



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2023-2024
Answers to Supplementary
questions

Portfolio Committee No. 8 – Customer Service

Local Government

(Hoenig)

Hearing: Wednesday 6 March 2024

Answers due by: Tuesday 2 April 2024

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Questions from Dr Amanda Cohn MLC

Multicultural advisory

1. What progress towards the establishment of Multicultural Advisory Committees within local councils has been made? Where can information on councils with these advisories or in the process of application be found?
2. What support or endorsement exists for the creation of Multicultural Advisory Committees in local councils? What instructions or guidelines are provided to ensure collaboration between diverse community groups and council officials to address the rise and spread of extremism?
3. Specifically, has the Office or Minister been notified that since July 16, 2023 groups including the Periyar Ambedkar Thoughts Circle of Australia, Alliance Against Islamophobia, Sovereign Sikh Society, and dozens more other diverse multicultural organisations have sent letters on these subjects to the Parramatta and Hills Shire Councils?

ANSWER:

1 – 2. Councils should set up committees based on local needs and priorities. I am advised the Office of Local Government, New South Wales Police and Local Government NSW collaborated on providing a seminar in 2023 for councils on managing council meetings and radicalised agendas. Safety concerns related to extremism should be referred to the police.

3. Neither I nor the Office of Local Government are aware of any correspondence from these entities.

Questions from Mr Chris Rath MLC

Local Government

4. Rates are the primary source of income for councils. The IPART baseline rate peg determination for 2023-24 is only 3.7% while inflation has been in the range of 6-8% during 2022-2023 and continues at around 6% in 2023-24. Local government revenue is rapidly declining in real terms, which is demonstrated by the multiple SRV applications currently underway. This is not sustainable and will inevitably result in the need to cut infrastructure and services. As you would be aware many councils are applying to IPART for Special Rate Variations (SRVs) which ultimately impacts ratepayers at a time when they can least afford it. What is the NSW Government doing to assist the sector?
- (a) You have announced a review into the financial sustainability of Councils, what will this reform entail?
- (b) Will there be funding attached to this reform?
- (c) Will this reform consider the impost that inflation has had on councils?
- (d) Without support from the state government, local councils will inevitably need to cut infrastructure and services, which infrastructure and services should local councils give up first?
- (e) What have you done in regards to this rise in SRV applications?
- (f) What advocacy have you undertaken to the Federal Government to restore the sectors previous 1% of taxation income?

ANSWER:

4. The Legislative Council Standing Committee on State Development will be undertaking an inquiry into the ability of Councils to fund infrastructure and services. The terms of reference include examining if past rate pegs have matched increases in costs borne by councils as well as reviewing the operation of the special rate variation process. As Minister, I am not advocating for an abolition of the ratepeg. However, these matters deserve to be considered and analysed in an open forum that considers the context of the challenges faced by councils, and the context of the challenges faced by ratepayers in a cost-of-living crisis.

4. (a) - (c) Any reform suggested by the Parliamentary Inquiry will be considered and a Government response provided in due course.

4. (d) - (e) See answer to 4. (a).

4. (f) The NSW Government frequently advocates for more funding from the Commonwealth.

Local Government – continued (part 2)

5. In relation to the Local Government (General) Amendment (Tendering) Regulation (No 2) 2023. The private sector looks after the collection of 60% of municipal contracts, the remaining 40% is collected by the councils themselves, why was neither group (nor their registered peak bodies) consulted on this amendment which has huge implications on the conditions under which they operate?
- (a) The definition of “waste” as outlined in the regulation is quite broad, was it intended that this regulation would impact cleaning contracts within Local Government that include the collection of sanitary and medical wastes?
 - (b) There is no definition of employee, was it intended that this regulation impacts only drivers, or was the regulation intended to impact all waste staff (including mechanics, education staff, call centre staff, and management)?
 - (c) Was the regulation also intended to also impact employees who have a dual role with municipal and commercial contracts?
 - (d) Section 178 states that each relevant registered organisation must be consulted and satisfied, for any individual contract - as this can include WCRA, and three unions: TWU, AWU and MSU – if an agreement is not reached will a council be required to issue another tender, or does the regulation allow Council veto their tender processes?
 - (e) What consideration was given to the significant risk the regulation imposes to any tenderer that operates with a workforce which is not able (or agrees) to provide details regarding individual entitlements?
 - (f) What requirements are there for registered organisations to indicate to a council that they are “satisfied” pursuant to s.178 (1A)?
 - (g) If the registered organisations cannot be provided with tender details when the process is still confidential, what requirements are there for registered organisations to act reasonably in indicating their satisfaction regarding the industrial arrangements?
 - (h) Do incumbent contractors have an obligation to provide information during the tender process?
 - i. If the details for each individual is gained by the registered organisation, what obligation does the organisation have towards the accuracy and quantum of entitlements to be paid?
 - ii. How will the incumbent contractor be obligated to then transfer entitlements?
 - iii. Will entitlements be transferred between contractors?
 - iv. What mechanism is in place to ensure that successful contractors do not just pocket the transferred entitlements?
 - v. What if existing enterprise agreements provide for all entitlements to be paid out at expiry?
 - vi. How will the NSW Government monitor this?
 - vii. How will the Local Government monitor this?

- (i) What obligation is the former contractor under to disclose entitlements if they are competitors?
- (j) If the individual is paid out (effectively by Council paying the old contractor) what protection does Council have that they don't then have to pay the same entitlements under a new contract?
- (k) What if the individuals don't want to disclose their work conditions or accrued entitlements?
 - i. Can they be compelled to?
- (l) What if the registered organisation cannot gain these details. Will it be reasonable not to include as per the new s. 170 (3)?
- (m) Who will hold the personal employee and entitlements information?
- (n) What happens when a council is seeking to implement strategies to achieve the NSW resource recovery targets – one example where the Council currently has weekly garbage + weekly FOGO collections. They are wanting to drive more food waste out of the red bin so are tendering with garbage to be reduced to fortnightly collections. If there are currently 20 garbage collection individuals and under the new fortnightly services there may be 12 individuals. Is the new contractor expected to offer employment to the extra 8 individuals that are not needed?
- (o) What undertakings do tenderers have that any enforcements won't reach further than the specified matters contained within the new s.173 (5)?
- (p) The power in s. 178 (1A) (b) can be used for purposes unrelated to the matters sought to be addressed by the amendments. What about tenders that are currently in the market? Is it reasonable that the new s.170 (3) would apply to these?

ANSWER:

5. An answer was provided during the Budget Estimates hearing for the Local Government Portfolio on 6 March 2024.
Please refer to **page 20** of the hearing transcript.

5. (a) – (p) The fundamental intent of the regulation changes is to preserve the existing terms and conditions of those people who manage the collection and processing of domestic waste. The regulation does this by placing obligations on the council and the provider of waste services (both existing and proposed). OLG will continue to discuss implementation of the regulation with councils, industry groups and unions.
Any further information relating to how the regulation is interpreted represents the provision of a legal view, and it is not for the Office of Local Government to provide legal advice to the Legislative Council regarding the regulation and the interpretation of an employer's responsibilities to protect and record worker entitlements under various State and Commonwealth employment law.

Local Government – continued (part 3)

6. Minister, last estimates you advised that the office of Local Government received \$4.5 million to set up a strategic policy unit, has that happened?

(a) If not, what progress has been made?

(b) If no progress, what is your plan to progress this matter?

ANSWER:

I am advised:

The Strategic Policy Unit has been established and has seconded staff from both the broader Department of Planning, Housing and Infrastructure, as well as the Office of Local Government. Active recruitment is ongoing for further policy officers.

Work within the Strategic Policy Unit has already commenced on:

- The councillor conduct framework review
- Strengthening councillor visibility over council finances
- Review of the financial sustainability of councils
- Processes to improve the assessment and management of councillor complaints within the Office of Local Government

Local Government – continued (part 4)

7. Previously, you also noted that the Code of Conduct system is broken, you stated that your intention was to have a new policy around the Code of Conduct and that it would be completed before the Local Government elections.

(a) Will this occur?

(b) If not, when is it likely to be completed?

(c) If no progress, what is your plan to progress this matter?

ANSWER:

Please refer to my evidence on **page 5** of the hearing transcript.

Local Government – continued (part 5)

8. The Treasurer is undertaking ESL reform, with Councils likely to be impacted by this reform, have you made representations to the Treasurer regarding the reform?
- (a) What issues have been raised by the Local Government sector raised with you in relation to the ESL?
- (b) Are Councils likely to be impacted?
- (c) Are you aware of any consultation that has occurred with Councils?

ANSWER:

8. I discuss local government matters with the Treasurer frequently.

8. (a) The Treasurer has established a Stakeholder Reference Group to advise the NSW Government as it reforms the way emergency services are funded. Key local government stakeholders such as Local Government NSW and the United Services Union are part of this group to provide expert advice to the Government.

8. (b) – (c) This is a matter for the Treasurer.

Local Government – continued (part 6)

9. Minister, you confirmed you would consider a review into Pensioner rebates for Council charges. Please advise when that review will commence and who will be consulted.

ANSWER:

Please refer to my evidence on **page 18** of the hearing transcript.

Questions from Ms Abigail Boyd MLC

NSW Pet Registry

10. Of the \$9.1M allocated for 2023/2024 to update the Registry, please break down this figure into how much is going toward:
 - (a) building the register?
 - (b) consultation?
 - (c) external user testing?
 - (d) other?
11. Is any funding dedicated toward community engagement and education, to inform pet owners of the changes to the Registry, and how to engage in responsible pet ownership?
12. How much money has been spent trying to upgrade the NSW Companion Animals Register over the last 10 years, for each financial year?
13. Will the new Pet Registry validate the accuracy of records, particularly in relation to breeder information?
14. Please provide a confirmed timeline for the production and release of the new Pet Registry, including external user testing and public release?

ANSWER:

10. I am advised:

The bulk of the funds have been spent to date in building the Register, although engagement staff have been employed to commence the customer and stakeholder engagement programs, which will progressively become a larger part of the expenditure in 2024/25.

11. I am advised:

Engagement and education programs are under development. These will be customised to specifically target the relevant stakeholder groups who use or benefit from pet registry data. The pet registry web site is also being completely rewritten to have highly accessible content and educational resources. The project has allocated funding to produce information and educational resources. Printed materials are planned to be produced and distributed to all relevant stakeholder channels.

12. I am advised:

During the periods between FY16/17 to FY18/19, approximately \$3m was invested in the NSW Pet Registry - the public access portal to the NSW Companion Animals Register.

13. I am advised:

All users of the updated pet registry system will be checked via both a DVS (document verification service) and through Service NSW login credentials. Access to the new pet registry will be via a Service NSW prompt.

14. I am advised:

The initial launch of the pet registry is planned for mid-2024. The initial release will support the instant transfer of pet ownership from breeders to owners. Subsequent releases are planned out to the end of calendar year 2024. These releases will include additional functionality including improvements for councils and vets to complement the breeder and owner functionality.

Beyond the end of calendar year 2024, the roll-out of the key stakeholder portals are planned. These are still in the planning stage, however the proposed roll-out schedule for the portals is to commence around March 2025 with major releases at approximately quarterly intervals for each new portal, the final portal being scheduled for release in the first half of 2026. Between each major release, regular minor releases are planned to deliver incremental feature enhancements for the system, and to address any issues detected in the operational system.