does not want to ruin their careers. I am not sure an endorsement from her would help.

Ms ABIGAIL BOYD: You cannot name all of your women MPs?

The Hon. ROBERT BORSAK: Penny Sharpe would like to be in it.

Mr DAVID SHOEBRIDGE: I can think of a couple of male Ministers who, if they are there on the basis of merit, well then I do not know who did the merit assessment, Premier. If you cannot find a space for meritorious women in your Cabinet, given the performance of some of your—

Mr DOMINIC PERROTTET: I am not accepting this proposition—

Mr DAVID SHOEBRIDGE: —male ministerial colleagues then—

Mr DOMINIC PERROTTET: You are casting judgement prior to any decisions being made.

Mr DAVID SHOEBRIDGE: All right. We look forward to the decision. Back to the Electoral Commissioner, do you think you have the resources you need to run a series of by-elections? I think there are five on the books. Have you got the resources you need to do that?

Mr SCHMIDT: I have been public about this in other Committees. One of the considerations I passed to the Government at the time the by-elections were being discussed was that my systems cannot handle a full local government election and State by-elections at the same time. That is just a statement of fact. That should not be the case. It is because they are legacy systems and there are all sorts of complications.

Mr DAVID SHOEBRIDGE: How old is the software?

Mr SCHMIDT: It varies. Some of the systems are more than 10 years old. There was a great article in *The Sydney Morning Herald* on the weekend about the banking industry and exposures and cyber. One of the quotes that I will use—the language is perhaps unparliamentary but there has been a little bit of that already.

Mr DOMINIC PERROTTET: What?

Mr DAVID SHOEBRIDGE: WTF?

Mr SCHMIDT: There is a great quote about legacy systems and this consultant said:

It's like having a house with really crap foundations and building on top of it ... There are all these problems it creates, both at a function level and a security level.

That is what I am experiencing at the moment. So there is an issue about the systems but also my staff. I mean, my staff have been in election mode for most of the time that I have been Electoral Commissioner because of various delays and issues. I have my concerns about ensuring that they are able to continue doing their work in a safe and appropriate fashion. So I do face those challenges and we do have resourcing problems because I do not have continuity of staffing for a lot of the key positions.

The Hon. ROBERT BORSAK: Mr Shoebridge, can I ask a question just along the lines of what you are saying?

Mr DAVID SHOEBRIDGE: Yes, go on.

The Hon. ROBERT BORSAK: Commissioner, just to make a point, I had a conversation with the treasurer of our party last night and we are still answering audit questions from the 2019 election. These are questions that we have answered already on numerous occasions. His message to me was, "We're now being asked the same questions again", in his view it is because the resourcing is not there of your staff to be able to get their hands on the hard copy records that are available. So they have just thrown them back to us to do again and answer the questions yet again, which we all answered properly in the first place but were not even considered at that time, probably 12 or 18 months ago. So now we are going through the curve a second time. What is your comment in relation to that sort of problem?

Mr SCHMIDT: Mr Borsak, I am concerned if there is that problem being experienced. I would welcome—if you could drop me a line, I will have it looked into and come back to you directly.

The Hon. ROBERT BORSAK: I am not criticising. What I am simply saying is that I think this is probably symptomatic of the lack of resourcing that you are talking about now. I will get our treasurer to give me the detail and we will send it to you, but this should not be necessary. If we are experiencing that in our party, what are the larger parties—especially, say, the Liberal Party or the Labor Party, and literally the crate loads of documents that you are having to receive. I do not know how you are coping with it.

Mr SCHMIDT: I appreciate that.

Mr DOMINIC PERROTTET: They will be getting smaller, don't worry about that. That is how we are looking at it.

Mr DAVID SHOEBRIDGE: Commissioner—

Mr DOMINIC PERROTTET: Mr Borsak, I have committed, as you heard, to Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Commissioner, it was my understanding—

The Hon. ROBERT BORSAK: Can I attend that meeting? No.

Mr DAVID SHOEBRIDGE: Commissioner, it is my understanding that the former Premier had arranged a meeting sometime towards the end of October between the heads of your agency, the Auditor-General, ICAC, the Ombudsman and I think also the Law Enforcement Conduct Commission [LECC], but I may be wrong on that, and that meeting was to happen at the end of October. Was that the arrangement that was in place?

Mr SCHMIDT: Mr Shoebridge, there was a meeting. It was the middle of October, if I remember correctly. It was online. It was the Premier, Mr Harwin, Mr Riordan, some representatives from Minister Harwin's office. I think, Mr Phelps, you were also a party to that. So there was a discussion about trying to reinvigorate the discussion about the funding model.

Mr DAVID SHOEBRIDGE: Yes.

Mr SCHMIDT: The point that the agencies who attended—it was the Auditor-General, myself and representatives from ICAC—was that there had not been the discussion with us about the Government's proposed model, which we understood was shortly going to go to Cabinet and shortly had been tabled. I basically said to the Premier, "We're trying to work with you." We would rather have a discussion prior to the public release of that so that we could try and find as much common ground as possible and narrow down the areas of difference. That was what was going to happen out of it. Now there has been a change of Premier and a change of head of the Department of Premier and Cabinet. I have had informal discussions with Mr Coutts-Trotter about the need for this to be progressed, and I am confident that, hopefully, those discussions will continue.

Mr DAVID SHOEBRIDGE: Premier, are you going to commit to proactive engagement with those independent agencies to share with them the proposed model before you take it through Cabinet?

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: You will?

Mr DOMINIC PERROTTET: Yes. This is surreal.

Mr DAVID SHOEBRIDGE: That is good. Do you accept that those independent agencies should not have these same budget process as the rest of government, that is, going through the Audit and Risk Committees process? Do you accept there should be a separate and independent process for independent agencies?

Mr DOMINIC PERROTTET: I have an open mind but I need to consider it. Where do you draw the line?

Mr DAVID SHOEBRIDGE: You see, I ask—

Mr DOMINIC PERROTTET: What about the judiciary?

Mr DAVID SHOEBRIDGE: There is probably a very good argument to having the courts independently funded, but that is not what I am asking you. I asked the former Premier in a budget estimates hearing earlier this year if she thought there was a conflict of interest having her determine the funding of ICAC.

Mr DOMINIC PERROTTET: Fair enough.

Mr DAVID SHOEBRIDGE: The former Premier rejected that. Do you now, given what has happened since then—

Mr DOMINIC PERROTTET: Yes, and I am very open—

Mr DAVID SHOEBRIDGE: Do you see how these kinds of conflicts of interest happen with these independent agencies?

Mr DOMINIC PERROTTET: Yes, and my commitment to you, Mr Shoebridge, is I am looking at it with fresh eyes. I will work with the new Secretary of DPC and we will work through it. We will do that in consultation with the Electoral Commissioner, with the ICAC Commissioner and CEO and the Auditor-General. I am committed to meeting with them. In fact, I have now committed publicly in this forum today to sit down with Mr Schmidt and deal with the budget issues. I am sitting down—my office is arranging a meeting with the ICAC Commissioner and we will do the same with the Auditor-General, and we will work through those issues with the DPC.

The Hon. ROBERT BORSAK: And the LECC?

Mr DOMINIC PERROTTET: And the LECC.

Mr DAVID SHOEBRIDGE: Those independent agencies—there is a group of five of them—all have similar issues. Do you accept that?

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: Commissioner, can you shed any light on when the five by-elections will be held?

Mr SCHMIDT: No. I have put to the Government, as is normal—I had discussions about what the capability is. It cannot be before the local government elections. They will not be finalised before Christmas. We have an extended return of postal votes this time, which takes us very close to Christmas Day. If there are delays for whatever reason—COVID or natural disasters, whatever—that will spill over into the new year, my advice at the moment is that it would not be possible or sensible to try to aim earlier than the middle of February and my preference is to have a bit more time to prepare. There are other considerations, of course. We have got the Federal election coming up and also some of the local government elections—today is the ballot paper draw, so that is why I am constantly monitoring my phone. There will be a couple of wards or rural councils where there may have to be by-elections automatically because sufficient numbers of people have not nominated to fill all the available seats.

Mr DAVID SHOEBRIDGE: Brewarrina council would be a case in point.

Mr SCHMIDT: Well, there are some in the mix.

Mr DAVID SHOEBRIDGE: Premier, on a different point, do you recall having a meeting on 4 July 2017, when you were Treasurer, when you were briefed by a consortium led by the Catholic Archdiocese on a proposal to privatise part of the Crown cemetery sector in return for a billion dollars?

Mr DOMINIC PERROTTET: No.

Mr DAVID SHOEBRIDGE: Will you check your records and see if you had that meeting on 4 July?

Mr DOMINIC PERROTTET: Yes.

Mr DAVID SHOEBRIDGE: Were you and the former Premier in a series of meetings with the Catholic Archbishop of Sydney together with Greg Smith, the Chair of the Catholic Cemeteries Board Limited, and Peter O'Meara, the CEO of the Catholic Cemeteries Board Limited, during 2018 and 2019 when the archdiocese was asked to develop and present a long-term leasing of the cemeteries assets, outside of the unsolicited proposals process?

Mr DOMINIC PERROTTET: Not that I can recall. I recall a meeting, as Treasurer, with Minister Mel Pavey, and Greg Smith. It could be another meeting, but that is the meeting I recollect, and that was in relation to an incoming Expenditure Review Committee submission in relation to cemeteries.

Mr DAVID SHOEBRIDGE: Last year, did two members of your office, Mr Kerser and Ms Joseph, sit on a departmental working group comprising Treasury; Department of Planning, Industry and Environment [DPIE]; and the NSW Audit Office, to look at and assess a proposal that came from the archdiocese?

Mr DOMINIC PERROTTET: Not that I am aware of.

Mr DAVID SHOEBRIDGE: Will you check that?

Mr DOMINIC PERROTTET: Yes, I will check that. Who is the first person?

Mr DAVID SHOEBRIDGE: The name I have here is—I can give it to you on transcript if you want, or I could provide it to you afterwards.

Mr DOMINIC PERROTTET: But I am not aware of that.

Mr DAVID SHOEBRIDGE: I will provide you with the full name afterwards. Do you support the findings of the 2020 statutory review of the Cemeteries and Crematoria Act and its recommendation, as outlined in *The 11th Hour* report, which calls for one Crown consolidated public entity? Do you support that?

Mr DOMINIC PERROTTET: There has been significant discussion both at the Expenditure Review Committee and in Cabinet in relation to those issues. It is currently with the Minister. The outcome of that review was that, given the substantive liabilities of certain operators—and my recollection as Treasurer at the time was it was \$200 million or \$300 million in liabilities that posed significant potential burden to the State—that needed to be looked at. Obviously there are stakeholders that need to be managed. There needs to be a resolution that works that ensures that—particularly burial, which, obviously, for many people, particularly religious organisations that have had a role to play in operating cemetery trusts forever—all those considerations need to

be taken forward. It came to the Expenditure Review Committee; it has been before the Cabinet and it is due to come back to the Expenditure Review Committee in the future.

Mr DAVID SHOEBRIDGE: Premier, will you commit to not supporting a proposal to Cabinet that is inconsistent with the ICAC direct dealings guidelines or has not gone through the Government's unsolicited proposals process in relation to cemeteries? Will you commit to not signing off on a proposal that does not comply with that basic minimum?

Mr DOMINIC PERROTTET: Obviously. That is a matter for the Expenditure Review Committee, and everything should be in line with the guidelines that are provided for by the ICAC, yes.

Mr DAVID SHOEBRIDGE: You know, don't you, that there is currently a proposal before Cabinet that is not, which came through Minister Tudehope? You know that it is not compliant?

Mr DOMINIC PERROTTET: I have not received that legal advice from the Department of Premier and Cabinet, but ultimately any decision the Government will make will abide by the guidelines from the ICAC that are in place, yes.

The CHAIR: We are at time. It is now up to the Government if they wish to ask questions.

The Hon. BEN FRANKLIN: Just one question, if I may, Premier.

Mr DOMINIC PERROTTET: Yes, Mr Franklin.

The Hon. BEN FRANKLIN: I am just wondering if you had any further information or clarification on any of the answers you have given today that you would like to provide to the Committee.

Mr DOMINIC PERROTTET: No, I think it all went pretty well.

The Hon. BEN FRANKLIN: Excellent. Thanks very much. They are my questions, Madam Chair.

The CHAIR: Thank you, Premier. We have now concluded with you this afternoon. We appreciate your time today. The Committee will resume at 2.00 p.m.

(The Premier withdrew.)

(Luncheon adjournment)

The CHAIR: Welcome back, everybody. Thank you for rejoining us this afternoon. We will kick off questions with the Opposition. I remind the Committee that we have agreed that Mr Draper can leave at 3.00 p.m., so any questions that need to be directed to him should be asked before then.

The Hon. JOHN GRAHAM: I might start with questions to Mr Schmidt. I know you are monitoring the ballot draw for the local government elections today. I might first ask you for an update about that ballot draw and any issues.

Mr SCHMIDT: Thank you, Mr Graham. Yes, it is an important day in the process for the local government elections. I am advised that all ballot draws are in train. There was a bit of a delay with us checking some of the details this morning but those were resolved, so they are happening. There are 122 councils that we are running the elections for, of which there are 280 contests in that. If I can quickly find the figures, I will give you a flavour of the numbers. It was just under 4,000 candidates who have nominated. This is a far bigger and far more complex process than the State general election. In the interests of full transparency, which leads on from some of my earlier discussions about funding and my systems, there were problems at the very last minute with lodgement of nominations before noon yesterday, where our web system slowed down.

We believe the majority of people trying to get through were able to get through. It is one of those risks. We warn people, we urge people not to leave it to the last minute. Last night I was looking at some email traffic we had about people saying that they could not get through. We will examine to see whether they either found an alternative way by email or whatever, but it is possible that at the last minute somebody who left it to the last minute to finalise all their paperwork may not have been able to get across the line. Each time we do this we have issues about payment; a person says they made a payment at 12.00 and our records say it came in at 12.01. I am sorry; these are issues which happen and I apologise for the issue. But just to beat the same drum as I was this morning, when we had an upgrade to our web system funded a few years ago, we were not funded for the ongoing maintenance. So we use existing resources to fix problems. We were not necessarily funded for all the support services you would require to maintain the website support in the way that we would like.

The Hon. JOHN GRAHAM: Yes, and you have been vocal about those issues at the time.

Mr SCHMIDT: Yes, and so yet another manifestation of what can happen if you are not adequately resourced to run your systems.

The Hon. JOHN GRAHAM: And, obviously, it is good advice to nominate at the start of the nominating period and not the end.

Mr SCHMIDT: Yes.

The Hon. JOHN GRAHAM: But what you are putting is that it may have been a contributing factor, those sorts of system and resourcing issues that the commission is facing, to actually nominating in the local government elections for some candidates.

Mr SCHMIDT: Yes. We are trying to find out what actually caused that slowdown in the last half hour or so of the nomination process, and we are still working on that.

The Hon. JOHN GRAHAM: But at this stage you cannot rule out that it may have impacted on people actually nominating for that ballot.

Mr SCHMIDT: It may have.

The Hon. JOHN GRAHAM: Thank you. How widespread were the delays to the ballot draw?

Mr SCHMIDT: They were meant to commence at 10. I do not think any of them were able to commence until 11, but then they started progressively after that. I am not sure whether you are getting any feedback from—

The Hon. JOHN GRAHAM: We have had some feedback.

Mr SCHMIDT: Okay. I will just see if I have got—3,865 candidates nominated and accepted.

The Hon. JOHN GRAHAM: I might just ask you again: Were those delays to the ballot draw, in part, a symptom of the resourcing and systems issues that you drew attention to this morning?

Mr SCHMIDT: I cannot answer that at this moment.

The Hon. JOHN GRAHAM: At this point. Okay, thank you for that. I might turn to you, Mr Coutts-Trotter. Firstly, congratulations on your appointment.

Mr COUTTS-TROTTER: Thank you very much.

The Hon. JOHN GRAHAM: I wanted to ask about the grants review that the Premier was answering questions about this morning. The terms of reference for that are now public.

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN GRAHAM: And we asked some questions of the Productivity Commissioner yesterday. It will involve consultation across the public sector, including a working group of representatives of key agencies that administer grants. Do you know at the moment who those agencies are?

Mr COUTTS-TROTTER: I do not. My colleague Kate Boyd might know that.

Ms BOYD: Certainly. There are a range of agencies that undertake a lot of grants activity across government. The Department of Regional NSW is very active in this space, and we will have representatives from that agency. But we will seek to consult very broadly to ensure that whatever guidelines are recommended are flexible and—

The Hon. JOHN GRAHAM: But have those agencies actually been set yet or not?

Ms BOYD: There has been work previously on this. The circular under which these guidelines are issued is from 2010.

The Hon. JOHN GRAHAM: I might ask you to take on notice—

Mr COUTTS-TROTTER: We are happy to.

The Hon. JOHN GRAHAM: —who those agencies are. That is probably the best way to deal with that.

Ms BOYD: Sure.

The Hon. JOHN GRAHAM: In terms of the grants that are in scope, the media release attached to this drew attention to certain sorts of grants—sports fields and playgrounds, for example. Are all grants in scope here? Which sorts of grants are?

Mr COUTTS-TROTTER: If you go to the budget papers, it has got in the expenditure area a line called "Grants", which is slightly misleading because it includes things like contracts for ongoing public services—out-of-home care, St Vincent's providing a public hospital service. So it is not that type of public expenditure; it is really focused on grants that are discretionary in their nature, tend to be one-offs and, unlike the services I previously described, Government is setting some kind of broad conditions but inviting communities or community organisations to make proposals. So it intends to capture all grants of that nature, but that would include COVID business support grants, those kind of things, but not contracted public services with an ongoing relationship.

The Hon. JOHN GRAHAM: That is useful guidance. I might proceed by way of example, though. So that clearly would capture the Stronger Communities grants—

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN GRAHAM: —of which the concern was 95 per cent of those grants ended up in—I am not asking you to comment on these numbers—

Mr COUTTS-TROTTER: No, I recall.

The Hon. JOHN GRAHAM: Don't comment on the numbers, though. But 95 per cent of those grants ended up in Coalition or marginal seats.

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN GRAHAM: Would it capture, though, for example, the Schools Renewable Energy—

Mr COUTTS-TROTTER: That is a good question.

The Hon. JOHN GRAHAM: —Infrastructure Pilot Project, where the public concern was 92 per cent of these ended up in Coalition seats.

Mr COUTTS-TROTTER: I understand that. I should refer you to the Premier's testimony on that this morning as well. Can I take that one on notice and come back to you?

The Hon. JOHN GRAHAM: Sure.

Mr COUTTS-TROTTER: I think that inevitably there needs to be some refinement of the scope in conjunction with the Productivity Commissioner, Peter Achterstraat. I do not want to mislead you, so we will come back on notice. Thank you.

The Hon. JOHN GRAHAM: Thank you. In relation to what we know about grants in New South Wales—I am looking at Federal grant reporting that reports the number of grants awarded, published centrally by the Commonwealth for a particular period. This is an ANAO report—the Australian National Audit Office. It reports the number of grants, the number of grant entities and the total value of grants. Do we know those figures for New South Wales?

Mr COUTTS-TROTTER: I do not think so.

Ms BOYD: I believe that grants are reported by agencies in their annual reports. I do not think they are published in a consolidated way, but you could piece together from those reports the total. But as part of the Government's response to the recent recommendations of the Public Accountability Committee and the Auditor-General, that is part of the picture—the transparency around the overall spend and where the money is going. We are definitely looking at those as part of that.

Mr COUTTS-TROTTER: That could be an example of best practice that the review will look to.

The Hon. JOHN GRAHAM: Good. This grant information includes the value of grant awards by categories—for example, aging or health. It includes the number of grants where there are variations to the initial award, which ones happened through a closed, non-competitive selection process or an ad hoc process. All this reporting is possible at a Commonwealth level. Having gone through the grants inquiry, I put to you that none of this information is available across New South Wales. None of this information would be available in almost any agency at this level. I am talking about what has gone through an open, competitive selection process or what proportion of regional grants ended up in postcodes classified as major cities. Not a single agency would be able to reproduce what is currently here at a Federal level on their grants reporting. Is that in scope for this grants review?

Mr COUTTS-TROTTER: Yes, absolutely.

The Hon. JOHN GRAHAM: I am putting that view to you. Feel free to disagree with that assessment of the capacity.

Mr COUTTS-TROTTER: No, you have spent time through the inquiry process looking closely at it. The wonderful thing about Federation is the chance to learn from other jurisdictions who do things better. That, on the face of it, sounds like a better step towards greater transparency.

Ms BOYD: I would also add to that that New South Wales has one of the most robust integrity and anti-corruption regimes in the country. I think that context is important when you are looking at or comparing New South Wales guidelines to the Commonwealth. But we will certainly look at the Commonwealth guidelines because they have been flagged as best practice in this field.

The Hon. JOHN GRAHAM: Thank you for both those comments. Commissioner, I might return to you. My colleague was asking in the earlier session about the by-elections. You indicated that mid-February would be the earliest but you would prefer later. In the advice you have given to Government or in advice you want to give now, how much later would be your preference?

Mr SCHMIDT: It would not be too much later. A week or two would give us a little bit of a buffer just in case there is an unexpected spillover finalising local government elections with that Christmas intervening period. If you start too early—and these are considerations which we raised but are obviously a matter for the Government and the Speaker in issuing the writs—school holidays, Australia Day and things of that nature. I raised those and I put them aside, but it also goes to recruiting people to work in the polling places just in that context with COVID with local government. We are still looking for temporary staff for our polling venues and that is indicative of the problem for Western countries following COVID: It is harder to get people to do it.

The Hon. JOHN GRAHAM: Have you been advised of any resignations formally at this stage?

Mr SCHMIDT: No.

The Hon. JOHN GRAHAM: Have you been advised of the anticipated timing of any resignations?

Mr SCHMIDT: No.

The Hon. JOHN GRAHAM: You indicated that one of those factors in timing will be the Federal election. Obviously that is in the control of the Prime Minister. It is normally a tightly held date.

Mr DAVID SHOEBRIDGE: But if you can tell us!

The Hon. JOHN GRAHAM: Is it something you do have discussions with the Australian Electoral Commission [AEC] about what that might mean within a range of options? Is that the sort of discussion that does happen?

Mr SCHMIDT: It is tightly held, so no more than the general discussions. I will raise it with the commissioner in passing but I am not given an insight.

The Hon. JOHN GRAHAM: Does that potential timing rule out any dates in your view?

Mr SCHMIDT: There is an interesting question of—I will just put it on record. There is a provision in the Commonwealth Electoral Act which purports to prevent a State from holding an election on the same day as the Commonwealth. I have had it put to me by constitutional scholars that that may be open to challenge, but I will just raise that for interest and someone can go to the High Court if they want to. It is logistical with the venues. We tend to use the same venues and the same staff, so we do not like to overlap because we will trip over each other. We do have different voting systems with optional preferential et cetera so, yes, we like a separation.

The Hon. JOHN GRAHAM: Can I ask about the provisions that are now in place to ban the handing out of tangible electoral material within 100 metres of a polling place? Are those regulations that are now in place as a result of that recent local government election bill that was passed by the Parliament?

Mr SCHMIDT: No. I requested amendments prior to the outbreak of the Delta strain and the drafting was in train at that point, and then Delta came along and reinforced it. I am thoroughly impressed by the COVID measures here coming here today and obviously I cannot do that in polling places. Vaccinated and unvaccinated people will be going to polling places because it is required by law for them to do it, so I am trying to mitigate the risk to the greatest extent possible.

The Hon. JOHN GRAHAM: Understood. When do those regulations come into effect?

Mr SCHMIDT: I apologise, I think it was a couple of months ago. But it gives me the power to issue directions.

The Hon. JOHN GRAHAM: Could you take that on notice within the session, if possible?

Mr SCHMIDT: Certainly, yes, we will look into the actual date.

The Hon. JOHN GRAHAM: What public health advice was that based on?

Mr SCHMIDT: There is a working group which consists of Health and ourselves and Education and police, and the two councils who are engaging the services of a private provider. We have talked about measures, but the week before last I had some specific discussions with Dr Chant, and I welcome her input into this. I think she captured the current state of affairs very clearly, in that the world we are in is moving away from COVID as a pandemic to being an endemic issue in the community. To a large degree that means, as we have seen with businesses and this institution here, individual institutions and bodies have to make their own determinations on a work health and safety and risk basis. I was given the power I had asked for and I have done my analysis in discussions with Health. One of the options would have been to follow the Queensland model where an order was made which gave much more sweeping powers—

The Hon. JOHN GRAHAM: It is a very serious constraint, though.

Mr SCHMIDT: Absolutely.

The Hon. JOHN GRAHAM: It will in many places, depending on the geographic location of the polling booth, stop any material being distributed at all in practice. The reason I am asking about it is that from Monday New South Wales citizens will have the right to dance but not the right to engage in what has been a traditional democratic activity. Concerns have been raised about it. Given where things are up to now and given that things are opening and many of the controls in place will be dropped from 8 November, is this a matter you are open to reconsidering or is this set for polling day?

Mr SCHMIDT: I am always willing to reconsider but it is basically set. There are number of reasons for that. One is that I have given a clear indication for the entire State. We have to provide the election service across the entire State. This will be the largest public event in New South Wales since the pandemic started. We are dealing with rural areas, urban areas—areas which have lower or higher rates of vaccination. We are seeing even today reports in the paper about growing numbers in certain regional areas. That can change at any point, so you cannot predict. I am trying to establish certainty for the electors. My ultimate aim and my primary responsibility is to protect the people of New South Wales in this.

The Hon. JOHN GRAHAM: Thank you, Mr Schmidt, I think you have satisfied the question.

Mr SCHMIDT: If I could just add one thing. What I am trying to say is that my driving factor is to get people in and out of polling places as quickly as possible with as little contact with other human beings as necessary and by giving certainty to participants that they can make arrangements to find alternative ways.

The Hon. JOHN GRAHAM: Thank you. Are you prepared to make the Health advice that decision is based on public?

Mr SCHMIDT: It is not a written Health advice. It is in discussions. It is my responsibility to determine under that provision in the regulation as to what measures to put in place.

The Hon. JOHN GRAHAM: One of your other responsibilities is the function of enforcing compliance with the Lobbyists Code of Conduct in New South Wales. Has anyone ever been watchlisted or suspended under those provisions?

Mr SCHMIDT: Yes. I would have to take on notice the details, particularly suspension. As you will have noticed, the ICAC report is out there. It is a very light-handed regulatory regime. When you say "in force", there is a limited range of enforcement powers.

The Hon. JOHN GRAHAM: If you could take on notice the number of people who have been both on the watchlist and suspended.

Mr SCHMIDT: Yes, absolutely.

The Hon. JOHN GRAHAM: One of the requirements is that lobbyists must not engage in any misleading, dishonest, corrupt or otherwise unlawful conduct in connection with a meeting or other communication for the purpose of lobbying New South Wales Government officials. That is quite constrained, isn't it? It has got to be in connection with some lobbying they conduct. They might be found to be generally dishonest or generally corrupt and that may not be a reason for you to strike them off the register. Is that a correct interpretation?

Mr SCHMIDT: My understanding of our enforcement role here is extremely limited. Bear with me for a moment. I need to draw a distinction, of course, that I am sitting here as the Electoral Commissioner. The responsibility for the lobbyist legislation is the commission of which I am only a member. I refer back to the ICAC report. It has pointed out that it is a light-handed regulatory regime.

The Hon. JOHN GRAHAM: One of the concerns that has developed in the most recent week is that in the course of the ICAC hearings it has been revealed that Daryl Maguire, with assistance from a former MP, was seeking to determine the route of the M9 and then pass that information on to a developer for their commercial benefit and potentially for his commercial benefit. Transport has given a short list of MPs who were briefed on that route. There are only two former MPs who are on that list. Is collaborating with an MP to pass on confidential information to a developer for their commercial benefit the sort of activity which could see someone removed from the lobbyist register or not?

Mr SCHMIDT: I would take it on notice and come back to you, but I do not believe it is. I think we are very constrained. There are only certain technical requirements about reporting to us and some of the other administrative arrangements captured by the legislation. Information or requirements under the code do not trigger an enforcement capability within the commission.

Mr DAVID SHOEBRIDGE: Commissioner, I might just continue with you for a little bit on the upcoming council elections. You issued two orders under the regulations. They have moved on your website and I cannot find them for the moment.

Mr SCHMIDT: I apologise.

Mr DAVID SHOEBRIDGE: I am sure they will turn up again at some point. Those orders were in relation to handing out and putting up posters and the like. On the face of it, they would prevent anyone being within 100 metres of the entrance of a polling booth. Is that the intent?

Mr SCHMIDT: I have done what I can within the scope of the reg, as it is drafted, but it does not ban people. Under the regulation, a person, a political participant, a worker can be within 100 metres and talk to people. They just cannot hand out the material thereby bringing them into contact with each other. It also does not cover private property; it only covers people being—

Mr DAVID SHOEBRIDGE: On Crown land.

Mr SCHMIDT: —on Crown land.

Mr DAVID SHOEBRIDGE: For example, would it be permissible for somebody to be wearing politically branded material such as a T-shirt with The Greens or Labor or whatever on it and be speaking to voters within 100 metres of the entrance?

Mr SCHMIDT: Yes. They could wear a T-shirt but not a sandwich board because you are getting into posters almost with that. But, yes, it does enable people to do that. In the COVID world, as with a lot of health requirements, what we are trying to do is encourage good behaviour across the board, but I cannot ban. I do not have the power to ban people.

Mr DAVID SHOEBRIDGE: You would be asking people to be respectful of distancing and all of that.

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: Is the rationale about how-to-vote cards about a proximity measure because you do not want people approaching or is the rationale about how-to-vote cards that you have been given health advice that the virus could be transmitted through the paper? What is the rationale? People have asked for any evidence anywhere that COVID was transmitted through paper and there does not seem to be—

Mr SCHMIDT: No—

Mr DAVID SHOEBRIDGE: That is what I am asking you.

Mr SCHMIDT: Sorry, Mr Shoebridge. When the virus first came out that was a live issue, but the advice internationally seems to be that is not a particularly severe risk. As I was saying to Mr Graham earlier, my aim—having in mind too that people turn up with their children as well who will be unvaccinated and that we are going to have to distance people out—is to get people in and out as quickly as possible. We have all seen the tunnel effect where people run the gauntlet trying to get into polling places and having how-to-vote material thrust in their faces. To give a person a how-to-vote card you, of its nature, have to be very close; you have to physically be within 1.6 metres of each other. COVID is so contagious. I am just doing my level best to minimise contact.

Mr DAVID SHOEBRIDGE: It is that scum at the entrance that you are trying to avoid. Is that right?

Mr SCHMIDT: Yes, and to give as smooth a flow in and flow out, having in mind that because of another COVID measure, which is the social distancing, people will be spread out through the entrance of a lot of the polling places, stationary, waiting for their turn to be admitted, and we cannot have other people congregating around them trying to give them materials et cetera.

Mr DAVID SHOEBRIDGE: Would it be permissible under this regime for volunteers at polling booths to have a QR code like a printed out A4 version of a QR code that people could scan? Is that considered to be permissible?

Mr SCHMIDT: I do not believe that will be permissible because it is now—if they put it on their posters, that is fine.

Mr DAVID SHOEBRIDGE: Yes, and they could point to it—

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: —but they could not show it to people.

Mr SCHMIDT: No, because that is a form of how to vote. Just quickly, Mr Graham, 9 July 2000 and—hang on, I will give you the date, sorry.

The Hon. JOHN GRAHAM: Two thousand and twenty-one.

Mr SCHMIDT: Ninth of July this year that regulation came into force. Sorry, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: No, that is okay. That was the regulation under which you made those two orders. That is my understanding.

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: They would not be able to hold a picture of a QR code for people to scan—not to hand over but for people to scan. That would not be permissible?

Mr SCHMIDT: Because they would have to come into contact with them to scan it.

Mr DAVID SHOEBRIDGE: They would not.

Mr SCHMIDT: From a distance?

Mr DAVID SHOEBRIDGE: It could go on a piece of paper and they could say, "Scan it."

Mr SCHMIDT: I will take that on notice and have a look at it. No-one has raised that with me as a possibility before, only putting QR codes on the posters.

Mr DAVID SHOEBRIDGE: It seems to be one way of being socially distanced but still communicating the issue if you could scan it. When you came up with those arrangements, was it in consultation with the Chief Health Officer? How was it that you came up with those arrangements?

Mr SCHMIDT: In the course of discussions about COVID measures, we had ongoing discussions with Health and others, including Education, about the sausage sizzles, for example, about what measures might be put in place. Sorry, I have to keep checking my phone just in case it is something to do with the draw.

The Hon. DANIEL MOOKHEY: Is it?

Mr SCHMIDT: We do have that forum and we did discuss a range of measures, some of which have been used in other Australian jurisdictions as to whether there should be a health order. One of the live issues was what was going to happen with masks. For example, the previous date the Government announced was 1 December. That has now been extended.

Mr DAVID SHOEBRIDGE: I am getting messages about the draw too. It seems to be quite slow.

Mr SCHMIDT: It is slow; I am not quite sure what is happening. I did get some feedback on the question about the QR code on a board. I have got my staff obviously watching this intently. That would constitute a poster, in which case it should be affixed to the—

Mr DAVID SHOEBRIDGE: No worries. What if it was on a t-shirt?

Mr SCHMIDT: I do not know; I will have to take that on notice.

Mr DAVID SHOEBRIDGE: I ask you because I am certain these conversations are happening.

Mr SCHMIDT: Yes, absolutely.

Mr DAVID SHOEBRIDGE: If you can have volunteers there saying, "This is how you can vote," one way might be pointing to a QR code on your T-shirt and saying, "That is how you vote." But we will see, won't we, I suppose.

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: Are you intending to issue some kind of written guidance addressing some of these practical concerns like how to interpret the orders and what is and is not permissible?

Mr SCHMIDT: We have had some webinars. We had a webinar last week where these measures were discussed, and based on that webinar we took on board questions and we are putting more information out there. I would just like to record that over 100 potential candidates participated in that webinar and not one criticised the measure. They understood why we were—

Mr DAVID SHOEBRIDGE: Commissioner, I understand we have a pandemic. I am not criticising the fact that you are taking measures to limit transmission. I think everybody realises something needs to be done in this space. The question is: How will it play out on the day, starting Monday?

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: I am not criticising you taking steps.

Mr SCHMIDT: I appreciate that.

Mr DAVID SHOEBRIDGE: In fact, you must be very frustrated having to do it all at the last minute but you play the hand that is dealt to you, do you not? Where there has not been a full set of council positions nominated, for example, Brewarrina has only eight nominations for nine spots, that council will now have to have a by-election. Who will pay for that?

Mr SCHMIDT: The council would normally pay for a by-election. Leaving aside COVID because that adds an extra flavour and the Government has been picking up the COVID tab, we get a certain amount of funding for local government elections which is called core funding which goes to our systems and some of the other fixed operating costs that we have and then the remainder is normally borne by the councils. If a council has to have a by-election then we consider what that is and go to them.

Mr DAVID SHOEBRIDGE: Do you know today how many of those by-elections are likely to happen across New South Wales, given that nominations are closed?

Mr SCHMIDT: Last night when I was talking to my officers there were potentially 25, I understand—that could be a ward within a council—but a number of those had candidates whose nominations were still being determined. If my staff are listening to me they might shoot through to me the most recent number, for your benefit.

Mr DAVID SHOEBRIDGE: Do you know how that compares historically? Has it been more difficult for everybody this year?

Mr SCHMIDT: I believe it is a larger number.

Mr DAVID SHOEBRIDGE: Which would make sense, given all of the uncertainty and difficulties about delayed elections and then having to deal with COVID. Is that likely to lead to additional costs for your organisation?

Mr SCHMIDT: Yes, particularly as we will be running State by-elections, local government by-elections at the same time.

Mr DAVID SHOEBRIDGE: That is where I am going next. It is difficult for your system to run a local government election and a State government election at the same time. Do you want to explain why that is difficult?

Mr SCHMIDT: Okay. The scenarios vary. If we have a full-scale election—so that would be a full-scale local government election and then we have to do a State by-election—when we move from a State general election to a local government election the systems have to be reconfigured dramatically because the operational requirements are different for those events. As the systems get older and creakier, it takes much longer to do that and the risks of something going wrong become greater so the need for greater testing takes up more time.

To run them both at the same time—a full-scale local government election and State by-elections—there are a number of systems which we would have to clone. To have parallel systems running I do not have the people and I do not have the capacity to do that. If we are talking about by-elections running concurrently that has not

historically been as big a problem and there is more capability to do that. We will have to see, depending on how large an issue it becomes.

Mr DAVID SHOEBRIDGE: Potentially you could have the local council by-elections and the State Government by-elections on the same date?

Mr SCHMIDT: Possibly. One of the complicated factors would be if the local government area overlapped with a State electoral district. But based on the call from last night I did not see that at the moment as being an issue but that will become clearer.

Mr DAVID SHOEBRIDGE: Either way, there will be a narrow window probably next year?

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: So that is still a potential—having them all on one day?

Mr SCHMIDT: Having in mind too, with local government elections, we do have a history that once the results are determined there might be a drop-out rate. Certain people who are elected to local government consider the responsibilities they are now taking on and there is a degree of resignations shortly after so there may be further by-elections which will have to be spread out over time as well.

Mr DAVID SHOEBRIDGE: My understanding is you are up to "R" so you are working your way through the councils?

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: It is alphabetical, is it not?

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: I am told you are up to "R".

The Hon. TAYLOR MARTIN: Your staff is running in it?

Mr DAVID SHOEBRIDGE: Sorry, Randwick council?

The Hon. TAYLOR MARTIN: Yes.

The CHAIR: There are a few conflicts here. Let us go through the list.

Mr DAVID SHOEBRIDGE: Commissioner, in the preparation for the upcoming State election, when will you need decisions to be made about funding, particularly to get your online systems in place? When will those decisions be made so you can be ready for the next State election?

Mr SCHMIDT: This is an issue. We are preparing for the next State election, as we speak, and we tried to get as much done before we went live for the current event. It is a narrower window than we would like so we are constrained. Funding—we will be going back to Treasury with an enhancement bid for the full cost of the State general election, as part of the budget round. The cyber issues we were talking about this morning—my understanding, say, with the Digital Restart Fund we are working towards, we would not be told until February potentially about whether that cyber money would be coming.

I will be quite honest: It is too late to do some of the measures now that we would have liked to put in place for the State general election because we had planned on funding, as part of the normal budget round, coming through to us on 1 July, with a normal bid. We are now in November and it may be February before the money begins to flow. We have actually reduced the amount of money we are seeking through the Digital Restart Fund, partly because the business case requirements for \$20 million were too onerous and I cannot free up people and I have not got the resources to do the work required to support that. So there is a lean business case approach which we are now talking to.

I do not want to say this lightly, but you do get a Kafkaesque feel to some of this at some point. One of the criticisms of the business case was that it did not have an adequate cost-benefit analysis, including the economic impact to the State of a failed election. I can tell you it costs a lot more. It costs up to \$100 million plus to re-run a State election. I would have thought that would have spoken for itself but, no, under the guidelines—and I understand that guidelines are important—I do not have the capacity to do that sort of analysis. And so we reduce our number, we try to do less in a constrained time period. It is somewhat challenging.

Mr DAVID SHOEBRIDGE: Secretary, do you know if there is any contingency planning about what to do if a State election falls over because of a cyber attack?

Mr COUTTS-TROTTER: No, I do not but there is a range of cyber contingency plans. I do not know if that is one of them. Unfortunately, in Western democracies that is a plausible scenario. I think if there is not planning, I will take that on board.

Mr DAVID SHOEBRIDGE: Will you provide on notice whether there is any planning?

Mr COUTTS-TROTTER: Yes.

Mr DAVID SHOEBRIDGE: I assume it is the same answer about local government elections?

Mr COUTTS-TROTTER: Yes.

Mr DAVID SHOEBRIDGE: Will you take that on notice?

Mr COUTTS-TROTTER: Yes.

Mr DAVID SHOEBRIDGE: Ms Boyd, were you the person who authored the submission to ICAC in response to its invitation for submissions regarding Cabinet documents?

Ms BOYD: The submissions were drafted with assistance from the Crown Solicitor's Office and I approved the final submissions.

Mr COUTTS-TROTTER: And Ms Boyd consulted with me before sending them, so I accept accountability for that as well.

Mr DAVID SHOEBRIDGE: Mr Coutts-Trotter did you understand what the impact would have been had the submissions been accepted? Was it explained to you that any evidence about Cabinet documents would not have been able to have been done in public during last week's hearings and this week's hearings in ICAC? Was it explained to you what the effect of the submissions being accepted would have been?

Mr COUTTS-TROTTER: We were arguing a precautionary approach, but I really will invite my colleague, Kate Boyd, to go to the detail of it first.

Mr DAVID SHOEBRIDGE: But Ms Boyd cannot say what was explained to you. I am asking you first of all: Was it explained to you what the effect of the submission would have been, had it been accepted—being that none of that evidence this week or last week could have been heard in public?

Mr COUTTS-TROTTER: I identified that this was something that would excite the kind of response that we have heard this morning and now. I would simply say that Kate Boyd and her team have worked the most extraordinary hours with great diligence to support the work of the commission in this inquiry. And the notion that they would in some way seek to impede it is just profoundly wrong.

Mr DAVID SHOEBRIDGE: I am asking about the submission and I am asking you whether it was explained to you that, if it had been accepted, the bulk of the public evidence we have heard last week and this week and any of the evidence we have heard pertaining to Cabinet documents or Cabinet deliberations would have been heard in private. Was it explained to you what the effect of that submission would have been, had it been accepted?

Mr COUTTS-TROTTER: I read the letter and essentially—so the answer is no, but I do not think that is the relevant point. The issue here was a precautionary approach to try to narrow down and have identified those Cabinet documents, Cabinet discussions, on which the counsel assisting was seeking to anchor questions and discussion. If we had that information to hand we could provide good advice to the commission for it to make judgements about the balance of the public interest between pursuing important investigations and respecting the principle of collective ministerial responsibility.

Mr DAVID SHOEBRIDGE: You see, it was more than a balancing exercise. As recorded by ICAC, the submission put by the Department of Premier and Cabinet was that, "Any evidence about documents which relate to the contents of Cabinet documents or of Cabinet deliberations should be heard in private."

Mr COUTTS-TROTTER: I really—

Mr DAVID SHOEBRIDGE: That would have cast basically a secrecy blanket over the evidence we have had in the last week and a half in ICAC.

Mr COUTTS-TROTTER: Can I remove the secrecy blanket from my General Counsel Kate Boyd who actually drafted the letter and thought deeply about it?

Ms BOYD: Our submission—

Mr DAVID SHOEBRIDGE: I am happy to go to Ms Boyd in a second.

Ms BOYD: Right.

Mr DAVID SHOEBRIDGE: But I am asking you, secretary, if you understood what the effect of it was.

The Hon. BEN FRANKLIN: Point of order—

Mr DAVID SHOEBRIDGE: You said you took responsibility for it.

The CHAIR: Mr Shoebridge, I will take the point of order.

The Hon. BEN FRANKLIN: There has been an issue raised and the secretary has appropriately said that he wants legal counsel to provide further information about it. I understand Mr Shoebridge has a line of questioning that is absolutely pertinent to the very specific issue that we are talking about that the Counsel provide specific information about the genesis of this document.

Mr DAVID SHOEBRIDGE: To the point of order: The secretary said he took responsibility for it, so I am asking the responsible person—

Mr COUTTS-TROTTER: No, I took accountability.

Mr DAVID SHOEBRIDGE: Accountability?

The CHAIR: Can I just say, in terms of this—

Mr COUTTS-TROTTER: Accountability and responsibility are slightly but importantly differentiated concepts.

Mr DAVID SHOEBRIDGE: Sorry, took accountability. I am not quite sure what that means.

The CHAIR: Understood. I have been listening very carefully. It is completely appropriate for Mr Coutts-Trotter to refer to Ms Boyd, but also Mr Shoebridge did not stop that. He just said "in a second", once he had finished the series of questions to Mr Coutts-Trotter. I am listening very closely. Ms Boyd, you are entitled to respond to this stuff. We have also just reached time for the crossbench so we will have to come back to it. We will just park this, but I will make sure that you are able to respond because you are entitled to do that.

The Hon. DANIEL MOOKHEY: Mr Secretary. Do you mind—I feel I should ask Mr Draper his questions—

Mr COUTTS-TROTTER: Please.

The Hon. DANIEL MOOKHEY: —otherwise I will forever have to hold my piece on this. So there is no disrespect if I just direct this primarily to Mr Draper.

Mr COUTTS-TROTTER: No. Please proceed.

The Hon. DANIEL MOOKHEY: Please, please, please. Relax. Hello, Mr Draper, how are you?

Mr DRAPER: Perfect.

The Hon. DANIEL MOOKHEY: Do you by any chance have Budget Paper No. 3 with you?

Mr DRAPER: No, I do not.

The Hon. DANIEL MOOKHEY: It has been this sort of huge surprise to multiple public servants when I have turned up and actually asked them about the budget papers. I do not necessarily think that you need to have access to the budget papers in order to answer these questions. But if you do, or if any of your staff are watching, I am specifically referring to the pages that are from 1 - 15 to 1 - 17 of Budget Paper No. 3, which details the assurance framework and operations, for want of a better term, that Infrastructure NSW is responsible for. I presume you are familiar, at least from memory, with those parts of the budget?

Mr DRAPER: Yes.

The Hon. DANIEL MOOKHEY: Do you report directly to the Premier? Is that correct, in so far as it applies to the infrastructure investor assurance framework?

Mr DRAPER: Yes, I am appointed by the Premier. The Premier is our Minister under our Act.

The Hon. DANIEL MOOKHEY: Okay, fair enough. I presume equally you report to Mr Coutts-Trotter. Is that correct?

Mr DRAPER: As a matter of practice, indeed, yes.

The Hon. DANIEL MOOKHEY: Yes, indeed. As part of the infrastructure investor assurance framework, it is the case, is it not, that all capital projects over \$10 million have to be registered with you?

Mr DRAPER: That is correct, yes.

The Hon. DANIEL MOOKHEY: How many projects are currently registered with you?

Mr DRAPER: I will give you a number but I can give you a precise number on notice. I think it would be about 900 in total.

The Hon. DANIEL MOOKHEY: After people or agencies register that through your website, or a website, or insurance portal I think is what it is called, you then risk tier and rate them, correct?

Mr DRAPER: Yes. There is a group of public servants on a committee and they try to allocate those projects between different tiers.

The Hon. DANIEL MOOKHEY: Do you do that at the point of registration?

Mr DRAPER: Yes. Well, again, I will get the precise detail of that process on notice for you but they are registered and then there is a sort of regular process where they are allocated to different tiers. So it would not happen at the precise time they are registered; it would happen at the next time that they process it up.

The Hon. DANIEL MOOKHEY: The next meeting in which it is possible to register them?

Mr DRAPER: Yes.

The Hon. DANIEL MOOKHEY: After they are registered once, how do you revise the risk tiers or re-rate them, for want of a better term?

Mr DRAPER: There is a process of revisiting the ratings through that same process, as I understand it.

The Hon. DANIEL MOOKHEY: Would a re-rating occur on the initiation of your staff, the agency, or both?

Mr DRAPER: It could be raised by either. I think it may be raised by the agency if they thought that there was some change in the risk profile, the scope of the project they want to identify, or it could be raised by one of our staff.

The Hon. DANIEL MOOKHEY: Okay, thank you. Of the risk ratings that you maintain, can you do this very quickly? Can you provide us with the actual risk ratings that you provide or attach to a particular project?

Mr DRAPER: It is just a simple red, amber, green type of status and we usually do that for both possible budget, time and then we can provide an overall red, amber or green rating.

The Hon. DANIEL MOOKHEY: What does a red rating mean?

Mr DRAPER: Red is designed, of course, to prompt those responsible for the project—and depending on which tier it is it will depend on who gets that—to have greater attention; there is some remedial action required to get the project are either back within budget or back on time. Alternatively, it could be that the relevant approving authority needs to adjust either the budget or their timetable for the project.

The Hon. DANIEL MOOKHEY: I presume at the other extreme green means on budget, on time, and no reason for any further review?

Mr DRAPER: It would continue to be reviewed if it was in that tier that required regular review, but it would mean that there is no remedial action required; that it was on track.

The Hon. DANIEL MOOKHEY: An amber warning is what?

Mr DRAPER: Amber might be that one of those two things is causing problems, either the budget or the time, or that there is some reason to have a higher level of awareness. There may not be any need for action but it might be a flag that closer attention is to be paid to the project.

The Hon. DANIEL MOOKHEY: After you flag the project as having a red rating, do you warn the Premier directly?

Mr DRAPER: It depends again on which tier. I am sorry to be pedantic about it but we have four tiers. The tier one and tier two projects are those that are most regularly reported up through the Cabinet process, particularly tier ones, and there are about 45 or so of those.

The Hon. DANIEL MOOKHEY: What is the definition of a tier one project?

Mr DRAPER: We call them high profile, high risk. It really depends on the scale of the project, the financial size, the significance to the public of that project or potentially the riskiness in delivering the project. Those three characteristics would usually determine whether it went to a tier one. Those ones that could put on that list are reported regularly to Cabinet [disorder].

The Hon. DANIEL MOOKHEY: And the Premier directly?

Mr DRAPER: No, through the Cabinet process.

The Hon. DANIEL MOOKHEY: Okay. Mr Draper, at least with my questioning, you never need to apologise for being pedantic. Of the 45 high tier one projects, how many of them are rated as red?

Mr DRAPER: That is something that is part of a Cabinet submission process so I cannot provide that. It is part of a Cabinet-in-confidence report.

The Hon. DANIEL MOOKHEY: Is that because it is reported to Cabinet? Would you say that?

Mr DRAPER: That is the primary purpose of it. This whole system was developed to inform, to advise Cabinet of the status of projects and actions that might be required to bring those projects. That is the whole purpose of this, to inform Cabinet.

The Hon. DANIEL MOOKHEY: Is that the sole purpose of this?

Mr DRAPER: Yes. It was set up for that very purpose.

The Hon. DANIEL MOOKHEY: I feel like the pedantic questions I was going to ask you to follow would probably meet the same response, so I will not go on to that any further. It is the case, is it not, that you maintain the Gateway process as well?

Mr DRAPER: Yes, that is right. The Gateway process is really part of the assurance process that you were referring to.

The Hon. DANIEL MOOKHEY: Indeed, but it is also the way in which that informs final investment decisions that are made by the Government and the Cabinet—that is correct?

Mr DRAPER: Correct, yes.

The Hon. DANIEL MOOKHEY: Mr Draper, it has been a while since I have had the opportunity to study the Gateway process in some depth, but it was the case that there were, what, six stages? Is that correct?

Mr DRAPER: Yes, that is right, there are six, and I will not go through them all. There are routine gateways, but also from time to time we might decide to do a review of a project if we have concerns about it. When it is in delivery we do regular reviews into everything as well.

The Hon. DANIEL MOOKHEY: Sure. Has a strategic business case been registered with your Gateway review process for the Parramatta Light Rail Stage 2 project?

Mr DRAPER: Again, I cannot do that because it is part of the Cabinet reporting process—not that there is any great mystery about these things, but unfortunately it is part of the Cabinet reporting process.

The Hon. DANIEL MOOKHEY: I just want to press you there, Mr Draper. There are multiple courts' authority on this that the business case process is not solely for the purposes of Cabinet. In fact, I am fairly positive I am responsible for establishing some of those precedents. So I will press you for an answer on that. The strategic business cases are ordinarily published; there are some haphazard methods about whether or not they are and when, depending on what, but it is not that difficult a question. We were asking Transport about this. There was a lot of confusion about whether they had to complete a strategic business case or a final business case. But the strategic business case, which is an options analysis, has one been completed for the Parramatta Light Rail Stage 2?

Mr DRAPER: It is quite open to a Minister—and I am happy to answer your question—or an agency that is in charge of a project to advise on that to the committee or to another committee. In our case, we only have access to information and produce information for the purpose of reporting to Cabinet. It is a very different purpose on our part. So in a lot of cases they can speak more openly about the status of those projects than we can. But I will take your substantive question on notice and if there is no reason for me to not provide that for the reasons that I describe then I am happy to provide an answer.

The Hon. DANIEL MOOKHEY: Mr Draper, I press you again because you are required under the Restart Act, are you not, to certify at least for Restart commitments. The benefit-cost ratio [BCR] is one, correct?

Mr DRAPER: Yes, our role is to provide advice to the Treasurer on whether the proposed expenditure meets the requirements.

The Hon. DANIEL MOOKHEY: And that is the part where you start to find yourself not covered by Cabinet confidentiality requirements because that is a separate legislative requirement that is imposed on you which is not for the purposes of advising Cabinet; it is for the purpose of deciding whether or not the funds can legally be spent. Is that fair?

Mr DRAPER: Yes. We have got a very specific role in the Restart Act that we fulfil.

The Hon. DANIEL MOOKHEY: Has anyone sought funding for the Parramatta Light Rail Stage 2 from the Restart Fund Act?

Mr DRAPER: I am going to have to take that one on notice too simply because I do not have the answer in front of me.

The Hon. DANIEL MOOKHEY: Okay, I appreciate that. You, as part of your processes as well, undertake peer reviews of business cases. Is that correct?

Mr DRAPER: Are you referring now to the Restart function or are you referring to the assurance function?

The Hon. DANIEL MOOKHEY: To be fair, I think you do peer reviews for both, don't you?

Mr DRAPER: Yes. The reason I ask is because what we do with the assurance function, one of those gateways you were referring to was called a Gate 2 review. The Gate 2 review is a review of the final business case; that is an integral part of that function. In the case of Restart, in the process of providing advice to the Treasurer on whether the proposed expenditure meets the requirements of the Act, we would routinely not necessarily do a review of the business case but certainly assess whether it meets the BCR requirements.

The Hon. DANIEL MOOKHEY: When was the last time you did a peer review on the Northern Beaches Link business case?

Mr DRAPER: Sorry, would you mind repeating that?

The Hon. DANIEL MOOKHEY: When was the last time you did a peer review of the Northern Beaches Link business case?

Mr DRAPER: You are referring to an assurance review?

The Hon. DANIEL MOOKHEY: Whichever form of peer review you have undertaken in respect to the Northern Beaches Link business case, I am happy to hear when you last did it.

Mr DRAPER: Again, I will take that on notice. If you are referring to a Gateway review undertaken for the purposes of reporting to Cabinet, I have concerns about answering that one. If there is a Restart element to this one then I am quite happy to take that on notice to check the details and come back to you.

The Hon. DANIEL MOOKHEY: Yes, that is fair. Can you compel an agency to reproduce a business case if sufficient time has passed since the business case was completed and the Government's investment decision?

Mr DRAPER: I would not describe it as us compelling. Our role in this is to provide advice to Cabinet. I am not calling out a particular circumstance but we may, in providing advice to Cabinet, say that some of the assumptions in the business case need to be updated; there is new data that should be—if it is very long in the tooth, our reviewers may call that out. But I cannot think of any particular case where that has happened.

The Hon. DANIEL MOOKHEY: Can we just turn to the Restart NSW commitments and reserves? You see the budget reports to us that as of 2021-2022 the fund has committed \$30.561 billion and it has reserved a further \$5 billion. That still accords with what you expect? Have there been any meaningful changes to that?

Mr DRAPER: If you are calling those out of the budget papers, the 2021-2022 budget papers—

The Hon. DANIEL MOOKHEY: I am.

Mr DRAPER: If that is the case then I will accept those numbers, yes.

The Hon. DANIEL MOOKHEY: It says here that reservations approved since the 2020-2021 budget is reservation, which is not a commitment—I accept that—but a reservation for the metro west is \$1.4 billion. That is what the budget says, correct?

Mr DRAPER: Again, I have not got it in front of me but I will accept your reading of that.

The Hon. DANIEL MOOKHEY: But there is no other money committed from the fund to the western metro that is listed in the Restart NSW, which is table 4.2, which again you might need to accept my word for.

Mr DRAPER: Yes.

The Hon. DANIEL MOOKHEY: So is metro west going to cost us \$1.4 billion to build?

Mr DRAPER: No, I think it is safe to say that is not the case.

The Hon. DANIEL MOOKHEY: I was reviewing that and I was reviewing the other parts of the infrastructure funding and I am prepared to say that I am a bit worried that the money has not been put aside for the metro west. Is there any other part of the budget that I have missed? Because when I am looking at the Transport for NSW commitments I cannot see the money, anything other than \$1.4 billion put aside in the budget for metro west.

Mr DRAPER: The metro west project, to put that in context, takes a long time to deliver and in a number of stages. So you will not see the full amount for the metro west project or any other long-term project like that in any individual budget.

The Hon. DANIEL MOOKHEY: For what it is worth, Mr Draper, that does not necessarily comfort me. My final question on notice is: Has a business case been completed that would trigger a Restart commitment? Is the BCR more than one, and what is the estimated I think it is called outturn cost for the Sydney Metro West? To the extent to which you are able to provide that to me on notice, Mr Draper, I would appreciate that.

Mr DRAPER: I will take it on notice, yes.

The Hon. JOHN GRAHAM: Mr Draper, I want to ask you about the State infrastructure five-year plan. As you aware, it has not been published since the 2017-18 budget. I have asked you about this previously and you had this to say, "What we are trying to do is update it, publish it, put it out there and then update it as decisions of government are made." On timing you said, "It is going to be considered by Cabinet, so we would expect that to be forthcoming over the next month or two." That was in March 2020. That has not happened; this still has not been published. Where is it?

Mr DRAPER: Mr Graham, I think, as you say, we have discussed this before. What we do is publish it on our website. So it has been published and updated several times on the INSW website as the infrastructure pipeline. I think the most recent update, that happened only in the last couple of months during the period of lockdown. So it has been fairly recently updated.

The Hon. JOHN GRAHAM: Right, so that is how you are now satisfied with your obligation to publish some of this information, acknowledging that it is in a very different format to how it was in 2017-18 when it formed a separate chapter of the budget papers.

Mr DRAPER: Yes, that is right. There is always an infrastructure paper in the budget papers and that is still the case. The State Infrastructure Plan—and I think we have discussed this before—one of the reasons that changed was because we made a commitment to the construction industry in 2018-19—

The Hon. JOHN GRAHAM: I recall that discussion. Mr Draper, do you submit that list to the Premier once a year as you are required to under the Act?

Mr DRAPER: Yes, that goes to the Premier's office for review before we publish it. That is correct.

The Hon. JOHN GRAHAM: Did the Premier last year adopt or amend that plan?

Mr DRAPER: I will go back and check the back and forth on it but, clearly, the Premier adopted the plan that we published. We would only publish if it was adopted by the Premier.

The Hon. JOHN GRAHAM: No, that is not true. The Premier has an obligation to adopt or amend that plan and then to notify you and then this all has to become public. That is correct, is it not, under the Act?

Mr DRAPER: That is correct and that is what has happened.

The Hon. JOHN GRAHAM: So all of that is public, including those notifications?

Mr DRAPER: I do not know if the notifications are public, but the pipeline is public, that is correct.

The Hon. JOHN GRAHAM: Yes, the pipeline is, but my question is: Is the process required under the law, which clearly was not followed for a number of years—you would acknowledge that. There were a number of years where this process broke down and did not occur at all. That was the case when we last spoke.

Mr DRAPER: I would not—

The Hon. JOHN GRAHAM: That pipeline was not published when we last spoke on this matter.

Mr DRAPER: It was published—when was the date you referred to?

The Hon. JOHN GRAHAM: March 2020. Between then and the budget papers of 2017-18 this process was not adhered to at all. Do you agree with that?

Mr DRAPER: No, I think it had been published before. It was not published on our website prior to that; it was published, I think, in hard copy. Some of this was before my time, and then we published online in that new format in mid-2020 and then updated it this year.

The Hon. JOHN GRAHAM: Mr Draper, could you take on notice for each financial year since 2017-18 whether the amended five-year plan was considered by the Premier, adopted or amended by the Premier, notified to you and published? Did each of those four steps occur in each of those financial years and when did they occur?

Mr DRAPER: Yes, I will take it on notice.

The Hon. DANIEL MOOKHEY: Mr Draper, just in respect to your assurance function, does that apply simply to the agencies within the general government sector or does it apply to the total State sector?

Mr DRAPER: I will double-check for you, Mr Mookhey. I believe it applies mainly to the general government sector. From time to time there are projects that are put forward by State-owned corporations that we see. For example, some of those dam projects you referred to earlier are owned by WaterNSW, so there are circumstances where projects have been brought forward by State-owned corporations and go through that process. I think that may be in part triggered by the fact that it has been publicly funded.

The Hon. DANIEL MOOKHEY: Thank you, Mr Draper, I feel like we have transgressed on two minutes of your time that we should not have, so I might stop there.

Mr DRAPER: That is okay. I apologise if I mispronounced your name.

The Hon. DANIEL MOOKHEY: That is okay; I know it was not deliberate.

The CHAIR: Thank you for your time today, Mr Draper.

(Mr Draper withdrew.)

The Hon. DANIEL MOOKHEY: Mr Secretary, I might now return to some questions for you. I was going to leave this for later in the estimates session but the more I look at this the more intrigued I am. I feel like I cannot contain my enthusiasm about this particular matter. Have you by any chance got the budget papers in front of you?

Mr COUTTS-TROTTER: No, I am afraid I do not.

The Hon. DANIEL MOOKHEY: I think we have a spare set for you.

Mr COUTTS-TROTTER: If you do, I would be—I have a sentimental attachment to the budget papers.

The Hon. DANIEL MOOKHEY: I assure you that I was surprised that Treasury did not come with the budget papers yesterday, so you are in good company in this respect. I am reading from your agency's financial statements, which makes for some interesting reading. I am speaking specifically about the operating statement for your cluster. Forgive me if I cannot curb my enthusiasm about this because it is quite the mystery. Does DPC sell goods and services?

Mr COUTTS-TROTTER: Does DPC itself sell goods and services as opposed to agencies in the cluster?

The Hon. DANIEL MOOKHEY: Yes, itself, as opposed to your clusters.

Mr COUTTS-TROTTER: That is a very good question. I do not know.

The Hon. DANIEL MOOKHEY: Well, apparently you do, Mr Secretary.

Mr COUTTS-TROTTER: Really? To what value?

The Hon. DANIEL MOOKHEY: Not only do you do that; you apparently sold \$36 million worth of goods and services last year, which is itself remarkable. What is more remarkable is that you are expected to increase your sales by 25 per cent. You are meant to sell \$44 million of goods and services in the coming year. What exactly are you selling?

Mr COUTTS-TROTTER: I hear a sotto voce whisper "cultural institutions".

The Hon. DANIEL MOOKHEY: I do not know whether it is an accounting thing, because I checked that. I checked all the other cultural institutions in the cluster who report their sales figures separately to you and they do not seem to match—in fact, some of them—which implies that—

Mr COUTTS-TROTTER: It could be an entrepreneurial public servant who has set up a business.

The Hon. JOHN GRAHAM: It is hats, mugs, tote bags.

The Hon. DANIEL MOOKHEY: Is it hats? Is it mugs?

Mr COUTTS-TROTTER: Tote bags! I am sorry, I really do not know. I do not want to be flippant. It is probably a very worthy set of public services.

The Hon. DANIEL MOOKHEY: Does anyone in the cluster know? It is not a small amount of money.

Mr COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: It is \$45 million worth of sales that you are responsible for and I want to know how to hold you to account.

Mr COUTTS-TROTTER: Some \$35 here, \$35 there, and soon you are talking real money.

The Hon. DANIEL MOOKHEY: I am very eager to find out how to hold you to account for this, Mr Secretary, because next year I want to find out whether or not you hit your sales target.

Mr COUTTS-TROTTER: Okay, terrific.

The Hon. DANIEL MOOKHEY: Can you take it on notice as to what precisely DPC is selling?

Mr COUTTS-TROTTER: Yes, absolutely.

The Hon. DANIEL MOOKHEY: If anyone wishes to provide any information—it could just be a budget accounting aspect of the treatment.

Mr COUTTS-TROTTER: I am waiting for some helpful text to pop up.

The Hon. DANIEL MOOKHEY: I feel like I should probably move on.

Mr COUTTS-TROTTER: Please do.

The Hon. PENNY SHARPE: I will flag with you that I am going to ask you about the Premier's Priorities.

Mr COUTTS-TROTTER: Okay, excellent.

Mr DAVID SHOEBRIDGE: Mr Coutts-Trotter, you said it was not explained to you what the effect of the submission would be, but you clearly understood it because you realised, I think, as you were dealing with it that it would potentially excite my interest and the interest of others.

Mr COUTTS-TROTTER: Yes.

Mr DAVID SHOEBRIDGE: What did you understand the effect of it would have been?

Mr COUTTS-TROTTER: To, in an incremental fashion, try to have identified for our Department the key Cabinet documents that were at the heart of counsel assisting's work through the Commission. That implied that there may be one or two steps before—and in doing that provide us with a chance to advise the Commission about our view on making public those Cabinet documents. It would require a couple of steps of iteration ahead of a public inquiry but it did not foreclose or seek in any way to prevent the Commission from conducting itself as publicly as it chose.

Mr DAVID SHOEBRIDGE: I think you wanted Ms Kate Boyd to say something.

Mr COUTTS-TROTTER: I did.

Ms BOYD: Thank you for allowing me to respond, Mr Shoebridge, because I think this is an important matter that goes to DPC's reputation and integrity. I think the way you have characterised DPC's submission is incomplete. Our suggestion to the ICAC was that it take a cautious approach, hear the Cabinet information in private and then allow us to make further submissions on the public interest considerations both in favour and against the publication of those transcripts. It is very difficult to make submissions about the public interest harm in the disclosure of documents without knowing which documents were an issue. So all we were suggesting was that the commission may wish to take a cautious approach, hear that evidence in private and then allow us to have

another go at informing it about whether we thought there was a detriment to the public interest in publishing those documents.

There is nothing improper about that and DPC has fulfilled that role consistently in a range of other inquiries over the years. I cannot stress enough how much the Department has prioritised assisting the ICAC in this most recent investigation in the most difficult circumstances where COVID, Standing Order 52 and other demands on our time and resources had to be managed. I just have to make that point to thank the DPC Legal Branch for the tireless work they do in the public interest to assist the ICAC.

Mr DAVID SHOEBRIDGE: Mr Coutts-Trotter, it was unquestionably embarrassing to the Government—the public exposure of how Cabinet deliberations were had and the former Premier's role in allocating funds through the Cabinet process. Do you accept, in hindsight, that seeking to have all of that evidence heard in private was inappropriate?

Mr COUTTS-TROTTER: No. I think Ms Boyd set out the intent, the reasoning, behind our submission and, as I say, I was entirely comfortable endorsing it being made to the Commission for the reasons outlined.

Mr DAVID SHOEBRIDGE: Is Mr Draper still here?

Mr COUTTS-TROTTER: Are you familiar with Dr. Seuss's book *The Lorax*?

Mr DAVID SHOEBRIDGE: I am.

Mr COUTTS-TROTTER: You recall in that everybody is cutting down trees.

Mr DAVID SHOEBRIDGE: I do. It reminds me of your Government.

Mr COUTTS-TROTTER: Not my government.

Mr DAVID SHOEBRIDGE: Sorry, it reminds me of your Premier's Government.

Mr COUTTS-TROTTER: There is only one creature that speaks up for the trees and that is the Lorax. There is something about the principle of collective ministerial responsibility that everybody is tearing into, and on this one we are the Lorax—not always popular.

Mr DAVID SHOEBRIDGE: Yes; if only there was a Lorax in Cabinet. Have we lost Mr Draper?

The Hon. DANIEL MOOKHEY: Yes, he had to go at 3.00 p.m.

Mr DAVID SHOEBRIDGE: Ms Foy, in an earlier hearing I was asking questions, which you said would be answered by Infrastructure NSW, about the contract cost for the Powerhouse Museum build, which was initially budgeted at \$400 million. You said you would take that on notice and try to get an answer. Have you got an answer?

Ms FOY: [Audio malfunction].

Mr DAVID SHOEBRIDGE: I think you are on mute, Ms Foy, or just not interacting with us in some way.

Ms FOY: [Audio malfunction].

Mr DAVID SHOEBRIDGE: You can just write it on a piece of paper and put it in front of the camera, Ms Foy.

Mr FITZSIMMONS: I can hear you loud and clear at my end, Ms Foy, but they must not hear you in the room.

Mr DAVID SHOEBRIDGE: Write if it is \$400 million or \$500 million on a piece of paper and hold it up to the camera. We might come back to this, Ms Foy, when we sort this out. But in the meantime, if you can write it on a piece of paper and hold it up, that would be good.

The Hon. PENNY SHARPE: Mr Coutts-Trotter, obviously we have a new Premier. Are you able to let the Committee know whether the Premier's Priorities will be redone or what the process is and, I suppose, give a general update with the change? What is likely to happen?

Mr COUTTS-TROTTER: I have not been told by the Premier the process by which he intends to tackle that decision or the time frame. But I guess there is a new Premier. We have been through the depths of a pandemic; we are coming out the other side. There are different challenges and different opportunities facing the community, and so it is perfectly reasonable, I think, to ask the question. But to your question, no, I do not know the time frame, but I am happy to ask and see if I can respond on notice.

The Hon. PENNY SHARPE: Yes, that would be terrific. I completely expect that a new Premier will want to have new priorities, and that is fine. But, as you know, I have paid a bit of attention to the Premier's Priorities in the past, particularly when it has come to children and young people, and I just wanted to understand. My understanding is that of the 14 priorities, there are six that are significantly behind. Some of them are pretty serious: increasing the number of Aboriginal young people reaching their learning potential; obviously, the decrease in the proportion of children and young people being re-reported at risk of significant harm. Just so you know, I am drawing from the Secretaries Board minutes from September this year, so they are quite up-to-date. Now that you are going to be responsible for all of this—

Mr COUTTS-TROTTER: I can feel a leak inquiry coming on.

The Hon. PENNY SHARPE: Given we have currently got these Premier's Priorities—let's just assume that they continue for the moment—what is happening with those priorities that are not on track? Some of them are significantly behind.

Mr COUTTS-TROTTER: Yes. Some I am more familiar with than others, obviously, so I would take on notice some of the response to your question, Ms Sharpe. In relation to reducing the proportion of children who are re-reported at significant harm—and you may have canvassed this with Minister Henskens and his team—

The Hon. PENNY SHARPE: No, unfortunately, I was not in that one this year.

Mr DAVID SHOEBRIDGE: For shame.

The Hon. PENNY SHARPE: I missed it.

Mr DAVID SHOEBRIDGE: We missed you too.

The Hon. PENNY SHARPE: I was here with you, Mr Coutts-Trotter, and Mr Harwin.

Mr COUTTS-TROTTER: Of course, although you did leave the room, perhaps to—anyway.

Mr DAVID SHOEBRIDGE: It was the first one I cannot recall you at, Penny, for ages.

Mr COUTTS-TROTTER: There has been a massive amount of work to try and understand what explains the lack of performance towards the target. Of course, it is different from place to place, district to district, and so it has been about trying to understand those districts that are doing well, what is working there and trying to feed that back into districts where performance is less good. There has been work done to improve the quality of the decisions made when the agency stops working with children—a decision to close the case. What they learned from south-west Sydney was that where you put a network of support in place and you really well explained to schools, to police, to non-government support services and the like where things are up to and why you were closing the case, those agencies and community organisations were better placed to continue to help the family and keep a child safe. That is one example of something that is picked up and implemented across the State. Stronger and more effective referrals to funded family support services through non-government organisations—the referral process was not consistently good across the State. Training for child protection—

The Hon. PENNY SHARPE: Sorry, can I just stop you there. Is it not also the case, particularly in some areas, that there just is not the network of non-government organisations to actually refer?

Mr COUTTS-TROTTER: That is true.

The Hon. PENNY SHARPE: In some places it is quite well established and they work quite well together, but it is a pretty mixed situation across the State. There would be some areas where there just are not services.

Mr COUTTS-TROTTER: It is a mixed situation across the State, and there are some areas where there are few services and very few services that work effectively with Aboriginal children and families as well. The results for Aboriginal children are worse than the results for non-Aboriginal children, and that is marked across the State. That is an area of focus. I do not know whether I am just talking too long on this for you.

The Hon. PENNY SHARPE: No, it is okay.

Mr COUTTS-TROTTER: Perhaps we will take it on notice and could give you an update on the strategies that are being deployed in relation to each of them.

The Hon. PENNY SHARPE: I do not really have questions for you. The point that I would just continue to make is that we know that the numbers keep rising in terms of reports. It is still stubbornly at around 30 per cent of kids who actually get a face-to-face. I think that you have talked about the good things, but there are others. We can move on and I would really appreciate an update on that.

Mr COUTTS-TROTTER: Yes, of course.

The Hon. PENNY SHARPE: The other one is reducing domestic violence reoffending. Those numbers are still terrible.

Mr COUTTS-TROTTER: There is much more to be done, and I do not want this to sound like an excuse but it is an important point of context. The numbers of people who are offending have risen significantly since the baseline date. The numbers of reoffenders have risen by 4 per cent versus about 20 per cent. Some of the interventions are working to prevent people from reoffending. Then, when you look at the demography of the people who are reoffending, for non-Aboriginal men 18 to 35 there has actually been a reduction in the number of reoffenders. There are some things that are working for some people. In the bureaucratic jargon, this is the most challenged target. It is the one least likely to be met, but there are some bright spots within the interventions that have been deployed. But there is a lot more to do.

The Hon. PENNY SHARPE: The last one I will ask you about is the employment of people with disability in the public service. This is now going to fall firmly to you.

Mr COUTTS-TROTTER: It does.

The Hon. PENNY SHARPE: Obviously we are lagging behind.

Mr COUTTS-TROTTER: Yes.

The Hon. PENNY SHARPE: What is in place to try to turn that around?

Mr COUTTS-TROTTER: There is work through the Public Service Commission [PSC] to provide both great communication to people who might think about coming to work for the public sector, about the kind of environment they will join. And that is really important for setting the scene, and there is a range of resources and supports that are available to applicants, managers and recruiters through the PSC that are pretty important. I think the most promising work that has happened has been the establishment of Disability Employee Networks—so networks of people working in the public sector with disability who get involved in changing the climate of their organisations, the processes, the technology and the capabilities of management in ways that mean people with disability can thrive in public sector workforces. The kind of plans of those Disability Employee Networks within their agencies are hugely important. The work across agencies through those networks are equally important: challenging managers to become aware of the blind spots, to become aware of the avoidable impediments in recruitment processes, in technologies, in the way that adjustments are enabled for people in the workplace—all of those kind of basics.

The Hon. PENNY SHARPE: We are not going to hit the target, though, are we—not in the current time frame?

Mr COUTTS-TROTTER: I think for the first time in five years the proportion of people identifying as people with disability in the workforce has risen, but it would have to rise dramatically for us to get to the target, yes.

The Hon. DANIEL MOOKHEY: In respect to the secretaries board, that does not legally exist, does it?

Mr COUTTS-TROTTER: No, it is like a meeting of clerks 3-4, or regulatory officers 9-10. I mean, it is just a collection of public servants that meet together.

The Hon. DANIEL MOOKHEY: I do not know what the collective noun is for—I guess "secretaries board" is one of the collective nouns.

Mr COUTTS-TROTTER: A strive.

The Hon. DANIEL MOOKHEY: Fair enough. You are intending to continue it as a structure? Yes?

Mr COUTTS-TROTTER: Absolutely. One of the great qualities of our sector, and the great achievements of all of my predecessors, is to maintain an environment of support and collegiality amongst senior leadership. If you just look at the response in the pandemic—the willingness of people to work with one another and muck in together—an important part of that is on the efforts of my predecessors through that board.

The Hon. DANIEL MOOKHEY: Indeed. How often does it meet?

Mr COUTTS-TROTTER: How often do we meet?

The Hon. DANIEL MOOKHEY: Yes.

Mr COUTTS-TROTTER: Every two weeks.

The Hon. DANIEL MOOKHEY: Presumably, you set the agenda?

Mr COUTTS-TROTTER: Yes, I do, in concert with my colleagues. We have a forward agenda that we agree upon.

The Hon. DANIEL MOOKHEY: Are meeting papers produced?

Mr COUTTS-TROTTER: It is fully compliant with the State Records Act.

The Hon. DANIEL MOOKHEY: Which means that some records are recorded?

Mr COUTTS-TROTTER: Absolutely.

The Hon. DANIEL MOOKHEY: That includes meeting papers? Rest assured I am not intending to SO52 the meetings any time soon, if that is what you are concerned about.

Mr COUTTS-TROTTER: Okay, right.

The Hon. DANIEL MOOKHEY: But I can read about them in the archives in 30 years. There is a formal agenda and a formal meeting?

Mr COUTTS-TROTTER: Yes, absolutely.

The Hon. DANIEL MOOKHEY: Fair enough. You met on 23 September. Is that correct?

Mr COUTTS-TROTTER: I would have to check. It seems you have papers from that meeting, so I assume that is the case.

The Hon. DANIEL MOOKHEY: Yes. You apparently met on 23 September, which, to be fair, was a meeting when the secretary of DPC at the time was Mr Reardon, not you. But you are listed as having attended.

Mr COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Do you recall that there was a meeting thereabouts?

Mr COUTTS-TROTTER: Yes. Well, it is embarrassing to confess it, but every day blurs into every other day.

The Hon. DANIEL MOOKHEY: I am sure. At that meeting, was the WestInvest Fund discussed?

Mr COUTTS-TROTTER: I would need to take that on notice because, from memory, WestInvest has been discussed by the secretaries board; whether it was 23 September, I cannot recall. I will take that on notice for you.

The Hon. DANIEL MOOKHEY: The minutes note the announcement of the WestInvest Fund and that Treasury is working to establish a governance group to oversee administration and dispersal of the fund. Does that prompt a recollection?

Mr COUTTS-TROTTER: I will take that on notice.

The Hon. DANIEL MOOKHEY: Was that the first time DPC was aware of the establishment of the WestInvest Fund?

Mr COUTTS-TROTTER: I do not think so, but I will take that on notice.

The Hon. DANIEL MOOKHEY: Do you recall any specific action that was resolved at that time that DPC had to take? To be fair to you, you were not at DPC at the time, but I do believe there were other DPC representatives present. Do you recall?

Mr COUTTS-TROTTER: No, I do not, but I will take that on notice.

The Hon. DANIEL MOOKHEY: One of the things that apparently the secretaries board resolved to do was "The Secretary, Premier and Cabinet; the Secretary, Planning, Industry and Environment; and the Secretary, Treasury will meet to discuss governance arrangements for the WestInvest Fund." Does that prompt any recollection?

Mr COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: Have you met with the Secretary of Planning, Industry and Environment and the Secretary of Treasury to discuss governance arrangements for the WestInvest Fund?

Mr COUTTS-TROTTER: I have spoken to my colleague Mike Pratt, the Treasury Secretary, who is leading the work on this. I have not met, as DPC Secretary, with those two colleagues but it could well be that my predecessor was very efficient in following up on agreed actions. He could well have met with those colleagues.

The Hon. DANIEL MOOKHEY: What was his last day, by the way?

Mr COUTTS-TROTTER: It was 8, 9 or 10 October. I started on Saturday; I think that was the ninth.

Ms BOYD: Let me just check.

The Hon. DANIEL MOOKHEY: I think it was probably Friday 9 October.

Mr COUTTS-TROTTER: Then Friday the ninth would have been his last day.

The Hon. DANIEL MOOKHEY: It is possible in the two weeks since that your predecessor had these meetings?

Mr COUTTS-TROTTER: Entirely.

The Hon. DANIEL MOOKHEY: Is the reason why the secretaries board resolved for there to be a meeting between the three secretaries because at that point there was no discussion that took place about the governance arrangements for the WestInvest Fund?

Mr COUTTS-TROTTER: No, I would not assume that. The habit of my predecessor with the secretaries board was to use it as a forum to make sure we were all broadly aware of things that were happening across the sector. Quite a lot of material came, really, for information and awareness. I do not mean to say that we were passive in response to it, but a lot of it was just to ensure people knew that the work was going on.

The Hon. DANIEL MOOKHEY: Was DPC asked to provide any advice in respect to any process that would lead to a Cabinet submission around the establishment of WestInvest?

Mr COUTTS-TROTTER: Any advice in relation to—

The Hon. DANIEL MOOKHEY: Was it asked to provide any advice or feedback in respect to any process involving a Cabinet submission about WestInvest?

Mr COUTTS-TROTTER: I would have to take that on notice, I am afraid.

The Hon. DANIEL MOOKHEY: I am not really sure whether this is a Cabinet-in-confidence matter, because I am not sure whether WestInvest went to Cabinet. Certainly, there seems to be no reference whatsoever in a production in response to an order of the House. To the best of your knowledge, is WestInvest covered by Cabinet confidentiality because there was a Cabinet submission that did go to Cabinet?

Mr COUTTS-TROTTER: I will take that on notice and respond to you.

The Hon. DANIEL MOOKHEY: Does Ms Boyd have any views?

Ms BOYD: No, I would have to take that on notice. I am sorry.

The Hon. DANIEL MOOKHEY: Each year all secretaries are required to go through a performance review. Is that correct?

Mr COUTTS-TROTTER: Yes. I understand the House got copies of our self-assessments.

The Hon. DANIEL MOOKHEY: I cannot discuss privileged matters. It is Parliament-in-confidence insofar as it applies. I think we established from your predecessor that process takes place sometime—in the ordinary course of the year—circa the end of the financial year. Is that correct?

Mr COUTTS-TROTTER: Yes. It usually took place during July and August, from memory.

The Hon. DANIEL MOOKHEY: Did it take place this year?

Mr COUTTS-TROTTER: For some but not all secretaries. In my case as Secretary of DCJ, I did not get a chance to have a performance review with the previous Premier.

The Hon. DANIEL MOOKHEY: But you would have had the opportunity to fill out a form or submission of some sort?

Mr COUTTS-TROTTER: Fill out a form, yes. I reported on my performance against agreed performance indicators and provided a self-assessment of my performance.

The Hon. DANIEL MOOKHEY: And that is presumably consistent with the other seven secretaries?

Mr COUTTS-TROTTER: That was what was required through the process, yes.

The Hon. DANIEL MOOKHEY: Some of the secretaries went through a performance review with the previous Premier. Is that correct?

Mr COUTTS-TROTTER: It is my understanding, yes.

The Hon. DANIEL MOOKHEY: On notice, can we see which secretaries went through that process—not by name, obviously, but perhaps department?

Mr COUTTS-TROTTER: By job title? Yes, sure.

The Hon. DANIEL MOOKHEY: What will happen with the other remaining secretaries?

Mr COUTTS-TROTTER: That is a very good question. Thank you. It is a good prompt. It needs to be concluded and I think it has to be concluded with the current Premier.

The Hon. DANIEL MOOKHEY: I feel like I should go on the record and apologise to any secretary who now needs to go through a performance review as a result of my questioning. I will put that on the record as an apology. Last week I asked a question about a review and, sadly, one of the deputy secretaries of Treasury got saddled with it and in the three days that I had not seen him. I apologise in that respect. It is the case, is it not, that that performance review is designed to decide whether secretaries are entitled to obtain the component of their contracts which entitles them to an incentive payment? Is that correct?

Mr COUTTS-TROTTER: The component of the contract that contained an incentive payment was removed.

The Hon. DANIEL MOOKHEY: When was that removed?

Mr COUTTS-TROTTER: I think at least a year ago, but I will confirm that for you.

The Hon. DANIEL MOOKHEY: Is this the first year where that took place?

Mr COUTTS-TROTTER: No. This, I think, is the second year.

The Hon. DANIEL MOOKHEY: And what were the reasons for its removal?

Mr COUTTS-TROTTER: I do not know. That was a decision of the previous Premier.

The Hon. DANIEL MOOKHEY: Okay. So you are saying right now that no secretary is entitled to a performance payment.

Mr COUTTS-TROTTER: No secretary, no.

The Hon. DANIEL MOOKHEY: Again, I do not want to stray too much beyond the realms of the Premier and Cabinet estimates—

Mr COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: But if you are possibly able to provide this on notice to this Committee, could you? How many public servants or agency heads are entitled? That is the question. I am sorry, I was unaware that there has been a change to that part of the policy.

Mr COUTTS-TROTTER: No. I will take that on notice, Mr Mookhey.

The CHAIR: It being 3.30 p.m., we are now required to have a break. The Committee will break for 15 minutes and return at 3.45 p.m.

(Short adjournment)

The CHAIR: Welcome back, everybody. We will start questions from the Opposition. Mr Buttigieg?

The Hon. MARK BUTTIGIEG: Thanks, Chair. Good afternoon.

Mr COUTTS-TROTTER: Good afternoon.

The Hon. MARK BUTTIGIEG: Mr Schmidt, I know we have had several iterations of this line of questioning, but I do think it is important that we get a bit of clarity on the degree of urgency, if you like, so I just want to walk you through it just for the benefit of getting this on the record and for the Committee. When did you first raise the issue of noncompliance with the Government's cybersecurity standards with the Government?

Mr SCHMIDT: I would have raised it in—there is an annual attestation which is published each year in the annual report, so there is one this year and in the previous annual report. Prior to that there would have been

two years of budget bids as part of the budget process. I cannot recall whether we called out, in those bids, compliance. I am not even quite sure what the standard would have been at that point, but it is not a new issue.

The Hon. MARK BUTTIGIEG: In terms of the kind of benchmark standards that are in place now, they have known for, what, at least six months, 12 months perhaps—

Mr SCHMIDT: Well—

The Hon. MARK BUTTIGIEG: — or even longer?

Mr SCHMIDT: I am sorry for interrupting you. For at least two annual reports it has been a very clear statement that we are not compliant with the government cybersecurity policy.

The Hon. MARK BUTTIGIEG: Okay. And the business case for the \$22 million to bring the cybersecurity standards up to scratch, when was that submitted?

Mr SCHMIDT: That was lodged earlier this year as part of the budget process for the current financial year we are now in, but it was the fourth in a series of budget bids which have been lodged since I have been the commissioner.

The Hon. MARK BUTTIGIEG: Was there subsequent communication between you and the Government on the urgency of this funding to hit the deck, if you like, in order to comply with the cybersecurity standards?

Mr SCHMIDT: Certainly, I had some initial discussions with senior Treasury and DPC officials and then there are ongoing discussions between my officials and Treasury officials as the budget bids go through the process. As part of those discussions there would have been reference, or certainly in the business case there would have been reference, to the noncompliance.

The Hon. MARK BUTTIGIEG: And the fact that, given the passage of time, the urgency was escalating—in other words, "We need this money asap if you want us to comply". Was that the flavour of the comms?

Mr SCHMIDT: Well, I think the language would be—it seems to have been a cumulative thing over a number of years—we can do a certain amount if we get a certain amount of money at a point in time. As part of the discussions, the business case would often reference previous bids which have been unsuccessful so we had not been able to do things. But this has been a continuum of discussions through the budget process.

The Hon. MARK BUTTIGIEG: So it is no off into this, for want of a better word, black box situation under the digital restart program. We heard in evidence earlier today, sorry, in response to questioning from Mr Searle earlier in the estimates process Mr Wells from Digital responded to Mr Searle. They talked about an assurance and review process. Mr Searle says to him:

When do you anticipate the assurance and review process will be finalised?

Mr Wells responds:

That really does depend on the Electoral Commission's actioning of those critical recommendations as part of the assurance process. That is a process that all agencies go through. It is part of getting business cases approved.

So the implication from the answer is that it is really on the Electoral Commission to come up with the goods and tell us why they need this in this assurance process. Can you enlighten us about that?

Mr SCHMIDT: I would welcome unpacking some of that. Obviously, I am expressing a little bit of frustration. I will read from a summary document in a moment but, as I said earlier in my testimony today, one of the bits of advice that one of my officials had when this was first raised with the Digital Restart Fund people was, "Why are you bringing this proposal to us? You don't qualify". As I gave evidence earlier today, that was on the basis that the Digital Restart Fund is meant for specific types of projects which are short lived. The commission's underlying need is for ongoing funding to build capacity, but this will give you the flavour of the world I am living in.

As you referred to a review, there was a Gate 2 review report prepared by the Department of Customer Service. We had to pay for people to be brought in externally to conduct the review. I will just give a couple of excerpts. It starts off, "The intent of the cybersecurity project is to protect the NSW Electoral Commission from cybersecurity risks, including the significant risk of external interference in election processes." Fantastic! "The NSW Electoral Commission has been using existing funding to do what it can to increase its cybersecurity maturity, but additional funding is essential to address the significant risk and the issues around low maturity of systems and processes. The business case presents a strong case for change and outlines how cybersecurity represents the highest corporate risk for New South Wales." I will skip along. "While the urgent need for

investment in cybersecurity is evidenced, the business case in its current form does not present a clear path in the form of a detailed road map and a realistic schedule."

What it then goes on to say is to point out the very constraints that I have always worked with. I have a limited number of subject matter experts who I can take off, for example, at the moment running elections to plan and implement what the money is being spent on as distinct from, if I had been given the money on 1 July—and it is now November—and it is anticipated that this money may not flow until February next year, so we are only a couple of months away from the end of the financial year. They recognise the shortage of subject matter experts and the freeze changes for our systems we have to implement when major election events are on. Here we are, it is local government. We will come out of local government and next year we will be doing preparations for the State general election and we will have to freeze.

So sympathy is expressed, the problem is identified and reflected back to you, but the very inability to do some of the things you would expect to be able to deliver the outcome is caused by the fact that we have not been funded adequately to do it in the first place. It is a circle. It is a circle of hell.

The Hon. MARK BUTTIGIEG: Can I just take you to that, Mr Schmidt, because what we heard in evidence earlier today from the Premier was that, "Look, it is something that we are concerned about", and it was sort of put off into the process issue—it is all about the funding model and whether the process is adequate and we need to look into this. But what I am trying to drill down and ascertain off you now is we have an existential threat in four weeks' time. There are local government elections afoot and what I am hearing is that we probably will not be able to comply with the Government's own standards on cybersecurity. So I am asking you here now: Can the people of New South Wales feel confident about these elections, keeping in mind that we have people who might want an uptake in iVoting because of the reluctance in the aftermath of COVID, and all the rest of it? Can those electors of New South Wales, can the people of New South Wales, feel confident that their electoral system is not vulnerable to a cyber attack, given what you have put in evidence here today and earlier?

Mr SCHMIDT: My apologies, but I will repeat something I said earlier today. In the world we live in today there is no organisation—government or private—who can, hand on heart, say that they are completely safe from cyber attacks.

What you endeavour to do with a lot of the measures which were put in place, both in the Government's policy, the Australian Signals Directorate [ASD] Essential Eight, et cetera, is to harden you. A lot of attacks are automated and it is opportunistic, knocking on the door; you harden your front door, they will go down the road and go to somebody else. If a State actor, for whatever reason, decided to target any organisation in New South Wales, there would be a limitation to how much that could be withstood. So the answer I gave this morning was that I cannot give you that assurance, but I would not expect any other organisation—

The Hon. MARK BUTTIGIEG: No, I do not want to be rude but this is a pertinent point. I do not think the expectation would be that you inoculate every government institution from a cyber attack, but if there were standards that were supposed to be met to give you the degree of comfort—given the risk analysis that was presumably done—and those standards cannot be met, that is what I am asking you: can they be met? If they cannot, then are we in that situation now? Let me give you a hypothetical: Mr Perrottet meets with you tomorrow and says you can have the \$22 million. Can we come up to those standards in four weeks?

Mr SCHMIDT: No. Impossible.

The Hon. MARK BUTTIGIEG: Thank you. That is all from me.

The Hon. DANIEL MOOKHEY: Mr Secretary, perhaps again with your permission, do you mind if I direct these questions to the Commissioner of Resilience NSW?

Mr COUTTS-TROTTER: Not at all. Shane has been there, spring-loaded in the can-do position for five hours, so I think he is good to go.

The Hon. DANIEL MOOKHEY: He is very resilient. Secretary, it might be the case that after I complete these questions I do not think the Opposition would have any more questions for the resilience commissioner. So it is up to him and you as to whether he wishes to remain beyond that point.

Mr COUTTS-TROTTER: I am sure he wants to stay, but I would beg him to leave.

The Hon. DANIEL MOOKHEY: Commissioner, I thank you for your resilience in staying with us all day in this respect. Can you give us an update as to where we are in the bushfire recovery?

Mr FITZSIMMONS: I am not quite sure what you mean by an update.

The Hon. DANIEL MOOKHEY: Just some general information that you would like to provide would be helpful.

Mr FITZSIMMONS: Sorry, is that Mr Mookhey?

The Hon. DANIEL MOOKHEY: Yes.

Mr FITZSIMMONS: As a general rule, the recovery from the bushfires has been unprecedented, just like the bushfires themselves. There has been of the order of \$4.4 billion, \$4.5 billion worth of expenditure directly in response to the impacts and effects of the bushfires. That has resulted in a range of significant programs of support and assistance that continue to be delivered and rolled out right across the affected local government areas of the State. I did note some of the commentary this morning with the Premier and the narratives around the way grants were administered. But the reality was, as we ventilated in the last estimates and, indeed, even through the Public Accountability Committee [PAC] of this year, unfortunately of the 57 worst bushfire impacted local government areas—and our focus has been on local government areas, local communities and their supports—90 per cent of them happen to be in Coalition seats. It is purely coincidental; it has nothing to do with electoral seats and it was only until some of this noise was made earlier this year that I actually did some mapping to do the correlations there.

But the body of work still continues; we have still got recovery officers, we have still got support programs going on and, as you would be aware, we have also set up over the last 18 months the new agency Resilience NSW, which includes a range of dedicated people placed and operating in and around regional areas in partnership with other government and non-government organisations to support and assist local government and local communities with the ongoing recovery effort. It is important to note that the recovery effort—most people when they talk about recovery automatically default to repair, to reconstruction and the replacement of infrastructure, but the other big aspect to recovery is the healing, the healing of individuals, of societies, of communities, which is a very significant aspect of the ongoing process.

We said from day one that while the fires went for many weeks, indeed many months, the recovery will go for many months and many years, and that has been compounded by the number of other disasters and events that have occurred in the last 18 months to two years. The bushfires came on the back of the worst drought in centuries, we then saw the unprecedented fires, we have then seen storms and floods, we have then seen COVID, throw in a mouse plague, throw in more significant storms in 2021 and then, of course, the Delta variant of COVID. So the work of the bushfire effort, also with the flood effort with the floods in March of this year, more than 60 per cent of the local government areas that were declared natural disaster areas from the floods were also declared natural disaster areas from the bushfires. Collectively, we have got about \$5.5 billion, close to \$5.5 billion in a whole range of support and assistance packages, between bushfires and floods and now COVID on top of that, supporting communities right across different parts of the State.

The Hon. DANIEL MOOKHEY: It has been a tough two years. Can I convey our thanks to you and your staff as well for the response that you gave to bushfires and floods, the mouse plague, COVID and all the rest as well. Commissioner, I just want to ask a couple of discrete issues that arise from bushfire recovery and to see what the latest information is. The one issue that I am especially interested in right now is asbestos in damaged properties. Of the repaired and reconstructed that you were talking about, is Resilience NSW coming across high levels of asbestos exposure in a lot of these properties?

Mr FITZSIMMONS: I do have some figures but not ready to hand. But you might recall, the Government embarked on the largest ever support package where we cleaned up the properties of people that lost their homes and lost their businesses. As a matter of fact, it was over 3,600 properties that were cleaned up, and there were many hundreds of thousands of tonnes of debris that were managed in waste removal. So a whole-of-government, private industry, local government effort to manage that waste and, yes, there was a recognised significant proportion of asbestos concerning that clean-up, which was one of the aspects where, despite those clean-up teams engaging more than 90 per cent of local workforces from the impacted areas to help do that work and help re-energise those local communities, we did have to bring in some external expertise with the asbestos treatment and the asbestos removal from those clean-up programs.

The Hon. DANIEL MOOKHEY: I appreciate that every time there is an event that leads to the damage and destruction of buildings, particularly historic or older ones, asbestos is a key risk that needs to be managed. Were you coordinating with the Commonwealth asbestos removal agency or seeking advice from it?

Mr FITZSIMMONS: We would certainly do that through the State agencies that have responsibility for asbestos management.

The Hon. DANIEL MOOKHEY: That is the EPA?

Mr FITZSIMMONS: The EPA, Public Works, Fire and Rescue NSW—the collection of organisations that work together. I would have to confirm on notice the level of involvement from the Commonwealth specifically in relation to asbestos, but I can assure you that the Commonwealth has been in very strong partnership with us through the recovery effort right from the outset. As a matter of fact, one of my team just gave me a figure to give you an indication. Of the 350,000 tonnes of debris cleared from the bushfires, 215,000 tonnes were contaminated with asbestos.

The Hon. DANIEL MOOKHEY: How much, sorry? Your audio went out.

Mr FITZSIMMONS: You have got to love technology. How are we travelling?

The Hon. DANIEL MOOKHEY: Two hundred and fifteen or 250?

Mr FITZSIMMONS: Of the 350,000 tonnes of debris cleared from the bushfires, 215,000 tonnes, I understand, contained asbestos. So it was a significant undertaking.

The Hon. DANIEL MOOKHEY: That is massive, is it not, Commissioner?

Mr FITZSIMMONS: Absolutely. Then we have significant clean-up, some of which is still going on, from the March 2021 floods as well. Many tens of thousands, if not hundreds of thousands of tonnes of debris there again, but less challenges with asbestos in that regard.

The Hon. DANIEL MOOKHEY: On notice or now, depending on how accessible this information is, are you able to tell us where the 215,000 tonnes of debris that had asbestos in it was either destroyed or deposited?

Mr FITZSIMMONS: I will certainly have to take that on notice, but I know it was all professionally managed and coordinated through that coordinated arrangement I described. But I will be happy to talk to my team at Public Works and the EPA and get something back to you on notice.

The Hon. DANIEL MOOKHEY: Commissioner, the only reason I ask is because I think in some other inquiries we have done elsewhere it is a known problem that there is a shortage of policies of how to get rid of this and where to store it. It is a national problem as to how to do this properly, so if we could find out. Can we also find out on notice what policies applied to the monitoring of risk to clean-up staff and crews arising from asbestos, and what sort of long-tail steps are in place to check the health of the people who were involved in this particular clean-up, if that is possible?

Mr FITZSIMMONS: If it is possible, I would be happy to do that for you.

The Hon. DANIEL MOOKHEY: Just a few more questions, if you do not mind, commissioner, some of which arise from your annual report. On notice, if we could find out the latest figure on the percentage—I think you might have said 90 per cent of contracts went to subcontractors or local communities.

Mr FITZSIMMONS: I will have a figure available. I am not sure it was over 90 per cent. We did that primary contract engagement—

The Hon. DANIEL MOOKHEY: Was that with Lendlease?

Mr FITZSIMMONS: No, Laing O'Rourke, from memory, was the primary contractor.

The Hon. DANIEL MOOKHEY: Sorry, yes.

Mr FITZSIMMONS: A condition of that was to engage local builders and contractors across disaster-impacted areas—bushfire-impacted areas. Off the top of my head it was a figure over 90 per cent. I think it was something like 95 per cent or 96 per cent.

The Hon. DANIEL MOOKHEY: It was 99 per cent in your last annual report.

Mr FITZSIMMONS: Was it 99 per cent, was it?

The Hon. DANIEL MOOKHEY: In your last annual report.

Mr FITZSIMMONS: Yes, that would be the accurate figure—99 per cent of the workforce. As I said, a very small percentage was some of the asbestos expertise that had to be brought in. The other figure that was compelling and important was to acknowledge that there was a good number of Indigenous contractors, companies and workers that were part of that clean-up engagement as well.

The Hon. DANIEL MOOKHEY: Which is good news.

Mr FITZSIMMONS: The annual report figures that you are viewing will be the accurate figures.

The Hon. DANIEL MOOKHEY: So that is 29 Indigenous owners or subcontractors with 10 per cent of the clean-up workforce. That was the annual report figures.

Mr FITZSIMMONS: Yes that would be it.

The Hon. DANIEL MOOKHEY: Going to the COVID response, I understand Resilience NSW was involved in food distribution. Is that correct?

Mr FITZSIMMONS: Yes, we have a role around welfare relief and we partner with a range of institutions and organisations like DCJ, Aboriginal Affairs, Multicultural NSW, non-government partners and key agencies like Foodbank and OzHarvest, and all sorts of local council and community organisations on that distribution. I can say that particularly with the Delta variant over the last four or five months, the last figures I looked at was something like 4,500 tonnes or 5,500 tonnes of food hampers and related materials were distributed and provided to individuals and communities through that coordinated and collective effort. We were averaging about 500,000 kilos a week or something like that in terms of distribution. We saw a significant growth in the effort, particularly through Foodbank, a lot of our work, including the ADF, emergency services and others, to help with the resourcing of the packing and sorting facilities.

Organisations like Foodbank then utilising road transport, B-double semitrailers and other infrastructure to distribute through the caches, not just in the focused local government areas and the Greater Sydney environment but also out to very remote and isolated communities around the State. Those supports centred around some of the food distribution but they also centred around some of the safety practices—things like sanitisers, masks, cleaning wipes and all those types of things—and essential items like basic sanitary care and support items, which were needed in households and local communities, particularly where, through Health, people were being managed in relation to positive cases and the need to isolate and limit spread in some of those isolated communities.

The Hon. DANIEL MOOKHEY: Commissioner, is it possible on notice to get broken down by LGA the quantity of food distributed over what period of time in the Delta outbreak?

Mr FITZSIMMONS: That is going to be bit tricky because sometimes, for example—the simple answer is I would be happy to give you a breakdown as best as possible.

The Hon. DANIEL MOOKHEY: Yes, that is fine.

Mr FITZSIMMONS: But places like Dubbo—we work through emergency management [EM] committees, so we had regional committees and we had local emergency management committees. Local emergency management committees are typically LGA based, but often at the distribution level, like Dubbo, for example, that might become a cache hub that can then service out to multiple—

The Hon. DANIEL MOOKHEY: Commissioner, I accept whatever unit of geography by which you can provide any analysis of distribution. That would be really helpful if possible.

Mr FITZSIMMONS: Sure.

The Hon. DANIEL MOOKHEY: Was Resilience NSW asked to assist in the response to the outbreak in Wilcannia?

Mr FITZSIMMONS: We have been involved in assisting as part the broader EM arrangements right from the very outset. We have been working in fulfilling a variety of roles at the State Emergency Operations Centre through to local emergency operation centres at regional and local levels. We also pull together care and wellbeing committees at those local levels to work with other organisations like Multicultural NSW, Aboriginal Affairs and a host of other government and non-government organisations.

The Hon. DANIEL MOOKHEY: Commissioner, I am asking specifically about the Wilcannia outbreak.

Mr FITZSIMMONS: Yes, absolutely.

The Hon. DANIEL MOOKHEY: Was Resilience NSW—

Mr FITZSIMMONS: In Wilcannia, through the emergency management arrangements, yes, we were involved in distributing. I think within the first few days of confirmed cases being realised in the Wilcannia district, we had semitrailer loads of supplies being dropped off in Wilcannia and then we were working with local community leaders and local community organisations for the onward distribution of those food products and other products into local communities and into local households. We utilised any form of transport—I remember even seeing local quad bikes being used to distribute to the more remote communities. So, yes, right from the

outset, as part of the emergency management arrangements, we were certainly involved with our partner organisations in doing what we could for distribution.

The Hon. DANIEL MOOKHEY: But I am asking specifically—well, now I am asking specifically about whether Resilience NSW was approached to establish temporary or alternative accommodation for the community of Wilcannia at any point?

Mr FITZSIMMONS: I suppose the clarity is Resilience NSW is part of the emergency management arrangements. The emergency management arrangements in the response phase are led by the local police commanders and we had a LEOCON [Local Emergency Operations Controller], who was a senior police officer stationed and based at Wilcannia. They were, through a whole range of partner organisations—Aboriginal Affairs, Public Works, Regional NSW, local Indigenous representative bodies and organisations and local community leaders. Resilience NSW was part of that—what was needed in a community like Wilcannia and how was it going to be best affected to arrive there. We assumed one of the primary roles of getting those food products and other supplies in—

The Hon. DANIEL MOOKHEY: I appreciate that about the food—

Mr FITZSIMMONS: —and we were part of the discussions around some of the housing and other temporary solutions, but they were principally facilitated and organised through other arms of the emergency management arrangements.

The Hon. DANIEL MOOKHEY: Sure. I think it has been established that the deployment of the emergency accommodation at Wilcannia was undertaken by NSW Health as well. I am just asking, at any point did any requests come to Resilience NSW to assist in the establishment of emergency or temporary accommodation?

Mr FITZSIMMONS: I do not know specifically, but even if a request did come to us to establish temporary accommodation, we would be putting that back into the EM arrangements where bodies like Health, Public Works, engineering services and Regional NSW have the wherewithal and the capacity to identify the most appropriate and then facilitate the preferred arrangements being put into effect. I understand, particularly through Health and those EM arrangements in Wilcannia, the motorhome or mobile campervan solution was identified as the preferred short-term solution. Since they are no longer utilised or required in Wilcannia, they have been forward deployed. Agencies like the Rural Fire Service, for example, have been engaged to assist in transporting and moving those to other communities. I think they went to the South Coast and the North Coast in more recent times to support other communities with the management of positive cases and isolation. Particularly, it was a choice thing in Wilcannia for those in the local community who chose and wanted to utilise them. It was an option available for those wanting to isolate if they were not a positive case and did not want to contract the virus, but also potentially for a positive case that wanted to isolate themselves from others.

Mr DAVID SHOEBRIDGE: Thanks, Commissioner. David Shoebridge here. There had earlier been a commitment from the New South Wales Government to have the homes remain in place in Wilcannia until such time as additional permanent accommodation was provided. Were there any of those discussions with the community?

Mr FITZSIMMONS: I cannot speak, Mr Shoebridge. I do not recall that commitment. I do not know about a campervan hanging around in Wilcannia until a permanent building was being built. I have not heard that and I am not aware of that being a position.

Mr DAVID SHOEBRIDGE: The reason why that additional temporary housing was provided was because there is an overcrowding crisis in the housing stock in Wilcannia. That is why it was provided—because there is chronic overcrowding. You are aware of that.

Mr FITZSIMMONS: No, I would not agree with that proposition. I do not dispute housing issues in Wilcannia; that is not my contest of your summary there. The principal reason the campervans or the temporary solutions were brought in was to help manage the health crisis with the pandemic. That was the primary reason the temporary accommodation was brought in to allow options for isolation and separation.

Mr DAVID SHOEBRIDGE: Chronic overcrowding in the Aboriginal community's housing in Wilcannia meant that people could not isolate safely at home. That chronic overcrowding has not disappeared just because the COVID circus has moved on, Commissioner, but the temporary housing has. Do you recognise the problem?

Mr FITZSIMMONS: I am not arguing with you on that at all.

Mr DAVID SHOEBRIDGE: Was there any consideration made of leaving the temporary housing there as long as people in the community wanted to access it?

Mr FITZSIMMONS: I do not think you can call it temporary housing; I think that is a little rich, to be honest. I think these were emergency alternative temporary accommodation to help them through the health crisis to try and limit spread and exposure between individuals. The reality is through COVID, whether it was Indigenous communities or other communities, we found housing densities to be a challenge, in reality, for the contagion spreading. But in places like Wilcannia, there are not other alternatives to move people to as readily as there might be, for example, in the Sydney Basin. The primary reason those vans went in was simply to provide some option to people in that local community. My understanding is that the movement of that temporary accommodation into other areas, particularly around the South Coast and North Coast, was done in consultation with the local community, given that the rates had steadied in terms of infections but, more importantly, the vaccination rates had climbed considerably.

Mr DAVID SHOEBRIDGE: Commissioner, the make-up of local emergency management committees is determined under the State Emergency and Rescue Management Act. I assume you are familiar with those provisions?

Mr FITZSIMMONS: I am.

Mr DAVID SHOEBRIDGE: One of the issues that has been raised repeatedly during the COVID crisis, particularly in rural and regional New South Wales, is the fact that the Act does not require any representation from the Aboriginal community in the local emergency management committees. Have those concerns been raised with you at any time?

Mr FITZSIMMONS: They have not been raised directly with me. While the Act does not require nor does the Act preclude, it has been practice that, depending on a local area, there is the ability to include other key representatives from local communities. Having said that, I have heard—and I have been in this role now just on 18 months, and COVID and the recovery effort have certainly been dominating our attention—we have got a review going on into functional air operations and the State Emergency Management Committee and what that means across the State. I do believe a greater formalisation or recognition of broadening representation, including Indigenous representation, is a sound idea going forward.

Mr DAVID SHOEBRIDGE: Indeed, many of the Aboriginal communities I have spoken to have said that even when they get a seat at the table at the local emergency management committee, they are there on a consultation basis and not there as a formal member of the committee, and therefore they are there for the chat but not for the decision. Have those concerns been raised with you, Commissioner?

Mr FITZSIMMONS: I have not heard that concern directly. What I can say in the past six months, particularly with the Delta variant, working extremely closely with Aboriginal Affairs and the Head of Aboriginal Affairs, local Indigenous leaders and representative organisations have been instrumental in guiding and assisting in the decisions that are most appropriate and best fitting for their local communities. Like a lot of communities, representative organisation A and representative organisation B for the same community may not always see eye to eye and may be valued by locals as more representative than another. Our challenge is, I think, as I said earlier, as we look at the review of the arrangements and reflect on the learnings out of the last season, and particularly around this COVID experience, representation on local, regional and State committees is actually a sensible thing to undertake and update.

Mr DAVID SHOEBRIDGE: Indeed. In fact, your characterisation of the role of many of those Aboriginal community organisations and representative bodies as "guiding and assisting" kind of sums up what is happening. They are there for guiding and assisting but not there when the rubber hits the road and the decision-making is being done. That is done by the formal members of the local emergency management committee.

Mr FITZSIMMONS: No, they have been critical in that guidance and assistance [disorder]—

Mr DAVID SHOEBRIDGE: I am certain they are critical in the guidance and assistance. I am asking you about the decision-making as a formal member of the committee.

Mr FITZSIMMONS: And the decisions. The decisions are taken based on guidance and advice.

Mr DAVID SHOEBRIDGE: Could you let me know, on notice, which local emergency management committees have as a formal member—a voting member—a representative of an Aboriginal community or a community group in New South Wales?

Mr FITZSIMMONS: As a dedicated Indigenous rep?

Mr DAVID SHOEBRIDGE: Indeed, either—

Mr FITZSIMMONS: No, I am just going to say to you I think we would be hard-pressed to find one. But I think, as Indigenous people, there would be others but I do not know if they always disclose that. I think on the point you are raising, I am not actually in dispute with you at all about the formal membership of the committees, and that is why I say the review is both timely and necessary and the ability to incorporate Indigenous representation as a formal member of the committee is an appropriate thing to do.

Mr DAVID SHOEBRIDGE: Commissioner, can you just let me know who is undertaking the review and when it is to be completed and if at all there is an opportunity for groups like the New South Wales Aboriginal Land Council and other First Nations organisations to contribute to it?

Mr FITZSIMMONS: Yes, absolutely. At the moment, I can also say that apart from the broader emergency management arrangements review, there is a body of work that is going on between Resilience and Aboriginal Affairs particularly looking at the lessons learned coming out of COVID. That is a body of work that is really getting kicked off and underway in earnest over the coming weeks but leveraging the work that has been going on over the past few months. I will be partnering, indeed, with Kate Foy and her team, Lil Gordon and Aboriginal Affairs, and the team here at Resilience NSW. That will be occurring over the coming weeks and will certainly feed into what the views and opinions and different options are going forward to best accommodate the lessons learned emanating from the experiences at that local level.

Mr DAVID SHOEBRIDGE: Will you, on notice, provide the list—however short or long—of any Indigenous bodies that are formerly represented on local emergency management committees, Commissioner?

Mr FITZSIMMONS: I will, but I would imagine it will not be long.

The Hon. DANIEL MOOKHEY: Commissioner, Daniel Mookhey again. There are just a couple of other questions that I had. I presume that you are currently developing or soon will release the New South Wales State Lessons Analysis Report for the current year?

Mr FITZSIMMONS: We look at that after each season, yes and coming into a season.

The Hon. DANIEL MOOKHEY: Are you going to be doing one on COVID by any chance?

Mr FITZSIMMONS: There have already been a number of little case studies and lessons learned. We did some stuff out of south-west Sydney, for example, and we shared and applied that with local councils and local emergency management committees with the Delta variant as it spread across regional New South Wales. Absolutely, we will continue. Learning is an evolving and lived practice. If I wait for COVID to end—it is pretty easy to draw a line in the sand when COVID started, and I do not know that we are going to be drawing a line in the sand to say that COVID is over. I think that is ridiculous.

The Hon. DANIEL MOOKHEY: In your previous annual report there was an implication that this would be an annual task in respect to bushfires I presume or the other style of crisis.

Mr FITZSIMMONS: It is usually after disaster season and big events so, yes, that is an ongoing significant—

The Hon. DANIEL MOOKHEY: I think we can agree that the Delta outbreak was a big event.

Mr FITZSIMMONS: COVID will certainly be one of those—

The Hon. DANIEL MOOKHEY: Just a couple of questions, which I suspect, commissioner, you are going to probably have to take on notice, that arise from your last annual report. I am speaking specifically about page 67 of the 2019-20 annual report in which you list the grants that were provided to non-government community organisations in that year. Again, I am not going to query the need for these grants but the funding source is a bit interesting, which I was hoping on notice you can identify precisely what you are referring to here. The way it is listed in this table is: name of organisation, amount paid, program area as per budget paper. The program area as per budget paper is meant to identify the specific funding source, I assume. Is that your understanding?

Mr FITZSIMMONS: Yes.

The Hon. DANIEL MOOKHEY: There are three listed in that year say that say they came from what is called a Ministerial Discretionary Fund. Just to be clear, I will identify them for you so you can take them on notice. One is described as Marine Rescue NSW—multiple units for \$20,000. One is described as NSW Volunteer Rescue Association Inc.—multiple links for \$12½ thousand. Then there is Surf Life Saving NSW for \$6,000. Of course, I do not quibble with the need for those particular organisations to receive funding support, but what does

it mean by "Ministerial Discretionary Fund"? I cannot see any reference in the budget paper to a Ministerial Discretionary Fund?

Mr FITZSIMMONS: It is effectively a fund around grants and supports to community. A discretionary fund enables the Minister to make—

The Hon. DANIEL MOOKHEY: Which Minister?

Mr FITZSIMMONS: The Minister for Emergency Services.

The Hon. DANIEL MOOKHEY: So this is coming from the Minister for Police and Emergency Services?

Mr FITZSIMMONS: Correct. So those agencies that you are referring to are recognised emergency agencies by government, they are just not government agencies—Surf Life Saving, Marine Rescue and the Volunteer Rescue Association, for example. There is a discretionary grant where particular emphasis is given to providing grants to those volunteering community-based organisations. Sometime the discretionary grant can go to an individual rural fire brigade or a local SES unit, for example, as well. So they may be little volunteer units in their own right. It is around value for money, fairness, what have you, coordination and probity.

The Hon. DANIEL MOOKHEY: Thank you, that makes a lot more sense now. I think I am complete with the commissioner. Secretary?

Mr COUTTS-TROTTER: I have a response to your earlier intriguing question about—

The Hon. DANIEL MOOKHEY: What you are selling.

Mr COUTTS-TROTTER: We are selling people. We provide staff to State Archives and Records, Sydney Living Museums and the Aboriginal Languages Trust, and we get paid for those people. I could be wrong but I think this is a hangover from adjustments that were made in response to WorkChoices back in 2009.

The Hon. DANIEL MOOKHEY: Right, so you characterise it as you are selling people.

Mr COUTTS-TROTTER: Okay.

The Hon. DANIEL MOOKHEY: And that was a response to WorkChoices, was it? I assume that you decided to use your powers with WorkChoices to sell people? That is fitting. I am pleased we cleared up that puzzle because it has been occupying my mind for a good couple of months now since the budget as to what exactly that was. Congratulations, I presume therefore you are offering more staff to those organisations?

Mr COUTTS-TROTTER: I would not assume that.

The Hon. DANIEL MOOKHEY: Your budget says you are because it is going up by \$8 million.

Mr COUTTS-TROTTER: Oh, are we? Okay. Right, sorry.

The Hon. DANIEL MOOKHEY: Why are those organisations not doing their own staffing? Why do they have to hire yours?

Mr COUTTS-TROTTER: I will take that on notice. I do recall back in around 2009 there were changes made in the New South Wales public sector to—the view of the then Government—insulate certain public service roles from the impact of WorkChoices. There were these kind of arrangements set in place where people were provided as staff to other organisations by primary departments. I think this would be one of those arrangements. I am looking to Kate Boyd.

Ms BOYD: Yes.

The Hon. DANIEL MOOKHEY: I thank the Greater Sydney Commission for being present. I only have two or three questions for them, which they have been waiting all day for, but I feel it would be rude not to ask them anything.

Mr DAVID SHOEBRIDGE: Did we get an answer from Ms Foy about the number?

The CHAIR: Ms Foy, do you want to jump in here with your answer?

Mr DAVID SHOEBRIDGE: I am happy for Ms Foy to be released.

The Hon. DANIEL MOOKHEY: I have nothing further for the commissioner.

Mr DAVID SHOEBRIDGE: Once we get a number.

Mr FITZSIMMONS: Does that mean I can go now?

The CHAIR: Yes. Thank you Mr Fitzsimmons. We appreciate your time.

Mr FITZSIMMONS: Thank you so much.

(Mr Fitzsimmons withdrew.)

The CHAIR: Ms Foy do you want to provide the answer to an earlier question of Mr Shoebridge?

Ms FOY: I am very happy to provide an answer. We have an obligation. INSW is the entity that awarded the contract. I understand that that contract was awarded in mid-September. It has 45 business days to produce the relevant contract documentation. I understand that it is imminent.

Mr DAVID SHOEBRIDGE: Forty-five days is the maximum period.

Ms FOY: Is the maximum, and I understand it is imminent. I do not have the exact figure to hand but I am advised that it is imminent. I suspect that will beat my ability to get the figure back to you on notice anyway.

Mr DAVID SHOEBRIDGE: Ms Foy you are the client. You must know how much you are paying to build the Powerhouse Museum? You are not telling me Infrastructure NSW negotiated without telling you as the client?

Ms FOY: Technically I am the sponsor and Ms Havilah is the client. That information will be released in due course, imminently, in line with what our requirements are.

Mr DAVID SHOEBRIDGE: Even though you are the sponsor, and the agency that you are responsible for is the client, you are saying you do not know the figure? Is that your evidence Ms Foy?

Ms FOY: I do not have the figure to hand. I know what I am advised: That contract will be published, very, very shortly.

The Hon. DANIEL MOOKHEY: My next question is to the Greater Sydney Commission. Thank you for staying all day for a very limited amount of questioning. I appreciate that. Does the Greater Sydney Commission answer directly to the Premier?

Ms MILDWATER: We are part of the Premier and Cabinet cluster, yes. We have our own commission but the Premier is our Minister.

The Hon. DANIEL MOOKHEY: Has the Premier issued you any directions in the last year?

Ms MILDWATER: The last letter we got from the Premier, it was the former Premier, was 16 July 2020.

The Hon. DANIEL MOOKHEY: What direction were you given?

Ms MILDWATER: It was a charter letter that set out a few things. It talked about us doing a review of the Greater Sydney Region Plan next year in line to match up with the timing of the State Infrastructure Strategy [SIS] and Future Transport. So we are publishing a review next year, not a statutory plan, but a review. It also asked us to take leadership of a few precincts, to do the work to coordinate and lead them—Tech Central, Westmead and Macquarie Park in particular.

The Hon. DANIEL MOOKHEY: In lieu of whom?

Ms MILDWATER: For those three there actually was not a nominated agency, I do not think, before that.

The Hon. DANIEL MOOKHEY: So you are now doing the precinct planning for which ones were they again?

Ms MILDWATER: It is coordination. It is Tech Central, Westmead and Macquarie Park. Meadowbank was also listed in our letter but we are supporting Investment NSW in that one, not leading it.

The Hon. DANIEL MOOKHEY: What else, subject to that?

Ms MILDWATER: That is actually the main points listed in the letter.

Mr DAVID SHOEBRIDGE: Sorry, Chair. I know it has been a busy day in the Electoral Commission's office. The only thing I would hope from the Electoral Commission is if we could get an update on the number of councils where there is a by-election. But if we get that information, we could be comfortable with the Electoral Commission dealing with the matters.

The Hon. DANIEL MOOKHEY: I am sorry to interrupt with the Greater Sydney Commission, but sure.

Mr SCHMIDT: I am happy to provide—

The Hon. DANIEL MOOKHEY: I have nothing further from Ms Foy.

Mr DAVID SHOEBRIDGE: We have not got the number from Ms Foy yet, have we? But, no; Ms Foy's inability to provide the answer also exhausts my line of questioning.

The CHAIR: On that note, Ms Foy, you are finished for the day. Thank you for your time. We appreciate it.

Ms FOY: Thanks very much.

(Ms Foy withdrew.)

Mr DAVID SHOEBRIDGE: Commissioner?

Mr SCHMIDT: Thank you. Yes, very quickly an update. I think I said in an earlier testimony that last night I think there was the potential of up to 25 by-elections but did qualify that in saying that there were nominations under consideration. The results at the moment have crystallised so there will be five by-elections—Cobar, which is an undivided council; Murray River, where there are two wards; Tenterfield, two wards; and, Mr Shoebridge, you asked in the margins about Brewarrina; and I am informed there are 10 candidates contesting the nine vacancies there. That leaves the remainder of 22 contests, which are uncontested. There has been one candidate nominated for each vacancy. I have not got the breakup of that but that will become clearer soon. Anyway, five by-elections, four in wards and one in an undivided council.

Mr DAVID SHOEBRIDGE: So 22 contests where there will not be an election. Some of those may be wards.

Mr SCHMIDT: Yes.

Mr DAVID SHOEBRIDGE: And five by-elections in the future—five additional elections in the future.

Mr SCHMIDT: Yes, and one wrinkle on that is—and I do not know this yet—with some of the uncontested elections, possibly with some of the ones requiring by-elections there is a question whether the council has sought to hold a referendum on the same day.

Mr DAVID SHOEBRIDGE: I see.

Mr SCHMIDT: The referendum may have to proceed, regardless of whether or not there is also a councillor election associated with that.

Mr DAVID SHOEBRIDGE: Thanks, commissioner. Good luck over the next few months.

Mr SCHMIDT: Thank you very much and thank you for inviting me.

The CHAIR: There are no other questions?

The Hon. DANIEL MOOKHEY: Do you want to excuse Ms Brown as well?

The CHAIR: Thank you, commissioner. We do appreciate you have been here all day. Unless anyone has any questions, Ms Brown, you are also free to go.

Mr COUTTS-TROTTER: For best performance in a non-speaking role, Amy Brown.

The CHAIR: Indeed. For the record, thank you very much, Ms Brown.

(Mr Schmidt and Ms Brown withdrew.)

The Hon. DANIEL MOOKHEY: Ms Mildwater, just returning to the Greater Sydney Commission. You had completed your answer I think, had you not, about some directions you are given by the former Premier?

Ms MILDWATER: I guess. I think so. That was all that was in the letter.

The Hon. DANIEL MOOKHEY: Year. Can I ask: Does the Greater Sydney Commission prepare housing forecasts?

Ms MILDWATER: In our regional plans and district plans we have we have housing targets, so there were five-year targets included in the last Greater Sydney Region Plan, and then six- to 10-year targets included in the assurance letters given to the councils for their Local Strategic Planning Statements LSPSs.

The Hon. DANIEL MOOKHEY: You will have to say LSPSs for Hansard.

Ms MILDWATER: LSPS is the Local Strategic Planning Statement.

The Hon. DANIEL MOOKHEY: When did you complete those forecasts and targets?

Ms MILDWATER: The last regional plan was in 2018 and the next one will be issued at the end of 2023. It is a five-year cycle.

The Hon. DANIEL MOOKHEY: Okay. Are you starting work now on updating those forecasts?

Ms MILDWATER: We have started the early stages of work on the next regional plan, yes. We are not actually working on the forecast numbers right now but we have started the process of working with our government colleagues in DPIE and other clusters at sort of reviewing how they have gone against the last plan, and planning what the process will be for next time. We work together with DPIE in particular to do the population forecasts and the broader housing forecasts and then we work them down by district and local government area for our plans.

The Hon. DANIEL MOOKHEY: By DPIE, again for Hansard, you are referring to the Department of Planning, Industry and Environment.

Ms MILDWATER: The Department of Planning, Industry and Environment, yes.

The Hon. DANIEL MOOKHEY: Thank you. I presume the Premier had not asked you to update that any earlier?

Ms MILDWATER: No. Our statute actually sets the date for the next plan and targets.

The Hon. DANIEL MOOKHEY: Sure. Do you monitor compliance with those forecasts and targets?

Ms MILDWATER: We do keep across it, but they are actually published on the Department of Planning, Industry and Environment website so you can access via the website.

The Hon. DANIEL MOOKHEY: Actually, I am aware that they are published but I am saying do you monitor compliance with those targets?

Ms MILDWATER: I suppose we keep across it, but what do you mean by "monitor"? We follow how they are going and sort of at the top level how housing targets are performing. We are about to do an evaluation as well to see how well they have performed as a mechanism and whether we should adjust that in the next plan, if that is what you mean by "monitor".

The Hon. DANIEL MOOKHEY: That is part of what I mean by "monitor", yes. But then do you provide advice and/or analysis to the Premier about whether or not those targets are likely to be exceeded or not reached?

Ms MILDWATER: I started as chief executive in January. We have not been asked to provide that advice since I have been chief executive but I can take it on notice and see whether we have been asked to provide that advice previously.

The Hon. DANIEL MOOKHEY: Could you? Do you provide advice to the councils about whether or not they are on track?

Ms MILDWATER: That information is provided through DPIE on their website.

The Hon. DANIEL MOOKHEY: Are you in a position to identify, or do you have concerns about any council that is not reaching its target?

Ms MILDWATER: Overall, the targets, the city has performed quite well against its targets, there are some unders and overs, and we have still got a few years to go on six- to 10-year targets. So I would not say it is concern. It is more whether we will look at whether the mechanism is enough or it is the right one and how we should put it in the next plan.

The Hon. DANIEL MOOKHEY: Are we building enough houses in the right places?

Mr DAVID SHOEBRIDGE: No.

Ms MILDWATER: I think there are a lot of aspects to that question and I think a few other people have already given you some information on that through estimates. Housing is a very complex issue. At any given time there are a lot of factors affecting it. Part of the whole reason for the Metropolis of Three Cities Plan when we put it out in 2018 was to create a more—you know, to cater to the growth of Sydney and put houses in the right places and keep up with growth. So it was trying to rebalance the city as well and put jobs closer to housing.

So I think you need to look at both jobs and housing together to see how the city is performing, but overall the total numbers of houses delivered are not that far off what was in our plan.

The Hon. DANIEL MOOKHEY: Ms Mildwater, I would like you on notice to provide any further detail you wish on that, as you put it, rather complicated question as well, but given that this is a core part, I believe, of what the Greater Sydney Commission is meant to provide public guidance on. You are not in the same category as other people who participate in this debate and I am interested in what the commission's views are on that, if that is possible?

Ms MILDWATER: Yes, certainly. Our main role, as you say, is about setting targets and so that is the aspect we are going to be focusing most to see how the targets have performed and, yeah, what is involved.

The Hon. DANIEL MOOKHEY: Hence the need for your special expertise on this. It would be helpful. Can I just ask a final question, I think, that relates to your operating statement in the budget papers? I am reading from *Budget Paper No. 4* at page [5-5]. It says that you were given a \$13 million budget for employee-related expenses but you only spent seven and a half million dollars, which means that you underspent your employee budget by close to half. Why did you underspend your employee budget by close to half?

Ms MILDWATER: I am sorry. I do not have that in front of me, either.

The Hon. DANIEL MOOKHEY: I will read you the relevant sections, if you wish. It says here that in 2020-2021 your budget for "Employee Related"—this is from your "Operating Statement" that is published in the budget papers—that the budget for 2020-2021 was \$13,382,000 and that the actual expenditure, or "Revised" expenditure as it is described in this statement, says \$7,707,000. Your budget for the forthcoming year is apparently \$13,554,000 for employee-related expenses. There is a \$6,000,000-ish discrepancy between what you were budgeted and what you spent. Is there a massive staff issue at the Greater Sydney Commission that is causing you to underspend here?

Ms MILDWATER: I am going to have to take that one on notice because I only joined halfway through the year and there is no staff issue, so I am very happy to take that on notice and give you an explanation.

The Hon. DANIEL MOOKHEY: The other thing which is a bit curious about your Operating Statement is that you were given a sixty-one and a half million dollars budget for what was described as grants and subsidies, but you spent none of it. What was the \$61 million for?

Ms MILDWATER: I suspect—and I can confirm it on notice—that is money that transferred from us to the Western Parkland City Authority. So that is why it is probably showing that we did not spend any of it, because it was transferred. So our budget did adjust quite significantly during the last financial year, when the Western Parkland City Authority was set up and it was transferred to them, including some staff.

The Hon. DANIEL MOOKHEY: That might also explain your staffing issue too, to be fair.

Mr COUTTS-TROTTER: Yes.

Ms MILDWATER: [Disorder].

The Hon. DANIEL MOOKHEY: But the issue that I have got with that is that I am looking at the Western Sydney Parklands Trust operating statement for the same period of time, and there is certainly nothing resembling the arrival of a \$61 million transfer—nothing whatsoever. In fact, their entire operating expenses for that year and their total revenue for the same period of time was \$40 million.

Ms MILDWATER: Mr Mookhey, perhaps I can correct that. It is not the Parklands trust; it is the Western Parkland City Authority.

The Hon. DANIEL MOOKHEY: Sorry, fair enough. I might be looking at the wrong one.

Ms MILDWATER: You can [disorder]. Their budget [disorder] substantial.

The Hon. DANIEL MOOKHEY: On notice, if you can provide any additional detail on that, that would be helpful.

Ms MILDWATER: Yes, certainly.

The CHAIR: We are now at 4.45 p.m., which concludes this portion of today's hearing. We are not finished yet, but I invite Government members to ask any questions they may have for the witnesses who are here currently.

The Hon. TAYLOR MARTIN: If there is anything that you would like to clarify or any subject that has been raised that you would like to pick up, now is the time.

Mr COUTTS-TROTTER: No, thank you very much. That is fine.

The CHAIR: Thank you very, very much to all of you for being here today. We appreciate your time and, of course, the work that you do. We are now finished with this portion of the hearing. The secretariat will be in touch in relation to any questions that were taken on notice and in relation to the responses due in 21 days. Thank you again for your time.

The Hon. PENNY SHARPE: Thank you to those who have been online all day. It is terrible.

(Mr Coutts-Trotter, Ms Mildwater and Ms Boyd withdrew.)

MARGARET CRAWFORD, Auditor-General of NSW, Office of the Auditor-General, affirmed and examined
IAN GOODWIN, Deputy Auditor-General of NSW, Office of the Auditor-General, sworn and examined

The CHAIR: Welcome back, everybody. We will start with questions from the Opposition.

The Hon. DANIEL MOOKHEY: Thank you for your attendance, Auditor-General and Deputy Auditor-General. Auditor-General, you are required to audit the State's accounts, are you not?

Ms CRAWFORD: Yes.

The Hon. DANIEL MOOKHEY: And you do so in accordance with the Government Sector Finance Act. Is that correct?

Ms CRAWFORD: Did I what, sorry?

The Hon. DANIEL MOOKHEY: Your obligation is established under the Government Sector Finance Act, is it, or the audit Act?

Ms CRAWFORD: It is a bit of both: the Government Sector Finance Act but also the Government Sector Audit Act.

The Hon. DANIEL MOOKHEY: And you produce an audit of the general government sector. Correct?

Ms CRAWFORD: Yes. We call it the total State accounts.

The Hon. DANIEL MOOKHEY: Is that broken up into two components, which is the general government sector—that is one of the components?

Ms CRAWFORD: Yes.

The Hon. DANIEL MOOKHEY: And the second component is the general government sector plus the public non-financial corporations and public financial corporations?

Ms CRAWFORD: Correct.

The Hon. DANIEL MOOKHEY: And the public non-financial corporations are otherwise known as State-owned corporations. Correct?

Ms CRAWFORD: Yes.

The Hon. DANIEL MOOKHEY: And then the public finance corporations are predominantly TCorp and icare. Correct?

Ms CRAWFORD: Could you just say that again, please?

The Hon. DANIEL MOOKHEY: TCorp and icare are the public finance corporations. Correct?

Ms CRAWFORD: That is right.

The Hon. DANIEL MOOKHEY: Each year, when are you required to complete your audit?

Ms CRAWFORD: That is a little bit contentious at the moment, Mr Mookhey, because there are some inconsistencies between the different provisions within the Government Sector Audit Act and also between the Government Sector Audit Act and the Government Sector Finance Act. So I am not going to go into all that detail, but—

The Hon. DANIEL MOOKHEY: But what is your understanding as to when, usually?

Ms CRAWFORD: My understanding is that under the Government Sector Finance [GSF] Act, which is the predominant piece of legislation, I complete the audit when I complete the audit.

The Hon. DANIEL MOOKHEY: Indeed, but is it the usual practice that you usually complete the audit by the end of October?

Ms CRAWFORD: It does vary. Last year I signed off the audit on 17 November, but last year was also a little unusual because of delays with COVID; the timetable was pushed back. So it does vary.

The Hon. DANIEL MOOKHEY: Is there a view from other agencies that you are meant to complete your audit earlier?

Ms CRAWFORD: What do you mean by that?

The Hon. DANIEL MOOKHEY: Has anyone ever expressed an expectation to you that the audit is meant to be completed by the end of October?

Ms CRAWFORD: Not specifically, no.

The Hon. DANIEL MOOKHEY: Okay, fair enough. Have you completed the audit of the Total State Sector Accounts for this year?

Ms CRAWFORD: No, I have not.

The Hon. DANIEL MOOKHEY: Is there a reason why you are yet to do so?

Ms CRAWFORD: It is not complete at the moment because there are some quite complex accounting matters that are still being worked through with Treasury and also with other agencies, and they are of a material nature. So until those matters are finalised I am not in a position to sign the audit.

The Hon. DANIEL MOOKHEY: Have you formed any expectations as to when you think it is possible that you might be in a position to sign the audit, or at this point are you yet to reach a determination on that?

Ms CRAWFORD: Really, the audit can only be signed when it is finished. We are all anxious and working really, really hard to get that done as soon as possible, but it has to be done correctly.

The Hon. DANIEL MOOKHEY: Of course it does, Auditor-General; I do not dispute that whatsoever. Yesterday the Treasury secretary indicated that it was the Treasury's expectation that the audit would be completed in the next two weeks. Is that a reasonable expectation?

Ms CRAWFORD: I would like to think it was, but I cannot guarantee that. The matters, as I said, are very complex; there is a lot of discussion going on at the moment around those matters and, really, we just have to do the work and work through it, and it will be finished when it is finished.

The Hon. DANIEL MOOKHEY: Is it possible for the Government to produce a set of Total State Sector Accounts without your signature?

Ms CRAWFORD: Of course. They have to sign their accounts to their satisfaction and then give them to me to audit.

The Hon. DANIEL MOOKHEY: Can they prove and table—they are required to table that in Parliament. Correct?

Ms CRAWFORD: Yes, that is correct.

The Hon. DANIEL MOOKHEY: Is it possible that they can table the accounts in Parliament without you having concurred with their opinion?

Ms CRAWFORD: It would be very unusual.

The Hon. DANIEL MOOKHEY: But it is possible?

Ms CRAWFORD: I imagine it is possible. Do you know, Mr Goodwin?

Mr GOODWIN: I think that would be a most unusual practice because then you would not have audited financial statements. You would simply have unaudited—

The Hon. DANIEL MOOKHEY: You would not have independently audited financial statements in accordance with the Acts. Correct?

Mr GOODWIN: Yes.

The Hon. DANIEL MOOKHEY: Sorry, Ms Crawford, I have to ask for a verbal response.

Mr GOODWIN: If they were tabled without the Auditor-General's opinion, they would be unaudited financial statements and they would not have the same status.

The Hon. DANIEL MOOKHEY: Okay, fair enough. Then, if there was an attempt to table it in Parliament without your signature, you would presumably still be continuing with your audit.

Ms CRAWFORD: I would because I am statutorily obliged to do so.

The Hon. DANIEL MOOKHEY: Indeed. To the best of your recollection, it has never happened before that any Executive Government in New South Wales has tabled accounts to Parliament without the signature of the Auditor-General?

Ms CRAWFORD: Certainly not within my term, and I am not aware of it ever happening before.

The Hon. DANIEL MOOKHEY: When you say that the reason for the delay is some very complex matters over the material, what specifically are you referring to?

Ms CRAWFORD: The major outstanding matters do relate to accounting for TAHE.

The Hon. DANIEL MOOKHEY: Is that the Transport Asset Holding Entity?

Ms CRAWFORD: Correct. There are a number of outstanding issues related to certainly the asset valuation within TAHE, also in relation to the application of a new accounting standard 1059, which relates to service concessions—that is also in relation to TAHE's service concessions—and also as it relates to the total State accounts, the question of the treatment of equity injection into TAHE and the related expected commercial return.

The Hon. DANIEL MOOKHEY: Is one of the issues you are paying attention to in this audit whether or not what is characterised either by TAHE, the Treasury or the Government as an equity injection is in fact a grant?

Ms CRAWFORD: We are looking at that matter. That is what I said is the final thing in relation to the total State accounts, the accounting treatment of that funding to TAHE.

The Hon. DANIEL MOOKHEY: In last year's audit you flagged some issues, did you not, about this?

Ms CRAWFORD: We raised it as a high-risk matter in last year's report to Parliament.

The Hon. DANIEL MOOKHEY: What specifically caused you to raise it as a high-risk matter in your report to Parliament last year?

Ms CRAWFORD: Last year we raised it because the time frame that Treasury had outlined for the implementation of TAHE to deliver on its intent had not been met and so that was probably the main reason we raised it. But the Deputy Auditor-General may add to that.

Mr GOODWIN: Yes, that is right. Last year—and I will just come back to you also on the question around tabling with regard to the Auditor-General's report—the matter was raised as a high-risk point because when the Government changed the treatment of the cash injections that were going to RailCorp, which goes back a few years, it was on the basis of TAHE generating a rate of return—

The Hon. DANIEL MOOKHEY: A commercial rate of return.

Mr GOODWIN: —and the intent to generate a rate of return. So it was based on an intent. That intent was for TAHE to come online from 1 July 2019.

The Hon. DANIEL MOOKHEY: Indeed.

Mr GOODWIN: Last year the matter was raised—so that time line had not yet occurred and for that ongoing treatment it was reliant upon that intent to generate a rate of return. So the matter that we are working through at the moment is that TAHE is an entity as of 1 July 2020. We now have new information that we are required to audit. Before it was about an intent, but now we have an operating model and cash flows, and from that that is the new information we need to work through.

The Hon. DANIEL MOOKHEY: Indeed. Of course, that is a material difference between this year's audit and last year's audit—I accept that. Should you find yourself in a position where you conclude that the accounting treatment has been incorrect, are you required under Australian Accounting Standards to advise the Government that there is a requirement to revise the previous budgets? If there is a material misstatement in the budget, is it the case that you have to advise the entity that made the material misstatement to revise it from the date that they knew about it?

Ms CRAWFORD: I am going to ask Mr Goodwin to respond to that.

The Hon. DANIEL MOOKHEY: I am specifically referring to the Australian Accounting Standards Board 108.

Mr GOODWIN: Yes, so one of the things—108 refers to where you might have a number of things that could change an accounting outcome, so a change in accounting estimate, a change in accounting policy or a prior period error. The matter that we would first need to work through for this year's accounts is to be satisfied on the accounting treatment for fiscal '21. If in a hypothetical situation you end up with a situation where you take a different view on the accounting treatment, you would work through with management, which is what we are working through quite constructively with Treasury, on how that accounting treatment should be reflected and working through all of the data points. The question about what it relates to in the prior period is a separate

question that would then follow on. It does not necessarily follow, though, that if you hypothetically have a problem in this year's accounts that it relates to a prior period error.

The Hon. DANIEL MOOKHEY: Of course.

Mr GOODWIN: Because I think, as I said, the question on the prior period of accounts was about sign-off on that intent. The question we have now is that we now have different information and that information is now more concrete and that is where you test if that intent still exists.

The Hon. DANIEL MOOKHEY: A specific question, which you might need to take on notice is: Have you specifically looked at section 3G of the Transport Administration Act in terms of whether or not this is a genuinely independent organisation?

Ms CRAWFORD: If this is a genuinely?

The Hon. DANIEL MOOKHEY: Independent organisation. Is that a matter which is being examined?

Ms CRAWFORD: Yes, part of our audit has been to examine the legislative arrangements, the agreements that have been reached, the matter of control—all of that is being worked on at the moment.

The Hon. DANIEL MOOKHEY: Indeed. I think that is my time.

The CHAIR: Mr Shoebridge?

Mr DAVID SHOEBRIDGE: Thank you both for your attendance. Sorry about the absence of an early mark. When it comes to the accounting for TAHE, as I understand it, under the Federal Government's accounting for equity investments, the Federal Government treats an investment in a government-owned business as an equity if it means a minimum level of financial return. I think it is called the threshold return. I could be wrong, but my understanding is that it needs to be a real return, meaning a return that is greater than the expected inflation rate. Is that the issue in relation to TAHE in terms of the returns?

Ms CRAWFORD: I might ask Mr Goodwin, who previously worked for the Australian National Audit Office, to answer that question.

Mr GOODWIN: The intersection here around the rate of return and whether you treat the cash injection as an equity injection or a capital contribution, a capital contribution being a grant—

Mr DAVID SHOEBRIDGE: Called the grant expense.

Mr GOODWIN: The grant expense, correct. It is the intersection of where the Australian Accounting Standards interplay with what they call the Government Finance Statistics [GFS], which is set out by the Australian Bureau of Statistics. There is an accounting standard, 1049, which applies to whole-of-government accounts. That has regard to the GFS manual and the principles therein. The GFS manual sets out that one of the considerations for whether a cash injection is a capital grant or an equity injection is whether there is a rate of return. A rate of return is not—the GFS manual does not specifically say what a rate of return threshold might be, but it talks about dividends or tax flows coming back to the government.

Mr DAVID SHOEBRIDGE: Dividends, capital returns, proceeds of sale et cetera.

Mr GOODWIN: One hundred per cent. My understanding at a Commonwealth level is that the Department of Finance with the Australian National Audit Office then worked on what a rate return might be to measure that, and they target the long-term inflation rate. It is a margin just above the long-term inflation rate, so it is not just a nominal return but a flexible return in reality.

Mr DAVID SHOEBRIDGE: I suppose my question to you is: When you are running the ruler over the TAHE accounts, is there an accepted threshold return at a State level or has there not been that agreed benchmark at a State level and is that part of the difficulty in doing the audit of the accounts?

Mr GOODWIN: That is part of the discussion about how government defines that rate of return.

Mr DAVID SHOEBRIDGE: Do you know if other State jurisdictions have adopted the Federal arrangement, which is basically something in excess of the long-term inflation rate?

Ms CRAWFORD: I do not have that. We can take that on notice. I do not know that.

Mr DAVID SHOEBRIDGE: Do you, Auditor-General or Mr Goodwin, have a view about whether or not that is an appropriate measure?

Ms CRAWFORD: It is really a matter for government but, at the same time, in doing this audit, obviously we are forming a judgement or a view about whether there is a genuine commercial return on the equity in TAHE.

Mr DAVID SHOEBRIDGE: It seems to me that implicit in the concept of an investment is the expectation of a real return. That seems implicit for me in the concept of an investment, otherwise you could call putting the money in a wheelbarrow and setting fire to it an investment. It seems to me that implicit in investment is a real return.

Ms CRAWFORD: In the real world, yes.

Mr DAVID SHOEBRIDGE: In the real world, yes, alright. Do you have any time frame about when— is there a timetable in which this matter will be resolved?

Ms CRAWFORD: The matters you are raising are all the things we are looking at right now in the conduct of our audit.

Mr GOODWIN: If I can say, one of the challenges is that the expectation of having to generate that rate of return on day one is not the expectation. But how many years is a reasonable expectation? It is working through those sorts of threshold questions around what is the rate of return and how do you measure that.

Mr DAVID SHOEBRIDGE: As you pointed out, you now have more information than you had in previous years because TAHE has been in operation for a longer period of time. So that history is relevant—

Mr GOODWIN: One hundred per cent.

Mr DAVID SHOEBRIDGE: —to the reasonableness of the expectation in this year.

Mr GOODWIN: One hundred per cent. So the difference between the previous years was that there was a committed intent that TAHE would become an entity that would generate a rate of return as well as generate other aspects that the Government was looking to attribute to TAHE. With TAHE now having a board and enabling legislation behind it—

Mr DAVID SHOEBRIDGE: And a statement of corporate intent from the Minister.

Mr GOODWIN: That is right. There is a statement of corporate intent, there is an operating model, there are cash flows that flow out of that and that is the new information that we now look at in terms of having regard to that question of intent.

Mr DAVID SHOEBRIDGE: Auditor-General, it was only recently you handed down the report on cybersecurity—very recently, less than a week ago. The recommendations you have put in there about the need to urgently address cybersecurity you have also put in your reports to those agencies last year and your reports to the agencies the year before as a question of urgency. I have read the responses from the agencies and they are largely about, "Please do not report our names." Do you have a view about whether or not the New South Wales Government understands the need for urgency in cybersecurity?

Ms CRAWFORD: Mr Shoebridge, we are building up really quite a body of work now around cybersecurity. We have tabled quite a number of reports over recent times and we plan to continue to report on this matter. Each of our reports really continue to identify gaps, weaknesses, vulnerabilities and we continue to recommend a greater focus be placed to address those matters. We do not underestimate the task. It is an ever-changing environment for cyber attacks, but it is a growing risk and so there needs to be an ongoing focus. I am not sure that that exactly answers your question—

Mr DAVID SHOEBRIDGE: No.

Ms CRAWFORD: —but certainly that is what we will continue to look at and continue to recommend action on.

Mr DAVID SHOEBRIDGE: I understand, on one level, the concern about agencies if their particular failures in cybersecurity are known. They have raised with you the concern that if all of their failings were made public, that would make them more vulnerable to a cybersecurity attack. Is that a fair summary of their representations to you?

Ms CRAWFORD: That is how they have certainly made those representations to us, yes.

Mr DAVID SHOEBRIDGE: The problem with that is, of course, unless we know the agencies that are failing, it is very hard for us to do our job to hold them to account and demand change—and I think you recognise that problem in the most recent report. Have you considered what a way forward would be in getting that balance right between naming and shaming and encouraging, if you like, and also cybersecurity?

Ms CRAWFORD: Yes. In every report that I table in the Parliament I take full regard of the potential risk of exposing agencies to greater threat actors but I try to get the right balance. One way is that I do not table until after they have had at least 12 months, normally, to address the issues that have been identified. I make sure they know in advance the issues that have been identified so that they have every opportunity to tackle those. It is always a balance to get that right balance between public reporting and not exposing them to further risk.

Mr DAVID SHOEBRIDGE: Have you thought about a kind of five-star, four-star, three-star, two-star generic rating that might be applicable if they are concerned about the individual failures?

Ms CRAWFORD: I do not think that it is to me to try to devise a rating scheme.

Mr DAVID SHOEBRIDGE: You are probably right. One of the concerns I had was that the information being provided to you by the different agencies inflated their response or was not supported by any credible evidence provided to you. Can you address that at all?

Ms CRAWFORD: Yes, that is an issue that we raised in that report because we believe that the assessment is key to be able to, again, tackle the problem. If you under-assess or if you assess yourself—

Mr DAVID SHOEBRIDGE: You do not tell the truth to yourself.

Ms CRAWFORD: —as better than you are, then clearly your strategies to address the issues are not going to be as targeted as they should be.

Mr DAVID SHOEBRIDGE: Is the issue that Cyber Security NSW is a standalone agency and does not have a public sector wide remit to actually get in and do some of this work?

Ms CRAWFORD: It is their role to look at uplift of cyber across the whole of the sector. Again, I do not think it is for me to comment on the mandate that they are given to do that.

Mr DAVID SHOEBRIDGE: Your recommendation is asking Cyber Security to do things that I would have thought would just be so fundamental—such as, "Require agencies to report on the target level of maturity for each mandatory requirement" and that the agencies had acceptance of residual risk. This is just the most fundamental starting point of an analysis for an agency like Cyber Security. Do you have any observations about having to put that kind of basic recommendation forward?

Ms CRAWFORD: I do not have anything further, but, Mr Goodwin, did you want to add to this topic?

Mr GOODWIN: Yes, I might. If I could with your permission just step back for a second.

Mr DAVID SHOEBRIDGE: Yes.

Mr GOODWIN: The difference in the commentary in this audit versus the previous years—you are quite right. In this year's we have sort of called out that more needs to be done whereas in the previous years we were very focused on what they call the essential aid, which are the technical controls. This audit was looking at Cyber Security NSW and how agencies were complying with its policy, which has more than just the essential aid. It has got cultural and other controls, which they call the mandatory 20. As a framework, that is a good framework and, as a framework, that is what you might find in other jurisdictions such as New Zealand. The difference is that in other jurisdictions, such as New Zealand, they make those points that you have just pointed out around setting target levels, accepting the residual risk between where you are and the target levels, and some form of oversight or monitoring.

Mr DAVID SHOEBRIDGE: And going beyond self-assessment and actually testing and requiring evidence of the agencies' responses in other jurisdictions.

Mr GOODWIN: I am probably not in a position to talk about how much the other regulators do perform a test but, as a regulator, you would need to satisfy yourself that in any self-assessment regime there is a way that you can get comfort around the assessments that are being provided.

Mr DAVID SHOEBRIDGE: Auditor-General, some good news from the day is the new Premier has agreed to have a meeting with your agency and other watchdog agencies, if I could describe them that way, to discuss the funding model that your agency has. Do you think it will be beneficial to have an ongoing engagement with the Premier about your funding model?

Ms CRAWFORD: Yes, but I think, rather than just to have that engagement about my funding model, from my perspective the significance is more to address the findings of the audit that I conducted in relation to other integrity bodies and the potential threat that the current financial management arrangements have for their independence and ability to do their job.

Mr DAVID SHOEBRIDGE: Has there been a structured engagement with your office by the Government responding to those recommendations?

Ms CRAWFORD: No.

Mr DAVID SHOEBRIDGE: Has there been any engagement between the Government and your office in relation to any proposed law reform or financial reform?

Ms CRAWFORD: Not formally. I have certainly had conversations with the former head of the Department of Premier and Cabinet and also with the Secretary to the Treasury. In my regular meetings with them I have raised the matter, but, no, there has not been anything more formal. As Mr Schmidt mentioned in his evidence today, we also did meet with the former Premier to have a discussion about the need for consultation.

The CHAIR: Thank you very much, Auditor-General and Deputy Auditor-General. We really appreciate your time today. I am not sure if any questions were taken on notice, but if there were any the secretariat will be in touch about the timetable for response. Thank you for the work that you do.

(Ms Crawford and Mr Goodwin withdrew.)

The Committee proceeded to deliberate.