

# PORTFOLIO COMMITTEE NO. 8 - CUSTOMER SERVICE

Wednesday 6 March 2024

Examination of proposed expenditure for the portfolio area

## LOCAL GOVERNMENT

**CORRECTED**

The Committee met at 9:15.

### MEMBERS

The Hon. Emma Hurst (Chair)  
The Hon. Mark Buttigieg  
Ms Abigail Boyd  
Dr Amanda Cohn (Deputy Chair)  
The Hon. Scott Farlow  
The Hon. Aileen MacDonald  
The Hon. Bob Nanva  
The Hon. Rod Roberts  
The Hon. Emily Suvaal  
The Hon. Peter Primrose

### PRESENT

**The Hon. Ron Hoenig**, *Minister for Local Government*

## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

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

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



**The CHAIR:** Welcome to the third hearing of Portfolio Committee No. 8 - Customer Service for the additional rounds of the inquiry into budget estimates 2023-2024. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the land on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Emma Hurst and I am Chair of the Committee. I welcome Minister Hoenig and accompanying officials to this hearing.

Today the Committee will examine the proposed expenditure for the portfolio of Local Government. I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of those procedures. Welcome and thank you for giving your time to give evidence today. All witnesses will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

**Mr DOUGLAS WALTHER**, Executive Director, Local Government, Office of Local Government, sworn and examined

**Mr BRETT WHITWORTH**, Deputy Secretary, Local Government, Office of Local Government, affirmed and examined

**Ms KIERSTEN FISHBURN**, Secretary, Department of Planning, Housing and Infrastructure, affirmed and examined

**Mr JOHN TRACEY**, Deputy Director General, Biosecurity and Food Safety, Department of Primary Industries, affirmed and examined

**Dr KIM FILMER**, Chief Animal Welfare Officer, Department of Primary Industries, affirmed and examined

**The CHAIR:** Today's hearing will be conducted from 9.15 a.m. to 5.30 p.m. We are joined by the Minister for the morning session from 9.15 a.m. to 1.00 p.m., with a 15-minute break at 11.00 a.m. In the afternoon we will hear from departmental witnesses from 2.00 p.m. to 5.30 p.m., with a 15-minute break at 3.30 p.m. During these sessions there will be questions from Opposition and crossbench members only and then 15 minutes allocated to Government questions at 10.45 a.m., 12.45 p.m. and 5.15 p.m. We will begin with questions from the Opposition.

**The Hon. SCOTT FARLOW:** Good morning, Minister. Minister, is there is anything stopping councillors found to be engaged in serious corrupt conduct from standing for council again in September?

**Mr RON HOENIG:** They can only be stopped from standing for council in September if they are disqualified from civic office.

**The Hon. SCOTT FARLOW:** With respect to Mr Tsirekas, who was on Canada Bay council, you took action to remove him from the council. Could he stand again, foreseeably, for council elections in September?

**Mr RON HOENIG:** He can't stand again for council elections in September because I recommended, and the Governor approved, his disqualification from sitting in office for five years. So he is effectively unable to stand for the next two elections. You do have circumstances—at this stage the only power of disqualification, absent a power to disqualify somebody, is with NCAT, if I could use that acronym. I'm not too good, usually, at using acronyms, but it's part of the problem. For example, former Liberal Party councillor Con Hindi—he's before—

**The Hon. SCOTT FARLOW:** And former Labor Party Councillor Badalati.

**Mr RON HOENIG:** Yes, but Hindi is before—Badalati's issue has been removed, but Hindi has been pursued by the Office of Local Government through NCAT. They've had a hearing to try to disqualify him and they've been told informally it won't happen until November. He could foreseeably run as a candidate in September, get himself elected, and we'd just have to wait to see what happens with NCAT, then, in November.

**The Hon. SCOTT FARLOW:** What's the distinction with the case of former councillor Badalati?

**Mr RON HOENIG:** I'll just check with Mr Whitworth. I think Badalati didn't contest the disqualification, did he?

**BRETT WHITWORTH:** Mr Badalati is not a councillor at the current point in time. There is an ICAC recommendation to the Director of Public Prosecutions about a number of people as a result of Operation Galley, and so any ability for Councillor Badalati to contest the next election will be dependent on any action that the DPP takes.

**The Hon. SCOTT FARLOW:** So, with the case of Councillor Badalati, he could foreseeably run in September?

**BRETT WHITWORTH:** He could foreseeably run in September, that's right. He's not subject to a disqualification process through NCAT at the moment. But, as I did say before, there are recommendations from ICAC to the Director of Public Prosecutions about taking action against a number of councillors. One of the points of disqualification for a councillor from holding office is that they have a serious criminal offence against them. If that is successful, that would lead to him not being able to hold office.

**The Hon. SCOTT FARLOW:** The Minister has taken action with respect to former councillor Tsirekas, and he would be disqualified from running again in September. Is that correct?

**Mr RON HOENIG:** That's correct.

**The Hon. SCOTT FARLOW:** However, both of the councillors in the Operation Galley findings could foreseeably run in September.

**Mr RON HOENIG:** Yes.

**The Hon. SCOTT FARLOW:** Do you believe that this is a satisfactory situation?

**Mr RON HOENIG:** I don't believe that the councillor behavioural framework, if I can use that expression, is adequate at all to deal with either serious corrupt conduct or, alternatively, even deal with relatively minor behavioural problems.

**The Hon. SCOTT FARLOW:** While former councillor Tsirekas is disqualified from running in September, councillors Badalati and Hindi aren't. Minister, are you considering any changes to be able to disqualify those that are found to have engaged in serious corrupt conduct by the ICAC from running for office?

**Mr RON HOENIG:** The Independent Commission Against Corruption has within it the ability to recommend suspension and disqualification, and chose not to do that, as it did for the former mayor of Canada Bay. Those other issues are wrapped up in an entire councillor conduct framework which I'm currently reviewing in a way in which to try to get this sector to move forward so it operates in a better, more lawful way, so that people who are accused and engage in corrupt conduct, extreme behaviour or behaviour not becoming elected representatives need to be dealt with reasonably quickly with clear laws—in the form of an Act or regulation—and procedures.

When the current framework was put into place, they limited the availability. For example, the Office of Local Government's maximum penalty is to suspend somebody for three months and then, if the matter is more serious, to refer to NCAT. They then end up in a lengthy process. I suppose you need thorough process because it is a presumption of innocence, but the period's taking far too long. It's becoming more serious now because the integrity agencies are now referring matters to the Office of Local Government whilst they're undertaking their normal processes, and these matters—as you would imagine—are far more serious. We can't be left in a situation whereby serious conduct suffers the ravages of extended delays because of the system in NCAT.

**The Hon. SCOTT FARLOW:** Minister, with respect to the distinction that exists here, there is a distinction because Mr Tsirekas was a serving councillor at the time of that determination by the ICAC. However, Messrs Hindi and Badalati both weren't serving councillors, so they weren't subject to a code of conduct, and I suspect that ICAC didn't make a recommendation with respect to their disqualification because they weren't serving councillors at the time. Do you think this is a loophole that needs to be addressed?

**Mr RON HOENIG:** I don't see that as a particular loophole, because you're asking me to interpret something that occurred before my time as Minister which is not apparent from my reading of the reports in respect of that matter.

**The Hon. SCOTT FARLOW:** But this ICAC report was handed down when you were Minister.

**Mr RON HOENIG:** It may well be—no, not the Hindi—

**The Hon. SCOTT FARLOW:** Yes, it was. Operation Galley, yes.

**Mr RON HOENIG:** The other matter that you need to take into consideration is that they've been referred to the Director of Public Prosecutions. There is a presumption of innocence that applies. The mere fact that the Independent Commission Against Corruption makes a factual finding or a determination under its Act—it doesn't do so on admissible evidence. It can do so on first-, second- or third-hand hearsay. Absent them making a recommendation to me, as they did in the Tsirekas matter, where I was required to read their report and I was required to consider the evidence; I was required to put aside the evidence given under section 38, objections, just in case those findings were challenged, to make an independent determination—that was my statutory function and duty. Those other matters, I'm not really in a position—firstly, I don't have the statutory right to do so. Secondly, I'm not sure whether or not jumping in like that on a one-off loophole is necessarily the right way to approach those matters, absent me looking at all of the councillor conduct framework as a whole.

**The Hon. SCOTT FARLOW:** Minister, with respect to former councillors Badalati and Hindi, you would not be envisaging taking any action to disqualify them before the local government election and also, I would say, don't believe you have the power to do so at this stage.

**Mr RON HOENIG:** I don't have the power to do so.

**BRETT WHITWORTH:** Sorry, if I could just—we do have action underway to seek a disqualification of former councillor Hindi through NCAT.

**The Hon. SCOTT FARLOW:** Why is there a distinction between former councillor Hindi and former councillor Badalati?

**BRETT WHITWORTH:** The action through NCAT arises not as a result of the ICAC matters but as a result of separate code of conduct matters.

**The Hon. SCOTT FARLOW:** Relating to his time as a Hurstville councillor with respect to the code of conduct at that time?

**BRETT WHITWORTH:** A Georges River councillor, but yes.

**The Hon. SCOTT FARLOW:** Georges River, sorry. Just in regard to that, he was then—and sorry for my lack of memory on this—re-elected to the Georges River Council following the amalgamation, whereas councillor Badalati wasn't. Is that correct?

**Mr RON HOENIG:** No. I think they were both re-elected to—

**The Hon. SCOTT FARLOW:** They were both re-elected. Okay.

**Mr RON HOENIG:** This is testing my memory, but I think they were both re-elected. Now I recall, the code of conduct matters relating to those matters related to their behaviour on Georges River Council.

**The Hon. SCOTT FARLOW:** With respect to that, you're saying that the only code of conduct breach was from councillor Hindi, not from councillor Badalati. Is that correct?

**Mr RON HOENIG:** No. I think Badalati had breaches too, didn't he? They don't come to me—code of conduct breaches.

**BRETT WHITWORTH:** No, they don't come. We don't tend to talk about code of conduct breaches because of the importance of the process and recognising that we shouldn't be publicising them in such a way that they become weaponised. We can take on notice, if you'd like, any code of conduct information that we can provide about councillors, because there were three councillors in the ICAC report. We can do that about those three councillors. But, definitely, Councillor Hindi was subject to what we believed was serious misconduct which was worthy of an NCAT process. And, because he was also a former councillor by the time we were able to finalise the investigation reports, the NCAT was our option, in terms of enforcing that sanction.

**The Hon. SCOTT FARLOW:** Thank you, Mr Whitworth. Minister, with respect to the code of conduct—and you, of course, are conducting a review. Is it looking at taking into account some of these concerns?

**Mr RON HOENIG:** Yes.

**The Hon. AILEEN MacDONALD:** Good morning, Minister.

**Mr RON HOENIG:** Good morning, Mrs MacDonald.

**The Hon. AILEEN MacDONALD:** How are you today?

**Mr RON HOENIG:** I'm fine. Thank you.

**The Hon. AILEEN MacDONALD:** That's good. I will go to the misconduct framework. At the last budget estimates, you stated you would not be implementing any of the recommendations from the review into the misconduct framework for councils and that you would need to start again. Have you made a start on that framework?

**Mr RON HOENIG:** When you say "a start"—I am almost constantly looking at ways in which I can improve the situation and provide the right sort of framework. The other thing is that it's a lot more difficult than I thought it would be, for a variety of reasons. Firstly, the staff of the council need to be protected beyond the occupational health and safety provisions. They need to be protected against coercion, pressure, corrupt conduct. So they need to be placed in a separate category to preserve their professionalism and not be wrapped up in a convoluted councillor behavioural framework. In fact, my view is that needs to be strengthened. That's a view that had become apparent to me last time I spoke to you.

**The Hon. AILEEN MacDONALD:** You did say that the code of conduct system is broken in its current form, last time.

**Mr RON HOENIG:** Yes, and I think that's reflected in our election commitment and is reflected with what I've told you. But I just want to give you a very clear illustration of what's wrong with it. This is the Model Code of Conduct—61 pages. These are democratically elected—effectively, not much more than volunteers—councillors, who give up their time to serve their local community. There's more than 1,200 of them who are

dedicated and committed, who are required—61 pages. This is the code of conduct—61 pages. This is the procedures for the administration of the code of conduct. That's 51 pages.

**The Hon. AILEEN MacDONALD:** It sounds like you've got a lot of work there.

**Mr RON HOENIG:** Just one thing. I don't want to take your time. This 4½ pages is the Legislative Council's code of conduct.

**The Hon. AILEEN MacDONALD:** You're giving me a comparison.

**Mr RON HOENIG:** Apart from anecdotally looking and talking to people about its administration, an experienced barrister would struggle to know what these are. And every time there's misbehaviour or corrupt conduct or some councillor spends some money and it appears in a headline—"We're going to fix it by putting it in the code of conduct. We're going to fix registered lobbyists by sticking it in the code of conduct. We're going to fix it all by sticking it in the Model Code of Conduct." And you end up with an encyclopedia that nobody themselves actually knows or understands.

**The Hon. AILEEN MacDONALD:** Minister, thank you for that explanation and going into the detail there. Given that it was an election promise, and the local government elections are going to be in September, will you have reviewed these codes of conduct so that the community can have assurances when they go to those polls in September that the system that's already broken won't continue as it currently is—that there'll be a fresh start, basically?

**Mr RON HOENIG:** That really is my ambition. But can I tell you, for example, there are provisions in this model code that are inconsistent with the implied freedoms of political communication that have been determined by the High Court. There are attempts in the code to silence democratically elected councillors by telling them that they can't say something that might bring the council into disrepute, which is effectively trying to muzzle democratically elected people, who can't say what the general public can say. There are very fine lines between what may or may not constitute a conflict of interest that is making the life of hardworking, honest, dedicated councillors virtually impossible. I wish it was easy, Mrs MacDonald. I thought I could probably write it myself—

**The Hon. AILEEN MacDONALD:** Yes, you said that at the last budget estimates.

**Mr RON HOENIG:** —but it's harder than I thought it was.

**The Hon. AILEEN MacDONALD:** You said, basically, that you had two jobs: You're the Minister for Local Government and you're also the Leader of the House in a minority government with 11 crossbench members.

**Mr RON HOENIG:** I used to be a public defender and also the mayor of Botany, so I'm used to it.

**The Hon. AILEEN MacDONALD:** And you said that if you could set aside a couple of months, you could conduct the misconduct framework yourself. You've had a bit of a break since the last budget estimates, with one week of sitting. When will you get this reform done? You've said that it's important.

**Mr RON HOENIG:** I'm going to try to get it done as soon as I possibly can get it done.

**The Hon. AILEEN MacDONALD:** Can you give me a time line?

**Mr RON HOENIG:** No, I can't.

**The Hon. AILEEN MacDONALD:** When is as soon as possible?

**Mr RON HOENIG:** I'm not going to roll my arm over. I'm not going to just pick up some consultant's report—those consultants that you pay and lend them your watch for them to tell you the time. I'm not going to pick up a consultant's report and just say, "Look, I've done it. Here I am. I'm a terrific Minister for Local Government. I've achieved something." I've got a unique time frame to do this whereby, consulting with my predecessor, there's a window of opportunity, whilst I'm in this portfolio and whilst I can get some bipartisan support, for me to achieve a significant reform in this sector that's probably a generation overdue. I can't do it by simply preparing a document and saying, "Look, I've done it." I've got to try to fix it. I can't give you a time frame because, every time I think I have a solution, something crops up.

**The Hon. AILEEN MacDONALD:** I have only got one minute.

**Mr RON HOENIG:** I'm sorry, Mrs MacDonald. I don't mean to take up your time.



**The Hon. AILEEN MacDONALD:** I was just going to say that you have less sitting weeks this year, so perhaps you'll get some time because you won't be sitting. You won't have to be managing the House, and you'll get some time to get this done.

**Mr RON HOENIG:** Maybe having less upper House estimates would mean the House could sit more often.

**The Hon. AILEEN MacDONALD:** You agreed to this.

**The Hon. ROD ROBERTS:** Don't poke the bear, Minister.

**The Hon. SCOTT FARLOW:** We only get you twice a year.

**Mr RON HOENIG:** I'd rather the House sit more often, to be frank.

**The Hon. AILEEN MacDONALD:** Would you?

**Mr RON HOENIG:** I think we all would, rather than upper House estimates.

**The Hon. AILEEN MacDONALD:** I note from your diaries that you have time and you can make it a priority. You said it's a priority. It begs the question: What have you been doing with the time?

**Mr RON HOENIG:** Since I have been Minister for Local Government, I have met with Ballina Shire Council, Bathurst Regional Council, Bayside Council, Bogan Shire Council, Bourke Shire Council, Brewarrina Shire Council, Broken Hill City Council, Burwood Council, Byron Shire Council, Campbelltown City Council, Canterbury Bankstown council, Canada Bay council, Central Darling Shire Council three times, Cessnock City Council, City of Newcastle, City of Sydney four times, Clarence Valley Council, Cobar Shire Council, Cootamundra-Gundagai Regional Council, Federation Council, Gundagai shire council, Hunter's Hill Council, Kyogle shire council, Lachlan Shire Council, Lane Cove Council, Lismore City Council, Liverpool Plains Shire Council, Narromine Shire Council, North Sydney Council, Penrith council, Randwick council three times, Richmond Valley Council, Rous County Council, Snowy Valleys Council twice, Temora shire twice, Tenterfield Shire Council, Tweed Shire Council, Upper Hunter Shire Council, Upper Lachlan Shire Council, Wagga Wagga City Council, Walgett Shire Council, Warren Shire Council, Waverley Council and Yass Valley Council.

That included meeting with the boards of the Canberra regional organisation, the Central NSW Joint Organisation, the Northern Rivers organisation, the Riverina eastern regional organisation twice, the western regional organisation of councils, the New South Wales joint organisation chairs, Parkland councils, regional councils, as well as with a variety of stakeholders of the RSPCA animal welfare, as well as a number of other stakeholders, events and things that don't need to be disclosed.

**The Hon. SCOTT FARLOW:** You are the lucky star of Local Government.

**The Hon. ROD ROBERTS:** They'll make a song out of you, Ron, one day.

**Dr AMANDA COHN:** Good morning, Minister.

**Mr RON HOENIG:** Good morning, Dr Cohn.

**Dr AMANDA COHN:** It won't surprise anyone that my questions are about de-amalgamation. Last estimates—and I'm going to quote you—you said:

There is a Labor Party commitment in relation to permitting demergers if that be the view of the communities, verified by a local plebiscite and a business case.

I have been very careful to quote you verbatim, because you've said "if that be the view of the communities". You've now introduced legislation to provide a pathway to demerger, which is an important step in the right direction, but I understand that under that proposed legislation the demerger must be led by the council itself, not led by the community. Where does that leave smaller communities that have been disenfranchised, like Urana, Guyra, Bombala, Pittwater and others?

**Mr RON HOENIG:** Because of 218CC, we've sought to provide a council-led demerger. It was that section that I targeted with Labor's election commitment. As part of that bill I've introduced, it ensures the Boundaries Commission is really the first step of the process, because it needs independent analysis and it needs a determination as to cost. Then I inserted a compulsory referendum where the costs get put to the referendum. That's my mode of reasoning. It's not the only vehicle within the Act to create a demerger for those small communities or anybody else. There are other statutory provisions that create that. So, for example, section 215 of the Local Government Act does exactly what you've asked. If I invite your attention to 215, it says:

Who may initiate a proposal?

- (1) A proposal may be made by the Minister or it may be made to the Minister by a council affected by the proposal or by an appropriate minimum number of electors.
- (2) An appropriate minimum number of electors is—
  - (a) if a proposal applies to the whole of an area or the proposal is that part of an area be constituted as a new area—250 of the enrolled electors for the existing area or 10 per cent of them, whichever is the greater, or
  - (b) if a proposal applies only to part of an area—250 of the enrolled electors for that part or 10 per cent of them, whichever is the lesser.

The answer to your question is that's not the only statutory provision. Those smaller communities can have the opportunity of pursuing those things under section 215.

**Dr AMANDA COHN:** Is that your commitment: that if those smaller communities contact you under that provision of the Act, that you will facilitate the progression of that demerger case?

**Mr RON HOENIG:** No. If smaller communities put a proposal together under section 215, then I will consider it in accordance with my statutory duty. Can I just say this, Dr Cohn? As you know, not only the Labor Party's position but my personal position, of which I am on the *Hansard* regularly, being not only opposed to forced amalgamation—I've tabled documents of signed letters, signed by the leader of the National Party and the leader of the Liberal Party and Paul Toole, who became the Minister for Local Government, who merged councils. I've opposed it. I said what would happen. What's happened has happened, but you probably also noticed over the last couple of months there's been a change of language of mine, too, because what's happened has happened.

I propose to give the sector an opportunity of going through a process, if they want to go through a process. Either they go through this process—but the sector has to move on. Either they democratically proceed down a de-amalgamation process or they have to settle down and move on. Nobody, no community, forgives amalgamations. They hate it. They merged Mascot and Botany in 1948 and I can tell you there are people in Mascot and Botany who, to this day, have not forgiven the New South Wales Government for the merger. But they either demerge or they move on. They can't keep using demerger as an excuse—I shouldn't say that. That's the wrong word because a shambles has been foisted on them. They just have to move on, or demerge—one or the other.

**Dr AMANDA COHN:** At last estimates you also said:

Labor has a policy in relation to mergers that it took to the election. I'm bound by that policy, and I will implement that policy to the best of my ability.

**Mr RON HOENIG:** Yes.

**Dr AMANDA COHN:** Now, it's the understanding of communities, because it was Labor in opposition who inserted the clause into the Local Government Act, that the State actually has some financial liability to cover the cost of demergers. I understand the estimates for that cost are broad-ranging, and we had this discussion at the last hearing. But given that communities impacted by forced amalgamation have borne the cost for that time and time again, and the latest evidence of that was the University of Newcastle's report into the financial sustainability of Federation Council—it was just released in November—clearly, their financial position has been heavily impacted by amalgamation. Is it fair to those communities to now ask them to pay the cost again?

**Mr RON HOENIG:** Nearly all these amalgamated councils have financial sustainability problems. Many of them are a shambles. There's one or two shining lights. Others are a shambles. They're all struggling, just as we forecast. The Government paid something like \$632 million to these councils to get them to merge. I hasten to say some of these councils were set up to fail during periods of administration even before the councillors even got there. But if you're asking me about the amendment that was carried by the upper House in 2021, I think it was, that was proposed in opposition, firstly, we weren't the Government. Two, the government of the day accepted that amendment in the Legislative Assembly when they had a majority. The Government of New South Wales must have known—must have known—that 218CC provided no mechanism to actually effect a demerger. That's probably why they agreed. They must have known that subsection (6) was so vaguely written—

**Dr AMANDA COHN:** Sorry to interrupt you, Minister. We've got very little time so I just want to redirect you. I appreciate that this isn't your fault, but I don't think impacted communities are interested in a tit for tat between Labor and the Coalition about how we got here. These councils are clearly in a shambles. I come back to Federation Council because you talked about Urana in your second reading speech. The report found that Federation Council is both highly inefficient and financially unsustainable as a result of the merger and that redress of market failure or government failure are now the core business of local government in small rural communities. My question, very specifically, was do you think it's fair to those communities to now have to foot the bill again for—we are, realistically, talking about the failures of the previous Government. But that's not what they're interested in.

**Mr RON HOENIG:** Can I say, firstly, I'm not tit for tat with the former Coalition Government on this issue. I've accepted that the matter has to be resolved and move on. In fact, my predecessor's been considerably helpful in giving me the background of a number of processes within my portfolio. It is the function of elected people to deal with the situation that they find themselves in, should they not wish to proceed down that demerger process. A \$187 billion deficit, a triple-A credit rating at risk—a responsible government cannot give and commit to an uncapped, unquantified financial commitment to local authorities that have merged, irrespective of it. Secondly, I went to a lot of trouble last time to try to convey to you—and I probably did it in a far too verbose way—saying, "How much is it? How much actually is it? How do you quantify what that is?"

**Dr AMANDA COHN:** Sorry, Minister. Just in our last 20 seconds, you've just said you wouldn't agree to uncapped or unquantified.

**Mr RON HOENIG:** Yes.

**Dr AMANDA COHN:** Does that mean that you would agree to the State Government being liable for costs if they were capped or quantified?

**Mr RON HOENIG:** I would not agree to the State Government being liable. However, if you are talking about small regional councils that have their own inherent pressure, who have their own inherent challenges, who do some really remarkable things with virtually nothing—if there is a way to help them, I will go out of my way to help them in ways which can be of tangible assistance, not vague, uncapped, unquantified assurances of funding. Some of those smaller areas are well and truly able to identify those specific areas that may need assistance and those areas that do not want assistance because of the future maintenance costs that, say, capital assistance might provide them.

**The Hon. ROD ROBERTS:** Good morning, Minister. Good to see you.

**Mr RON HOENIG:** Good morning, Mr Roberts. Always a pleasure.

**The Hon. ROD ROBERTS:** A couple of quick questions. To follow up on my colleague Dr Cohn, you said something—I don't want to quote you exactly because I didn't write it down verbatim. But you said something along the lines of that you are prepared to extend help to certain councils.

**Mr RON HOENIG:** Yes.

**The Hon. ROD ROBERTS:** I understand the pragmatism that you cannot give unquantified and uncapped support to every single council in South Wales. But this help you're talking about—would it extend to some form of financial help? I'm not asking for a figure. It's not a trick question.

**Mr RON HOENIG:** Financial help meaning what—to help them fund de-amalgamation?

**The Hon. ROD ROBERTS:** Yes, if it's a stacked-up case.

**Mr RON HOENIG:** It's hard to deal with hypotheticals.

**The Hon. ROD ROBERTS:** I understand that.

**Mr RON HOENIG:** The one example that I can give you that is reasonably tangible—I'm trying to give effect to my predecessor's determination—is Cootamundra-Gundagai, when I found a mechanism to effect that demerger and gave them the choice. This is what I talked about last time. They say, "Well, who's going to pay?" and I say to them, "Pay what? You've effectively been running two separate councils. You've actually costed the cost of a demerger. Your rate base is 60 per cent higher going out than you were going in, when you said you were financially sustainable. You're in a position to share IT. You don't need to spend on two turnkey solutions for IT. You can share services. You can share plant. You have a flexible rate peg because you're not locked into your old rate peg. You're not locked into your financial structures. You tell me you can do it.

The mayor said last year—he told my predecessor you could do it in three months. You divide up the assets and you show me. Where do you say it's going to cost you?" And they said to me, "Minister, who's going to pay for the new uniforms?" I said, "I beg your pardon?" Another councillor said, "Who's going to pay for the new signs?" I use that as an example because there may not be a cost for that. There may not be. That's why you have the Boundaries Commission in that process.

**The Hon. ROD ROBERTS:** There may not be. But, Minister, again—and I'm not being rude and talking over. We are on the clock. There may not be a cost, but for some councils there may be. Some may be a relatively insignificant cost as far as government budget is concerned, because your own words were that this was a shambles hoisted upon them.

**Mr RON HOENIG:** Yes.

**The Hon. ROD ROBERTS:** This is not a making of these councils.

**Mr RON HOENIG:** That's true.

**The Hon. ROD ROBERTS:** And it's not a making of the Labor Government either.

**Mr RON HOENIG:** That's true, isn't it?

**The Hon. ROD ROBERTS:** Of course it is. As I said, it's not made by you. But I can tell you this now: If we went out onto the street and spoke to citizens in some of these regional areas and, in fact, metropolitan areas and said, "Listen, the Liberal Government bugged this up", they'd probably say, "Yes, they did." But they don't care, mate. They want it fixed, and you're in the driver's seat to fix this. They don't care about the past. The past is the past. You've said that before. We can't change the past. But you can change the present and the future. Some of these councils and some of these communities are looking to you as the leader—as the Minister for Local Government—to drive this change. Sometimes it is going to require some form of financial support from this Government. That's what it's going to need to rectify the mistakes of the past.

I urge you to remain open to, perhaps, looking at, and working with other members of this Parliament on, some form of mechanism that allows for financial support. It is certainly not uncapped. No-one is talking about that. Nobody is that ridiculous or stupid. But it is some form of financial assistance to enable them to facilitate these demergers and to get on with business, as it was before they were thrown into the pot. Whilst we're on Cootamundra-Gundagai—I'm asking on behalf of some constituents and stakeholders—on 14 September there are the forthcoming local government elections in New South Wales. Do you intend to send Cootamundra-Gundagai to an election on that day?

**Mr RON HOENIG:** I'm waiting on Cootamundra-Gundagai to come back to me with what they indicated a year and a half ago—maybe a bit longer—that they could do in three months. I'm just waiting for them to come to me. I saw the mayor of Cootamundra-Gundagai at a Labor Party country conference. He told me that they were just about ready. I haven't seen anything from him. I spoke, I think, last week to Gundagai Council in Exile and the local member to explain to them the procedure, because they didn't quite know that. But I did point out to the Gundagai councils that when they put a proposition to the New South Wales Government as to what they want to do, they've got to be nine-nil. Don't come to me with six-three and say, "This is our decision." You've got to be nine-nil.

**The Hon. ROD ROBERTS:** Can I ask you this—and you know the Local Government Act much better than I do. If for some reason they are unable to present that position to you in time, but it is their intention and they are working towards it, will you exercise powers that you have under the Act to postpone their election?

**Mr RON HOENIG:** I was asked that question by Snowy Valleys last week or the week before when I was there. I'm just not mindful to push democracy away.

**The Hon. ROD ROBERTS:** No-one is asking you to push it away—just asking you to perhaps postpone it.

**Mr RON HOENIG:** Let's do one step at a time. We'll just wait and see, shall we? The timetable is not in my—

**The Hon. ROD ROBERTS:** We've all got to have a plan B, Minister. If we wait and see, we end up with nothing at the end of the time.

**Mr RON HOENIG:** Yes, but if I exercise a power—I can exercise a power. To exercise a hypothetical power now to remove the urgency from people's—

**The Hon. ROD ROBERTS:** Not, I'm not asking you to do it now. I'm saying if they come to you at the eleventh hour and say, "Listen, this is how far we've progressed. We haven't quite got it together, but there is a nine-zero agreement here. We've just got to finish this paperwork. Minister, give us another couple of weeks", and it's going to impact on the election, would you consider postponing them going to an election on 14 September and having a second election date for two councils after that?

**Mr RON HOENIG:** I think that's a hypothetical, and I do not think it helps giving any sort of positive response in any way.

**The Hon. ROD ROBERTS:** I didn't ask for a positive response. I just said, "Would you consider it?" I didn't say, "Would you do it?"

**Mr RON HOENIG:** Can I say this to you: If somebody reads between the words any type of positive response, they're likely to take their foot off the accelerator, so you're not going to get one from me.

**The Hon. ROD ROBERTS:** So you won't give any clear guidance to the citizens and communities of Cootamundra-Gundagai as to what will happen on 14 September?

**Mr RON HOENIG:** No, I'm in their hands. It's about time the State was in the hands of communities, rather than sticking our noses in, Mr Roberts.

**The Hon. ROD ROBERTS:** Well, that's a statement that you'll make, Minister. That's all I have at the moment.

**The CHAIR:** Dr Cohn, did you have any quick follow-ups in the last two minutes?

**Dr AMANDA COHN:** Just coming back to the costs, you referenced signs and uniforms, but what about the cost of the referendum itself? Local government pays for its own elections, and we know that that cost has been significantly increasing in recent years.

**Mr RON HOENIG:** Have local government a legitimate complaint about what the Electoral Commission is charging them to run elections? They certainly do have. It's actually quite scandalous as to what they have been charged over a number of successive elections, and that's probably why the former Government gave them the opportunity of running their own elections—because of the cost. The Federal Government pays for its elections, the State Government pays for its elections and local government pays for its elections. It basically should always have been thus. The State picks up the administrative costs of the Electoral Commission, and then they get charged a fortune after that.

**Dr AMANDA COHN:** We're talking specifically here about the costs of demerger.

**Mr RON HOENIG:** The answer is local government pays for itself, but it has the opportunity, in a referendum, to incorporate the costs of the referendum into the question they ask in the referendum. But they pay. State pays for its, local pays for its and the Feds pay for theirs.

**Dr AMANDA COHN:** Sure, but do you not accept that that's an additional tangible cost associated with de-amalgamation—having a referendum and then likely another election for both new de-amalgamated councils to elect councillors?

**Mr RON HOENIG:** No-one ever said democracy is cheap, Dr Cohn. Totalitarian regimes run far more efficiently, but I'm not sure—I think there's been enough of that in local government in New South Wales.

**The Hon. SCOTT FARLOW:** Minister, to pick up from Dr Cohn's point there about Cootamundra-Gundagai, and the questions asked by the Hon. Rod Roberts as well, what is your time frame in terms of when you can make a final decision about whether there's a deferral? What's the last possible point at which at which you can make that decision?

**Mr RON HOENIG:** I'm not sure. I'll have to take that on notice.

**The Hon. SCOTT FARLOW:** With respect to that cost, as well, if Cootamundra-Gundagai were going to an election in September and then soon after were to be demerged, that would be an additional cost to those resultant councils. Would the State Government be looking at picking up the bill?

**Mr RON HOENIG:** Do you know, when I left a large group of people at Gundagai—because it's the people of Gundagai that are the ones that are really strong about demerging and have quite legitimate complaints—they have assured me they'd be ready. Their words to me were "Minister, we won't let you down". I'm not confident in terms of the numbers, but I'm—effectively, the situation hasn't changed from what I told you last time. That is that I can't create one or two councils that are going to fall over financially. They have to be financially sustainable and effectively have to get that ticked off by the Boundaries Commission. There's some internal division, as you would expect, within that council, but I'm in their hands.

The other thing I have said as well, Mr Farlow—again, I'm not trying to be verbose—is that should the merger proceed then it would require a period of time to bed the merger in. It's usually done by the appointment of administrators or an administrator. I don't favour doing that because that doesn't work. It never works. I had in mind appointing the existing councils—should everything be okay, should they be able to demerge, should they be able to show that they're financially sustainable—to appoint the existing councillors as administrators for their respective areas until they're ready to go to the polls. I don't anticipate—if they merge beforehand and they're not ready to go to the polls in September as individual councils because it might take them some time to bed in the merger, then I suppose I might need to do something about election dates and things of that nature. Then I won't feel as pressured because at least I've got civic leaders in appointed positions, not somebody just put in by the State, over their heads.

**The Hon. SCOTT FARLOW:** Thank you, Minister. Of course, financial sustainability, for all councils, is an issue. You've announced that you will be reviewing financial sustainability of councils. What's your time line for that review?

**Mr RON HOENIG:** There is a recommendation from IPART, and I drafted some terms of reference. We got approval from the Premier for an examination by IPART of financial sustainability. The terms of reference for that are—the submissions for terms of reference are closing relatively shortly. The local government industry is very supportive of the terms of reference and they're very supportive of the examination by IPART, but their concern is that IPART are talking about a 12-month examination, and I don't think it can wait 12 months. What I have in mind doing—and I'm in the process of just working through this now—is getting an upper House committee just to examine what local government really wants to examine, and that is the effect of rate pegging, the impact that it's had, whether or not a rate peg actually does in fact produce cheaper rates or more expensive rates, whether or not a council's financial sustainability relates to rate pegging.

Because I'm far more conscious of—we're in a cost-of-living crisis now. Everybody is struggling. I don't want these questions looked at by people that aren't elected people and then deal with a report 12 months down the road. I'd rather it be looked at by members of Parliament who understand that cost-of-living crisis, who deal with local government, who understand local government, so that at least they might give a better, quicker line of sight to the government and may well better produce a bipartisan result than waiting for IPART—it goes to IPART, their final terms of reference, they have public hearings while they get a report in 2025, and if we've got to make statutory changes we are looking at 2025-26. It's all too long. So I'm just going to seek—unless there's any major objection—to utilise the resources of the Legislative Council to look at some questions.

**The Hon. ROD ROBERTS:** So we do come in handy.

**The Hon. SCOTT FARLOW:** I was going to say, we're impressed. You've had a change of heart when it comes to the Legislative Council's role.

**Mr RON HOENIG:** I don't know. I've worked with Mr Roberts on some very significant matters before, and he and I do not have a different view.

**The Hon. SCOTT FARLOW:** There we are. We've had it announced here. We've got an inquiry and Rod Roberts is going to chair it.

**Mr RON HOENIG:** He's a bit like me. He's got a dog with a bone. We don't like to let go, do we?

**The Hon. ROD ROBERTS:** Exactly right.

**Mr RON HOENIG:** I'm still not letting go either, even though we are on our own.

**The Hon. ROD ROBERTS:** Definitely. We've seen that yesterday.

**Mr RON HOENIG:** We did.

**The Hon. SCOTT FARLOW:** I have a feeling there's a conversation going on here and I don't know what it's about. I suspect those watching at home might be as well.

**Mr RON HOENIG:** Well, you wouldn't want to know, would you?

**The Hon. ROD ROBERTS:** It would be embarrassing if they knew.

**The Hon. SCOTT FARLOW:** Minister—back to a conversation we may be able to understand—effectively, we've got an IPART review which is being undertaken that you think is going to go too long. Why are we having that review if we are also having a review from the Legislative Council?

**Mr RON HOENIG:** No. I'm not going to pursue a review and have it in parallel with the Legislative Council, because it just becomes a waste of resources. To be quite frank, I really need members of Parliament to be looking at that question early. I really need councils and mayors and workers to be heard early by somebody who understands, as distinct from somebody that looks at things at a higher level.

**The Hon. SCOTT FARLOW:** Why did you make the IPART referral, then?

**Mr RON HOENIG:** I made the IPART referral because, firstly, an examination of financial sustainability was actually recommended by IPART as a result of their rate inquiry. Secondly, the industry asked for it. And, thirdly, we'd given a commitment that we would examine councils' financial sustainability. I'd have to check. I'm not sure whether IPART was part of an election commitment, but we certainly were seized with the fact that we needed to, and we do need to do that because there are—

**The Hon. SCOTT FARLOW:** So the IPART review is still going ahead?

**Mr RON HOENIG:** It'll be on hold now. If the Legislative Council committee is going to proceed—and I'm just working through terms of reference—I'll leave the IPART on hold. But I'll just wait. I just want to make sure I get in all the terms of reference at least to see whether or not there's anything in the terms of reference that I might seek to add to the Legislative Council's terms of reference.

**The Hon. SCOTT FARLOW:** Minister, that announcement with respect to the IPART review was just a little over a month ago, that that announcement was made. Why didn't you just announce a Legislative Council inquiry at that time?

**Mr RON HOENIG:** Because I probably needed to make sure that I had the necessary support to get a Legislative Council inquiry into that subject matter.

**The Hon. SCOTT FARLOW:** Which committee would you envisage conducting this inquiry?

**Mr RON HOENIG:** I think it's Ms Suvaal's committee.

**The Hon. SCOTT FARLOW:** That's State Development? Is that right? The State Development committee to inquire into it?

**Mr RON HOENIG:** Yes.

**The Hon. SCOTT FARLOW:** I'm seeing slight nodding across the table from Ms Suvaal. Thank you, Minister. With respect to this inquiry and, of course, the impacts that are in place in local government at the moment, would you consider that inflation, and particularly the inflation that councils are currently experiencing in terms of their costs, would be a key concern for this inquiry?

**Mr RON HOENIG:** The inflation factor, firstly, has been now incorporated into the new rate peg methodology of IPART that the Government has adopted this year. But if you look at the history of rate peg—it's been in existence for 46 years, when the Wran Government implemented it. Until about 2010, 2011 or 2012, Ministers for local government determined the rate peg before they delegated it to IPART. Ministers for local government usually determined a rate peg below the inflation rate. So, over a period of 46 years, you've had councillors, for half a century, squeezed below the inflation rate. As a result, much of their loss of employment, loss of council employees, loss of apprenticeships, loss of trades, loss of skills, loss of injecting their own procurement into their own local economy, over half a century, has just gone, for reasons that they just don't have funds.

Their loan-borrowing programs for infrastructure, where they would obtain Loan Council and then TCorp money on a yearly basis to fund infrastructure over a generation so that—all that just stopped, as soon as they had political determinations of their rate peg, of nearly half a century. No-one's got a magic wand. No-one can give them rate increases during a cost-of-living crisis. But there must be a way forward for local government and it be looked at, which is not just providing an opaque financial system. It's not just by preparing fancy-looking documents. But it is a tangible way in which we can maybe set a pathway forward to them to start addressing their financial sustainability problems because, as the Auditor-General pointed out to me within a week of me becoming Minister, it is grave, very grave.

**The Hon. SCOTT FARLOW:** Minister, given that grave problem, will the State Government be looking at more financial support for local government?

**Mr RON HOENIG:** The answer is that the State already gives considerable funds to local government in a variety of grants and a variety of actions. But local government needs to resolve its own operational efficiency and resolve its own financial accountability. The State needs to remove its opaque restrictions of its financial operations. Then, once that becomes transparent, we can all look and see what their financial sustainability problems are. At this point in time, their financial systems are so opaque that nobody would really know what's going on in terms of their control of operational expenses.

**The Hon. SCOTT FARLOW:** So there's nothing in train or planned to be able to provide more support to local government financially from the State Government?

**Mr RON HOENIG:** They're getting it regularly anyway. If you look at the budget papers for a whole range of portfolios, there's a whole range of money and grants coming to local government for a variety of functions that they perform or share with the State.

**The Hon. SCOTT FARLOW:** But you've conceded that it's a grave financial situation that they're in at the moment. Wouldn't you think that, while they might be getting funding already from State Government sources, they might need more?

**Mr RON HOENIG:** The solution to a lot of problems, Mr Farlow, is not just throwing money at organisations. It's not just throwing money at departments. There is a need to make these organisations efficient and transparent. If you can create that, then you can often get better value for money as to how they're operating.

**The Hon. SCOTT FARLOW:** Will you be looking to put in place a program to try to support councils in greater efficiencies and be able to change their processes?

**Mr RON HOENIG:** I can give you some examples of the ridiculousness of the system, if you like.

**The Hon. SCOTT FARLOW:** I'm sure we all know a few of them. What do you see as the low-hanging fruit?

**Mr RON HOENIG:** There's no low-hanging fruit. We're at the end of the road, Mr Farlow. There is no low-hanging fruit in local government anymore. Those days are gone. There is a cultural, structural change that is needed to effectively make them the genuine third tier of government that they are—the most important tier. There is a cultural change to cause them to be the respected third tier of government, which they are not at the moment. Most of those things relate to structures that the State has put in place in relation to their operation.

**The Hon. SCOTT FARLOW:** What are those structures?

**Mr RON HOENIG:** There are 93 members of the Legislative Assembly, and most of them are telling me how bad their councillors are, how I should sack them, how I should sack administrators, how I can tolerate this and that codes of conduct aren't happening against this mayor. It's a constant refrain that I am getting privately while they're all nice and patting them on the head publicly. Privately, that's not what the situation is. I say that they've got a bum rap for structures that have been put in place historically since the 1993 Act that makes their ability to achieve on behalf of their communities pretty well unworkable. Low fruit off the trees? Empower councillors. Low fruit off the trees? Stop councils having private briefing sessions behind closed doors, which is contrary to some of the very recommendations of IPART. In other words, make sure that the material they get is transparent. Try and force sunlight into the operations of the council, which is not just a deterrent against corruption, but it also makes for good democratic decision-making.

The tough part is to replace the opaque financial systems of the council. So, to the public and to a councillor, they have absolutely no idea where their money is being spent. The days of the old detailed draft estimates where councillors and the public could see where all the funds were being allocated—they're gone under the current financial system. For example, councils are required to depreciate assets that are not realisable assets. Now, to depreciate an asset you need a value of that asset to depreciate it, which means that they've got to go and value these unrealisable assets and then they have to place them on a depreciation schedule. I cannot understand the mode of reasoning of taking a council drain and putting a value on it and then putting it on the balance sheet and depreciating it.

Now, in business in the private sector, your assets are depreciated. In fact, you'd rather write them off in one year, but you have an incentive through the tax commissioner to write off an asset because it's a tax deduction. What is the value in the council putting a value on a drain that it can't sell, has got to get a value and then depreciate it, and then that depreciation sits on their balance sheet? I mean, when TCorp lend money to a council, they put aside the value of those assets because they know they're not realisable assets. They've got the Auditor-General breathing down their noses, doing performance audits at huge costs and giving them qualified audits or giving them management audits because of something not appearing on the register of assets or not being depreciated. Or, you have councils bodgying up their values on their statements of accounts to minimise the depreciation schedules.

**The Hon. SCOTT FARLOW:** Minister, I'll cut you off so I can get one last question in. With respect to the Suvaal inquiry—as we will call it now—what is your time line for that to report back to the House?

**Mr RON HOENIG:** I am actually in her and the committee's hands. We haven't even finalised the terms of reference yet. We are consulting between the local government associations, the unions and the various regional organisations of councils to make sure that we are covering everything.

**The CHAIR:** Minister, at the last estimates you gave an undertaking that you would, to the best of your ability, ensure there was movement on the building of the new Sydney Dogs and Cats Home facility. You described it as a matter of priority. Are you able to provide us an update on where the construction of the new facility is up to?

**Mr RON HOENIG:** I can. I'll have Mr Whitworth do that, because I asked him about that the other day. So I don't get anything wrong, I'll get him to reply, if you don't mind.



**BRETT WHITWORTH:** I will actually ask Mr Walther to answer that question, because Mr Walther is managing that for me.

**DOUGLAS WALTHER:** In regards to Sydney Dogs and Cats Home, since the last hearing an undertaking has been entered into with Public Works, who are largely managing the facility. The current stage is just assessment of the QS report, just to make sure that the ultimate facility is built within the funding envelope of government.

**The CHAIR:** Have the costs of the build increased as a result of the delays?

**DOUGLAS WALTHER:** I think the funding envelope has remained the same. I think the work that is currently being undertaken is looking at the QS and making sure that we're building a fit-for-purpose facility, but within that funding envelope.

**The CHAIR:** I understand that Mr Walther said that the funding envelope remains the same. My understanding is that the cost of the bill has increased because of the delays in progressing this. Will the Government be looking into supporting and helping to cover the additional costs that have been caused by the delay?

**BRETT WHITWORTH:** I would like to understand the source of the data for that, because what you are saying is that the delay in the time frame for the resolution of the auspicing authority has led to an increase in cost, but it could not have led to the level of increase in cost that we understand exists. The increase in cost would not come from a time escalation. What I'm concerned about is that you have received advice that implies that the delay is the increase in cost.

**The CHAIR:** What do you believe is increasing cost?

**BRETT WHITWORTH:** As Mr Walther said, there is a quantity surveyor that is undertaking an assessment as to the cost of the work that had been approved through a development approval and whether that was within the \$12 million funding envelope, as had been identified to us originally.

**DOUGLAS WALTHER:** This is also the first time that the costs have gone through the QS process. It's not that we had a QS that was one funding amount and then, over time, it's now blown out to X. This is just the first time that we've looked at the project that was designed and then attributing the costs to that has resulted in where we're currently at.

**The CHAIR:** Minister, if there was a case—I understand that others have said that it's not due to the delay—to suggest that it was caused by the delay, would you be open to looking into that with Sydney Cats and Dogs Home?

**Mr RON HOENIG:** I am, because it's an important commitment the Government has given and it's important to the six councils that need the facility and it is part of stage one of what's proposed, so I'll look at it with a view of ensuring—I mean, we went to Public Works because of our concern about the ability of handing over the \$12 million to a community organisation that may not have been able to comply with the Government's integrity audit processes. I'd hate that process to be what the cause of the increased costs are, and I hope it's not our fault. But it is an important project we've got to get done and it is an election commitment we gave.

**DOUGLAS WALTHER:** Minister, through you, the initial pricing put forward by Sydney Dogs and Cats Home, through their own admission, relied on a lot of goodwill and in-kind donations associated with their reputation in the sector. The formal QS price is at market, so there could rationally be reasons as to why the on-paper value is different to their original expectation put forward.

**The CHAIR:** When they believed that they were running the project, they felt that they could do it at this cost, whereas now that it's going through that more formal process it's at market cost, and so therefore—

**DOUGLAS WALTHER:** The technical assessment we do factors in everything at market. However, Sydney Dogs and Cats Home—and we are still hopeful that we can achieve in-kind donations from various participants.

**The CHAIR:** Mr Whitworth, I know the last time we spoke you said the facility would likely be completed February-March 2025. Is that still the current time frame? That might be another question for Mr Walther.

**DOUGLAS WALTHER:** Because we are adjusting the project to fit the funding envelope, once we've got that final technical specification we can report back with a final date.

**The CHAIR:** There's no time line at this point?

**DOUGLAS WALTHER:** I'd probably have to take it on notice.

**The CHAIR:** If you could, thank you, even if it is a rough idea as to when you hope to have it completed. Minister, as you're aware, you're solely responsible for the Companion Animals Act and jointly responsible for the Prevention of Cruelty to Animals Act. There are a number of election commitments falling within both of those portfolio committee areas, including overhauling the entire POCTA Act, banning puppy farming et cetera. Have you met with Minister Moriarty about these election commitments and how they're going to be fulfilled? I understand they fall between both your portfolios.

**Mr RON HOENIG:** I meet with Ms Moriarty on a regular basis. I haven't talked to her about those matters because the actual implementation of POCTAA is with DPI, really. So I really haven't had a line of sight in relation to where they are. I did ask yesterday or this morning as to where they're up to in the POCTAA review. Rather than me answer that, I might—

**The CHAIR:** We might come back to you in the afternoon.

**Mr RON HOENIG:** I asked this morning as to where they were up to and I think they are giving it the priority that it needs.

**The CHAIR:** In the budget estimates with Minister Moriarty, I asked her about the election commitment around the ban on puppy farming and she said she'd be working closely with you on this. Are there any updates that you are able to provide on that legislation in particular?

**Mr RON HOENIG:** I think that's all tied up with not just the POCTAA review but also tied up with the pound inquiry.

**The CHAIR:** Can I ask what this policy review is?

**Mr RON HOENIG:** Because basically banning puppy farms is, effectively, not banning the physical farm but controlling those who—

**The CHAIR:** It's creating rules around breeding practices.

**Mr RON HOENIG:** Yes. That becomes a DPI matter rather than a Local Government matter. I know it is frustrating that the administration of both of them is divided but that's—

**The CHAIR:** It's just that Minister Moriarty said that she was going to be working very closely with you, because you've got joint responsibility for POCTAA but you've also got responsibility for the Companion Animals Act.

**Mr RON HOENIG:** That's the case, and I always work closely with Ms Moriarty, who I value highly. But the enforcement part of POCTAA is with her administration and it is devolved to the Animal Welfare League, the RSPCA and effectively the police. So I don't have any statutory authority in that area.

**The CHAIR:** You mentioned, though, a policy review. What is this policy review?

**Mr RON HOENIG:** By that I'm talking about the POCTAA review. That's going to be the critical piece of legislation—

**The CHAIR:** I might—because I've only got a few seconds left. In regard to the enforcement agencies falling under the DPI, I'm wondering, then, why the Office of Local Government is providing the funding for those enforcement agencies for the inspectorate.

**Mr RON HOENIG:** You're talking about the grants that were given to—

**The CHAIR:** The \$26 million, yes.

**Mr RON HOENIG:** That might be historic, but I know it came through the Office of Local Government. A lot of money comes through the Office Local Government, but I don't have access to it. Why is the money coming through us?

**BRETT WHITWORTH:** It was an announcement from the former Government that the current Government made a commitment to honour. That announcement was made by Minister Tuckerman. I don't know the reason why it was Minister Tuckerman and not Minister Marshall at the time, but I do know that the responsibility for the more yearly and annual grant process to RSPCA and Animal Welfare League comes through the Department of Primary Industries.

**Dr AMANDA COHN:** Minister, I've got a question about this proposed parliamentary inquiry into rate pegging. Given your stated desire for a bipartisan approach to the issue, why have you selected a Government-controlled committee and not this Committee, which requires cross-partisan collaboration, to make any recommendations?

**Mr RON HOENIG:** I don't know. I didn't actually make the selection. I let my staff make that. I probably sought a chair of a committee that was happy to take the poisoned chalice.

**Dr AMANDA COHN:** Now that I've asked the question, would you consider discussing it with members of this Committee, noting that this is a portfolio committee that examines the portfolio of Local Government?

**Mr RON HOENIG:** I'd have to take that on notice. There is such a queue of people wanting upper House committees to look at things. Being able to negotiate agreement with the chairs, I'm told, can be fraught. I can assure you that it would not have been done on the basis to achieve a political result, because the last thing I want to do in this portfolio is cause political decisions to be made. There's been enough of that.

**Dr AMANDA COHN:** I appreciate you taking it on notice. I'm noting that there are many members of this Committee who hadn't heard of it before today, so I'm not sure it was ever discussed with this Committee. Minister, you have been a public supporter of LGBTQIA+ young people and their right to be valued, respected, accepted and equal. I appreciate having an ally in a position such as yours. Are you aware that community events organised by councils, like rainbow balls and drag story times, have had to be cancelled due to threats of violence from far-right groups?

**Mr RON HOENIG:** No, I wasn't, but if there are any of those sorts of threats, I just deplore them. It's just outrageous. You would like to think our community has just moved on from that sort of vile conduct.

**Dr AMANDA COHN:** This issue has impacted LGBTQIA+ communities themselves. There's been a tangible mental health impact when these events have had to be cancelled. But it's also placing a huge burden on council staff, who are the ones actually receiving these threats and having to manage these issues. What support can be provided to councils and council staff to make sure that these events can go ahead safely and that staff feel supported?

**Mr RON HOENIG:** They're law enforcement functions, aren't they? But I'll take it on notice. I'll talk to the police Minister; I'll talk to the multicultural affairs Minister as well. I'll have a talk to the member for Sydney and just see whether or not there's something that can be tangibly done to provide support.

**BRETT WHITWORTH:** Minister, if I can assist, the Office of Local Government, New South Wales police, Local Government NSW—we cooperated together in providing a seminar session around this very issue of how council meetings can be overtaken by radicalised elements and so forth. The New South Wales police have a high degree of speciality in this area. Local Government NSW have been working on providing some support, assistance and guidance, and we have also identified how mayors and chairs of committees can use the meeting code of practice in a way to de-escalate concerns and also to identify how to protect the health, safety and welfare of staff in these processes as well. That seminar was held—I think it was probably September last year, for example, and we'll continue to follow that up with Local Government NSW.

**Mr RON HOENIG:** But I accept what Dr Cohn says: It's getting worse now, and you're in a situation whereby there were motions moved at Cumberland council yesterday that were only defeated on a casting vote. We don't want those sorts of debates emanating in not only councils but any tier of government.

**Dr AMANDA COHN:** Thank you. I appreciate your interest in the matter, Minister. Cumberland council have now voted to ban drag story times in their local government area. Orange City Council last night had over 500 people in attendance at a meeting for a motion to cancel the Orange Rainbow Festival. I'm proud of a regional community that has voted to retain the Orange Rainbow Festival, so that was a really good outcome last night, but this is obviously continuing to crop up. Given your willingness to meet with others and seek guidance on this, I would also urge you to speak with ACON, a peak body for LGBTQIA+ health in New South Wales. They've actually already produced a guide that is targeted to councils to help them host events safely. They've called for councils to be supported with resourcing expertise and networks to be able to safely host events like this.

**Mr RON HOENIG:** Those sorts of suggestions are tangible, rather than sticking them in a code of conduct.

**Dr AMANDA COHN:** On a very different topic, I understand that the issue of the widespread application of mulch contaminated with asbestos has already cost the City of Sydney more than \$200,000. That's not even including remediation or replacement yet. A number of councils are under extraordinary pressure from the community to address this issue urgently and reopen parks and public spaces. What support is being provided to councils? What representation have you made on their behalf to the Minister for the Environment and to the EPA?

**Mr RON HOENIG:** I can either read you my briefing note on asbestos or tell you that it's not my portfolio. I'll sum it up by a few words. If you want more information, I'll read it to you. The principle in relation to this disgraceful contamination in the Sydney Basin—and it's disgraceful—there is a maximum penalty of substantially

damaging the environment, on indictment, of seven years jail. No-one's ever been indicted; they've only ever been prosecuted for minor offences. The principle is polluter pays, so ultimately the polluter's going to be paying.

**Dr AMANDA COHN:** Can I ask you, really specifically—I'm sure the Minister for the Environment is going to be asked lots of questions about this tomorrow—what support have you provided to councils or what representation have you made on behalf of councils on this issue?

**KIERSTEN FISHBURN:** Minister, Mr Walther is our representative for the Department of Planning, Housing and Infrastructure, so I can ask him to talk about the council interaction.

**DOUGLAS WALTHER:** I represent the DPHI on the taskforce. The taskforce is also represented by the president of LGNSW. There was a very early recognition that councils were being impacted. We should stress that those that received mulch are victims in this; it is through no fault of their own. Councils were being impacted; it was important to have Local Government representation on the taskforce. The three impacted councils have been City of Sydney, Inner West and Penrith council also, as landowners that have impacted mulch being received. EPA, being the subject matter experts, as well as SafeWork, have been meeting with councils.

We are currently putting together a protocol that recognises the clean-up cost and making sure that we can reduce those burdens to councils in the clean-up. To the Minister's point, we do operate on a polluter pays principle under the EP&A Act. However, from time to time there have been instances of pollution where the polluter, for some reason, hasn't paid, so we are also exploring public liability and other insurances of the contractors involved in the work. So there is a hierarchical element of where we will find those funds. However, we're working with councils to reduce that total clean-up bill, doing things like—

**Dr AMANDA COHN:** We might come back to that this afternoon. I can see there is only one minute left on the clock. I might give that time to the Hon. Rod Roberts.

**The Hon. ROD ROBERTS:** That's a hospital pass if ever I've seen one. All right, let's go—quick! Minister, have you had a conversation or made any formal request to the Treasurer, Daniel Mookhey, to set funds aside in this forthcoming budget in case it's needed to assist with demergers of councils?

**Mr RON HOENIG:** No.

**The Hon. ROD ROBERTS:** Has your department done any assessment—

**Mr RON HOENIG:** Can I—

**The Hon. ROD ROBERTS:** No, we're on the clock. Come on! I take your answer is no. That's all right. Has there been any departmental assessment to determine if there'd been any financial impact on the State budget as a result of any demergers?

**Mr RON HOENIG:** Not that I'm aware of. Is there something that I don't know?

**BRETT WHITWORTH:** I think that there was a piece of work that was commissioned under the former Government in terms of what the potential demerger costs were, but they were under an entirely different model where there was a State-imposed transition manager and a State-imposed division of assets. The Minister's made quite clear that's not the model that he wants to pursue, or should we be—

**The Hon. ROD ROBERTS:** Are you going to do a new assessment under the new model?

**BRETT WHITWORTH:** The assessment—sorry, Minister. The new model is based on councils identifying what the transition process will be and how they can create new financially secure councils. We will obviously receive that information. The Boundaries Commission will make an assessment of that and we will provide assistance and support—like we've been doing now—to help councils in undertaking that implementation and financial sustainability planning.

**The Hon. ROD ROBERTS:** I noticed the bell, Chair.

**The CHAIR:** Thank you. We now go to Government questions.

**The Hon. PETER PRIMROSE:** We're very satisfied.

**The CHAIR:** In that case we will now go to morning tea. We will be back at 11.15 a.m.

**(Short adjournment)**

**The CHAIR:** Welcome back from that short break. I'll throw straight to the Opposition, the Hon. Aileen MacDonald.

**The Hon. AILEEN MacDONALD:** With this new committee for the LC—this comes out of the blue. Would it not be better just to give IPART a shorter time frame? I don't know. It just seems like you're bulldozing it into the LC committee.

**Mr RON HOENIG:** I don't think so. IPART itself was going to take too long. The IPART—

**The Hon. AILEEN MacDONALD:** That's what I said. If you gave it a shorter time frame—

**Mr RON HOENIG:** They said that they would need 12 months. I would rather wait to see what comes out of the parliamentary committee, and I can always utilise IPART down the track. I might get a preliminary view that—

**The Hon. AILEEN MacDONALD:** Thank you, Minister. You then said that, with the LC committee, you would be guided by the committee. So you don't have a time frame in mind?

**Mr RON HOENIG:** I don't have a time frame in mind.

**The Hon. AILEEN MacDONALD:** I'll move on to my next question.

**The Hon. SCOTT FARLOW:** Just quickly on that committee, Minister, would you envisage that the abolition of rate pegging could be on the table?

**Mr RON HOENIG:** I think it should be looked at. I don't envisage anything. The Government would not agree to that, but I'd like it to be looked at in any event. That's what local government wants to have looked at. Let them have it looked at by elected people, properly and impartially and bipartisanly.

**The Hon. AILEEN MacDONALD:** I hope you take up Dr Cohn's suggestion of actually having it as a portfolio committee inquiry.

**Mr RON HOENIG:** I'm unaware of the—

**The Hon. AILEEN MacDONALD:** I'm just making a suggestion there. Minister, at the last estimates, you advised that you had received \$4.5 million to set up a strategic policy unit. Has that happened? Have you set up the strategic policy unit?

**Mr RON HOENIG:** It's not set up yet. I'll ask Mr Whitworth. The funds don't come out of Treasury until late. But, Mr Whitworth, what's the situation?

**BRETT WHITWORTH:** We have commenced the process to establish it. I have tasked one of my directors to take on the carriage of running the strategic policy unit. We have looked for resources within the Department of Planning, Housing and Infrastructure that we can second over. We have also placed job ads seeking new staff to come into the unit. We have undertaken a number of pieces of work. To this point, we have undertaken some preliminary work around the code of conduct process in anticipation of providing a base for the Minister. We have started looking at how we can make councillors more visibly in control of their councils and some of the principles around the budget-setting process, the review, the regular monthly, quarterly review, the accounting process—

**The Hon. AILEEN MacDONALD:** I might ask you some more in the afternoon session. I'll move now to senior concessions. Currently, eligible pensioners can receive a rebate of up to \$250 annually on their council rates and annual charges. This amount has remained unchanged since 1989. That's 35 years. Will you review the Local Government Act to consider an increase in this rebate to pensioners?

**Mr RON HOENIG:** I'm just continuing on the same policy, at this stage, in terms of priorities, as the previous Government and the previous Government before that.

**The Hon. AILEEN MacDONALD:** My question was: Will you consider an increase to this rebate by reviewing the Local Government Act?

**Mr RON HOENIG:** I'm happy to consider it. I'm not going to make any commitment to moving forward, and there's some reasons for that, too.

**The Hon. AILEEN MacDONALD:** I might pursue those later. On demergers, before you were elected a year ago the legislation was amended. So we've already covered that. Now you have a bill before the House that throws it back on struggling councils to pay. Do you have any desire to finance any demergers?

**Mr RON HOENIG:** No.

**The Hon. AILEEN MacDONALD:** In saying that, would you expect the Opposition to support a bill that would leave financially strapped communities to pay the cost of getting their communities back?

**Mr RON HOENIG:** I don't know. The Opposition created this mess. It should be in a position to help me get out of it.

**The Hon. AILEEN MacDONALD:** That will be up for debate, I imagine. It seems to me, Minister, that you have a lot of reviews going on but no actual decisions or action. When will we see some action? Where is the democracy?

**Mr RON HOENIG:** Such as what?

**The Hon. AILEEN MacDONALD:** You've got the IPART review, which is now not an IPART review. You've got the financial sustainability review. There are so many.

**Mr RON HOENIG:** I've inherited significant and major issues. As I said to Mr Farlow before the break, there's no low fruit off the trees.

**The Hon. AILEEN MacDONALD:** But it seems like you're procrastinating. Rather than doing anything, you're just putting them in this big melting pot.

**Mr RON HOENIG:** I don't think so. I don't accept that characterisation. You're talking about an Act this size that has been a good Act. It was written in 1993 by Gerry Peacocke, who did quite an exceptional job. Then you had the Parliament, for the next 30 years, undermining the very existence of the Act. You want me to be able to just wave a magic wand and resolve 30 years of shambles by successive governments over an Act that took them 70 years to write. I think you are being a bit unreasonable, Mrs MacDonald.

**The Hon. AILEEN MacDONALD:** You have already said that the system is broken. Where is your priority? What is coming first? You seem to be juggling, rather than doing anything.

**Mr RON HOENIG:** I do have to juggle because I've got local government elections coming up. I have got to do local government regulations for this election. I have got to decide whether or not I amend these regulations and apply the same standard to local government elections that apply to State elections. Do I reduce pre-poll from two weeks to one week? Do I stop the electoral—

**The Hon. AILEEN MacDONALD:** They're all your decisions. Maybe you need a to-do list. At the moment, you have legislation before the House. If that legislation is passed, will it delay local government elections? Is that something else that we have to—

**Mr RON HOENIG:** No, that's just speculative. That's just a hypothetical. I can't answer that.

**The Hon. AILEEN MacDONALD:** You don't believe it will?

**Mr RON HOENIG:** You just asked me a hypothetical question. I can't answer that.

**The Hon. AILEEN MacDONALD:** At the last budget estimates, we talked about your diary and how difficult it sometimes is for constituents and people to meet with you. We had a case that you took on notice—a Mr Lindsay Nylund, who believed he was unfairly dismissed from Canada Bay council. Have you met with him yet?

**Mr RON HOENIG:** No. I think that's happening. I don't think there's anything I can do for him, but I know it's happening.

**The Hon. AILEEN MacDONALD:** He'd like to have his voice heard. I know it was suggested that you meet with the Demerge NSW Alliance. Has that happened?

**Mr RON HOENIG:** They've met with my staff twice. I think they want an online meeting. I think I've said to see if we can fit that in.

**The Hon. AILEEN MacDONALD:** It seems that people can't meet with you, but they also don't get responses to their mail either. The Amateur Fishermen's Association of New South Wales wrote to you on 27 May, then again on 22 September and then followed up with a phone call on 22 December, only to be advised that a reply was being prepared. Then they again phoned on 19 February, thinking maybe they had not received the reply, only to be given the same answer that a reply was being prepared. That's basically eight months and still nothing. How long do they have to wait for an answer to a simple question that was about safer access from the land to the waterways for the elderly and disabled for recreational enjoyment?

**Mr RON HOENIG:** I'm pretty assiduous in the correspondence I answer, whether it's as a Minister or as the member for Heffron. I sign thousands of letters that I personally view myself. I don't allow ministerial correspondence to go out unless I've signed it. There is a lot—

**The Hon. AILEEN MacDONALD:** So, has this one—

**Mr RON HOENIG:** There is a lot. Mrs MacDonald, if there is something that slipped through the cracks, give me the information and I will chase it up. And if I haven't responded, then I accept responsibility and I apologise, and I will make sure that I have got it done.

**The Hon. AILEEN MacDONALD:** You'd agree that it's a discourtesy? It's a long amount of time, isn't it, for a response?

**Mr RON HOENIG:** If what you say is accurate and it hasn't happened, then it should not have happened and I accept responsibility and I will apologise to the people involved.

**The Hon. AILEEN MacDONALD:** Okay—and will try to respond.

**Mr RON HOENIG:** Yes. If you can make sure that we have that information before the end of the day, I will just make sure that we chase that matter up.

**The Hon. AILEEN MacDONALD:** Thank you, Minister. I would like to now turn to the Local Government (General) Amendment (Tendering) Regulation (No 2) 2023. Isn't this just adding another unnecessary layer of bureaucracy to overburdened and under-resourced local councils?

**Mr RON HOENIG:** No, it is a regulation to protect people's job entitlements and to stop contractors undermining workers' working conditions.

**The Hon. AILEEN MacDONALD:** I accept that. So why was it rushed through at the end of last year and it appeared that nobody, not even the peak bodies, were able to be consulted on it?

**Mr RON HOENIG:** Because something needed to be done quickly to stop workers being ripped off and losing their entitlements, and having their labour effectively being utilised and the cost of their labour being utilised and undermined for the purposes of lowering their working conditions so that somebody can win some competitive tender. A stop had to be put to it. When you do act quickly like that, of course there are unintended consequences. There are some changes that will be needed to that regulation, and I have indicated that I am prepared to do that, but I just had to put a stop to it. People were losing their working conditions, their entitlements, their rates of pay. It has been quite a disappointing exercise for those workers, who work in a difficult industry.

**The Hon. AILEEN MacDONALD:** Would it not have been—and I accept that. It just appears to be like a bulldozer approach, because you have said now you have to go back and look at it again. Wouldn't it have been better to have consulted and got it right, rather than having to review it after the fact?

**Mr RON HOENIG:** Yes, well, I suppose the problem is how many more workers would have suffered as a result of that process. I accept the criticism. When you act quickly in legislation and regulation, they can have unintended consequences, but sometimes you don't have any choice. I mean, what do you do with a worker who has been working for 30 years for a council and his labour costs get undermined by a competitive tender? And they say, "Oh, well, you can keep your job, but you can't keep your entitlements, you can't keep your long service leave, you can't keep your holidays, and you start again." It's just not fair to leave those things just hanging in the air.

**The Hon. SCOTT FARLOW:** Minister, will you concede that increasing density in local communities will have an impact on councils and the community services they'll have to provide?

**Mr RON HOENIG:** I think you'd probably need to direct that question to the planning Minister, because you're asking me a question about the Environmental Planning and Assessment Act.

**The Hon. SCOTT FARLOW:** No, I'm asking you a question about—if you've got more people in a local government area, the local councils need to provide them with more services. Isn't that the case?

**Mr RON HOENIG:** That doesn't necessarily follow because—it is not as simple as that. There are a variety of provisions in the Environmental Planning and Assessment Act that provide mechanisms to provide for and fund those. You really need to direct those questions to someone more knowledgeable and experienced than me, like the planning Minister.

**The Hon. SCOTT FARLOW:** Let's go to something that I know you are very knowledgeable on, Minister, when it comes to rate collection from local government. If you had, let's say, a more dense use of property—so if you were to have a residential flat building replace a freestanding home—you would anticipate that in that stratified property there would be more residential rates collected. Is that correct?

**Mr RON HOENIG:** If you were replacing, say, one or two or three residential properties at a particular location with, depending on the size of the strata and whether your strata is going up or not—the potential's there to increase rate income because all those other properties would have the minimum rate. That's true. That's a straight-out mathematical calculation. If, though, you are changing the use of the land—for example, the industrial

land around Botany was far more valuable than residential land. If you are changing industrial land to residential land, even if you had medium density development on that industrial land, then the income you derived was less.

**The Hon. SCOTT FARLOW:** Indeed, Minister, and thank you for that explanation. That increase in rates would theoretically cover some of the council's costs in looking after those residents. Waste collection, of course, is measured on each individual property. You would have a certain collection for local services, local parks and the like?

**Mr RON HOENIG:** That's an interesting question because it depends. Because I'm out of it now, I just don't know, but some residential properties provide their own waste management services. If they do, would they pay the waste management levy? Probably. The waste charge on their rates, would they pay that or not? Probably not, I would have thought. I suppose it depends on each individual development consent and each individual use.

**The Hon. SCOTT FARLOW:** Minister, are you familiar with the arrangements that exist when it's a build to rent property rather than a strata property?

**Mr RON HOENIG:** I'm aware that causes a problem in terms of rate income, but I'll let Ms Fishburn answer that, if you like.

**KIERSTEN FISHBURN:** That's actually one of the questions that I've asked the Office of Local Government to provide me some expert advice on. As you're aware, due to our discussions in many other estimates, build to rent is an asset class that has not been particularly utilised in New South Wales up to this point. It's significantly used in Victoria, who have a different rating system. I'm aware, of course, because it isn't strata that you end up with a different rating outcome. I've asked for some expert advice on that. I have not received it at this point. I've only just recently asked for it, but I'm happy to come back in a future estimates and provide more detail.

**The Hon. SCOTT FARLOW:** Minister Hoenig, the City of Ryde, for instance, submits that in an example of a residential apartment block in Macquarie Park, under a property that has 695 units separately rated, the rates they would expect to gain from that on a land value of \$157 million is \$596,717 per annum. However, if it is rated as one assessment through a build to rent, they anticipate their rate collection for that property would be \$92,063, a differential of nearly half a million dollars. Is this something the Government will be looking at addressing?

**Mr RON HOENIG:** It does have to look at it. Interestingly enough, the problem seems to stem also from the fact that we rate on land value or unimproved capital value as well, which also is quite challenging. But the issue you raise I've had raised with me with mayors of a number of councils that are finding builds to rent. It's a matter that the Government has to address.

**The Hon. SCOTT FARLOW:** Thank you for that assurance that the Government will be looking at addressing that. With respect to those discussions you've had, is there something that is being raised with the Minister for property and the Valuer General with respect to how properties are actually valued in New South Wales in terms of the unimproved value rather than the actual capital improved value?

**Mr RON HOENIG:** This discussion in New South Wales of rating on the basis of, if I can use the word—I don't know if it's old fashioned now—unimproved capital value to improved capital value has been going on and has been subject to recommendations, I think, from the early 1900s—like 1911 or 1912—and governments have repeatedly refused for more 110 years to make the change. You might remember even IPART relatively recently to the former Government recommended a change of rating to improve capital value because it is a far more progressive land tax or tax than unimproved capital value. But that government declined to do that.

I suspect that the Valuer General would say that it will take them five years and will cost half a billion dollars to effectively value every property. I am not sure that's right, because other States have improved capital value figures, but it's something that I am going to continue to look at because land tax is based on unimproved capital value, too. That means it's a regressive tax and not a progressive tax. I think the State, at some point, has to at least bite the bullet and be in the process. But I do accept it is a lengthy lead time to make those valuation changes when you have to value, on an improved basis, every block of land. They used to, in New South Wales, value assessed annual value. You're talking about the '70s and early '80s, when they had rent control. The VG used to—which is basically the rental value of land. They've done something similar before, but you are talking about, what, 40 or 50 years ago?

**The Hon. SCOTT FARLOW:** Thank you, Minister.

**Dr AMANDA COHN:** At the last election, about half of New South Wales councils didn't increase their number of women on council compared to previous terms. What work is being done to improve the diversity of representation at the next local government election?



**Mr RON HOENIG:** I think overall the figure is now 38 per cent. Is my memory right?

**KIERSTEN FISHBURN:** It's 40 per cent.

**Mr RON HOENIG:** It's 42 per cent—

**Dr AMANDA COHN:** It's 39.5.

**Mr RON HOENIG:** Anyway, my memory of what I read is 38. You're 39.5. Mr Whitworth tells me it's 42. But there has been an improvement or there has been an increase—not enough, I concede. You and others have raised with me this issue of superannuation and councillor fees that they get paid under the Act. That has also been raised with me by a large number of rural councils that I have spoken to. I have reflected on those views because when I came in I think they paid us \$300 or \$500 a year for attending meetings virtually weekly, and I always regarded it as a volunteer sort of job. But I have reflected on that and I tend to agree that those things constitute obstacles. However, the improvement is that the Local Government Remuneration Tribunal was effectively capped by 2½ per cent because of the wage capping. That has been removed. I am conscious of the fact that legislation has been enacted and the Premier has frozen people's salaries—parliamentarians and senior officers' salaries.

There is a huge cost-of-living crisis. If councils are seen to be publicly asking for pay increases in this climate, it will just bring them into disrepute—in some areas, further disrepute. I just say this: The Local Government Remunerations Tribunal has the ability to fairly adjust fees payable to councillors and I think that is the appropriate place. I'm contemplating—I haven't implemented anything; I haven't talked to the staff of the Office of Local Government about it, either—whether or not, at some point, some work value case should be done for councillors to be able to ensure that there is some measure or way in which they could be rewarded for their effort on a more fair basis. I don't know. I'll have to take some soundings about that. But I'm persuaded that there needs to be a re-examination by the tribunal of those things to try and remove the roadblocks for women to be entering into local government.

**Dr AMANDA COHN:** Thank you, Minister. I appreciate your reflections. You correctly predicted where I was going to go with this. I chose the figure of half of councils not increasing their representation of women rather than the overall statistic of 39 per cent because I'm really interested in which councils are increasing representation and which ones aren't. My question is if that relates to which councils have chosen to pay super to councillors and which one haven't. Is that data being collected?

**Mr RON HOENIG:** I've got a number here. I can find it unless somebody can find it for me. The number is nearly all councils have decided to pay super. So it's in the 112 or 114 number out of 128. It's a memory test. I can look it up if you like. If somebody else can save me looking it up, that would be good.

**Dr AMANDA COHN:** Thank you. I'm pleased to hear it's a majority.

**BRETT WHITWORTH:** It is 112.

**Mr RON HOENIG:** So I was close.

**Dr AMANDA COHN:** As we come into elections, are you advocating for the remaining councils to opt in or will it be made mandatory?

**Mr RON HOENIG:** Interestingly enough, it was always my view that councils could have, in the past, resolved to pay councillors superannuation. They just had to deem councillors as employees, because it was a tax law and it would subject them to FBT. They could have always done it but didn't do it. Now they have the right to do it, and I accept what you and other people have said to me—that it should be paid. People on State boards on part-time incomes get paid the superannuation guarantee. It's not fair not to, and I accept that it is one of the factors that might prevent women from seeking office at the local government level.

**Dr AMANDA COHN:** Are you going to do anything to bring those last few councils on board?

**Mr RON HOENIG:** Sometimes encouragement is better than the stick. We've been enormously successful at this point in time. We'll just wait. Next time I have a visit there or something of that nature, it's easier for me to suggest to them that they do it. I don't know whether there has been a refusal. You've got to be careful, as you know, Dr Cohn, dealing with councils. You don't want to get their back up. It is always a lot easier to encourage them, as Ms Fishburn is finding out now.

**Dr AMANDA COHN:** I look forward at next estimates to asking you how those meetings went. I want to move on to another issue. Last hearing I asked you about the provision of non-award contracts for senior staff, which was identified as a corruption risk by Operation Dasha. At that hearing you advised that you've never favoured contract employees, and you acknowledged both that corruption risk and the lack of certainty for the

workforce as well. What progress has been made towards employing senior local government staff on award contracts?

**Mr RON HOENIG:** I'm seeking to prepare legislation to prevent it. They should be in the process. I've given instructions, anyway. They should be in the process of preparing submissions to Cabinet and preparing a bill to legislate it. It's always up to councils where they designate someone as a senior officer as to whether they are subject to contract. I prefer general managers not to be on contract because I don't think they should be getting \$400,000, \$500,000, \$600,000 or \$700,000 a year either for what they do. They used to be graded. There's a shortage of people, especially in rural areas. If you start changing these things and you leave them without the ability to attract a senior professional, there are unintended consequences. But everybody seems to be on board. When the Local Government Association as the employer on behalf of councils says they don't mind, the unions say they don't mind, at least I can do it and share the responsibility if it goes wrong.

**Dr AMANDA COHN:** I want to pick up on the questions from Rod Roberts earlier this morning, coming back to the costs of the de-amalgamation and noting that we have collectively identified that there are some costs. Would you consider something like councils being able to access no-interest loans to cover those costs?

**Mr RON HOENIG:** I'd just have to consider it. It depends on the council and it depends upon what their financial circumstances are. Sometimes you get a situation whereby the financial sustainability of a council, while it might not be that group of elected people, is not their fault but is the fault of the previous one. So I have a great deal of respect as they're trying to deal with that challenge. But if it's the same ones that created the problem in the first place then I'm not sure. I just have to think about what you've said; I just can't commit the Government.

I'm very conscious of support needed for small rural metropolitan councils. I mean, Central Darling is due to go to the polls in September. The administrator has done a remarkable job with the general manager, in them surviving, but they have no mechanism to survive with ad hoc grants. They can't even fund nine democratically elected council for the smallest population in the State. Ms Fishburn has been convening, in the secretaries group, mechanisms for maybe coordinating government services to fund, in a coordinated way, within that shire that allows them to be financially sustainable. There are ways in which you can help some of these councils, who actually account for every cent they spend. They're actually quite remarkable as to what some of these small rural and regional councils do. They have my undying admiration.

**The CHAIR:** Minister, we were talking about puppy farming earlier and I understand your position. But will you be seeking a meeting with Minister Moriarty around that legislation, particularly because of the impact it's having on councils at the moment?

**Mr RON HOENIG:** What's our timing position in relation to puppy farms?

**JOHN TRACEY:** In terms of timing, all of those reforms we've committed to bringing back to Parliament by the end of the year. There's a lot of discussion and a lot of issues that have been brought up by stakeholders that need to be properly considered, so that's a priority for us.

**The CHAIR:** I might come back to talk more about this in the afternoon. Minister, my question was really about whether or not you'll be meeting with her and talking through some of the problems that councils are having, particularly on the border of New South Wales and Victoria.

**Mr RON HOENIG:** I will do that if you ask me to do that.

**The CHAIR:** Yes, please.

**Mr RON HOENIG:** You might remember last time you raised an issue with me in relation to utilising planning powers to control—

**The CHAIR:** Yes, I know. That was the planning Minister as well.

**Mr RON HOENIG:** I am right: There is that public interest provision, which I am sure you could successfully—you could advise them that I think they could successfully apply. Because, at the end of the day, are they going to appeal to the Land and Environment Court about a condition where they utilise their public interest head of consideration to stop a puppy farm? I mean, I'd like to see a commissioner at the Land and Environment Court stick his or her neck out that far. It's a worthwhile fight to have, I think.

**The CHAIR:** I have spoken to a couple of councils and they were obviously very nervous about any costs associated with having to go to court, and that was their hesitation. They've been sort of sitting around and waiting for legislation that will outlaw it, which obviously is coming along. But it's just been a very long time coming, unfortunately, until we've got to this place. We talked a little bit about the funding for enforcement agencies. It did come from the Office of Local Government. It seems that your position is that any further funding would come from the Agriculture portfolio. Is that correct?

**Mr RON HOENIG:** Yes—oh, hang on.

**BRETT WHITWORTH:** Sorry, Ms Hurst. The Agriculture portfolio did provide that funding. It was more supplemental funding that came out from the Office of Local Government, but it was a whole-of-government decision to provide that.

**The CHAIR:** When you say supplemental funding—the \$26 million?

**BRETT WHITWORTH:** Yes.

**The CHAIR:** Which is a lot more than—I think it was \$750,000 or \$800,000 that was coming from the DPI.

**BRETT WHITWORTH:** Yes.

**The CHAIR:** That is quite a substantial difference.

**BRETT WHITWORTH:** Sorry, maybe I'm not making myself clear. There is a baseline funding and grant process.

**The CHAIR:** Yes, but that's under \$1 million, isn't it?

**BRETT WHITWORTH:** Yes. That comes from DPI.

**The CHAIR:** It's a very small—

**BRETT WHITWORTH:** This was supplemental funding and it was also a recognition of some of the challenges that those agencies had been through as a result of COVID. It was also a reflection of some of the challenges that they were dealing with in terms of implementing changing community views and aspirations as well.

**The CHAIR:** Absolutely. Minister, obviously a lot of that funding went to expanding their inspectorate. This was an inquiry that was done in the Agriculture portfolio at the time. There were OH&S issues with one inspector going out to inspect animal cruelty cases. We know that there is a link between people who are violent to animals and people who are violent to humans, and we recognise that was a problem. I know that DPI, when they send out inspectors, they always send two, and the same with the police. If this funding, which expires in June—obviously the inspectorates will have to lay off a lot of staff, reducing enforcement activities. Have there been budget submissions and representations made to you by the enforcement agencies, given that \$26 million did come from the Office of Local Government previously?

**Mr RON HOENIG:** I made some recent inquiries. That looks like they're spending the money responsibly and will not run out by 30 June. I don't know what the situation is in relation to where we are up to in relation to funding.

**JOHN TRACEY:** That is a major part of what we're doing at the moment, to review funding for enforcement agencies. That needs to be properly considered as part of the—

**The CHAIR:** Is there a time line? I understand the Minister is saying that they might have some money beyond June 2024, but these organisations will be very nervous in the months going forward. Is there any kind of vague time line in regards to when they can understand when that review will finish?

**JOHN TRACEY:** I might ask Dr Filmer to answer.

**KIM FILMER:** That funding has been reviewed and that will be dependent on a Treasury response. Once the budget comes out, my understanding is that's when you will find out.

**The CHAIR:** So the review itself is finished. You've done your work and that's now with government.

**KIM FILMER:** It's with Treasury. In terms of timing, you'll know that better than me, probably.

**The CHAIR:** That helps me understand that your part of that is completed. Minister, when I was in budget estimates with Minister Dib, he hinted that you might have an announcement regarding the Pet Registry.

**Mr RON HOENIG:** No, I don't have an announcement in relation to any pet—

**The CHAIR:** You don't have anything?

**Mr RON HOENIG:** No. I've had—

**The CHAIR:** He said he didn't want to steal your thunder.

**Mr RON HOENIG:** I've had several private conversations with him about the Pet Registry hanging off the Service NSW app to see whether or not there was any pushback in relation to it. You'll be really surprised to hear this, but there's been some IT issues with the Pet Registry—you know those turnkey solutions everybody buys but never work. Mr Whitworth will tell you what the IT problem is.

**BRETT WHITWORTH:** We are talking about using the licence.nsw platform. That's basically hooking into the Service NSW website and their process. The companion animals register is the third-largest digital database in New South Wales, so this will be the largest database that uses this licence.nsw platform. To date, some of the existing utilisation has been smaller systems. We are talking about transitioning a nearly 20-year-old database into a contemporary environment. We are working very closely with the Department of Customer Service in terms of the build, but many of the things that we needed to do have almost required a—it's hardly the turnkey solution that people expected that it would be, and we have to build a number of components. We are working to a three-stage component. First stage release—we are now talking July, and that will be, effectively, the public launch, and then there'll be a progressive expansion over the second stage, from July to February 2025. And then the third stage will be the specific portal creation so that you will have the opportunity, whether it's RSPCA, police, councils, particular breeders—

**The CHAIR:** Rescue groups as well?

**BRETT WHITWORTH:** Rescue, rehoming organisations—to get a specific access into the portal so that they can draw out key data points, whether it's individual cases or broad-scale data, to help them undertake the work that they do.

**The CHAIR:** Thank you. And I might come back with some more questions in the afternoon. But, while we've got you, Minister—at the last estimates hearing I asked whether the Labor Government would be renewing the \$5 million companion animal care grant program that occurred last year—sorry, the year before. You said it was too early to say at the last estimates hearing. Are you able to give us any update today as we head into this 2024 budget?

**Mr RON HOENIG:** I can't. Mr Whitworth, do you know what the situation is?

**BRETT WHITWORTH:** When we've been talking about the money for RSPCA, Animal Welfare League, there were, effectively, four components of that major funding announcement—

**The CHAIR:** Sorry to interrupt you. I might just go back to you, Minister, because the question is whether you will be renewing. There was a grant specifically for companion animal rehoming organisations—rescue organisations that take animals from pounds to rehome them. They take other abandoned animals. They are a major resource for the pound system, to make sure that we reduce the number of animals that are euthanised. There was a \$5 million grant and \$100,000 could be applied for these organisations that were registered under the Local Government Act. Are you looking at considering furthering that \$5 million grant going forward?

**BRETT WHITWORTH:** They're not yearly grants. I suppose my point that I was trying to make before—these were part of that broader supplemental funding that was announced by the former Government and honoured by this Government. The process by which those agencies are acquitting that money continues and will continue for a period of time, and I can go into some of the statistics for you this afternoon on that.

**Mr RON HOENIG:** We'll have to review those for the purposes of making our submissions to the ERC as part of the budget process.

**The Hon. AILEEN MacDONALD:** Prior to the break, Minister, you mentioned a number of councils that you'd met with, and I commend you on all of those meetings. During any of your discussions, did the councils mention their financial sustainability and, moving on from that, their need to apply for IPART for special rate variations?

**Mr RON HOENIG:** Not in the way in which you've asked. But generally and genuinely they talk to me about a variety of the pressures that they face and the pressures in certain priorities that they face. Alternatively, they speak about their successes. Sometimes councils' financial pressures or sustainability relate to their expenditure in areas that aren't traditional local government areas, but they are spent in an effort to enhance their communities, and then they can't reduce that service, because the community wants to maintain it. I was in Wagga, I think, last week. It's inspiring what that council does and what their general manager does, just absolutely amazing. Whatever minor level of success I had in local government, I couldn't hope to do what they do. I look at what Brewarrina council does, how they've been able to reduce or eliminate Aboriginal crime by mentoring kids from year 10 and employing them.

There's some really inspiring work. But a lot of their problems are structural. A lot of their problems relate to services that they're picking up which might be the State's. A lot of them relate to their inability to source

income where they're dependent upon ad hoc grants. There's a variety of issues and challenges. I've served in local government—I've been out of it for 10 or 11 years—in a metropolitan council. I need to speak to rural and regional councils to understand their challenges and issues, which are different to metropolitan councils. I look out at Burwood and see what they do—it's just remarkable. There's some pretty remarkable stuff out there in between the bad news that usually crosses my desk every day.

**The Hon. SCOTT FARLOW:** Minister, with respect to those special rate variations, are you concerned by the number of special rate variations that are appearing each and every year?

**Mr RON HOENIG:** Yes. That's one of the reasons that I want the Legislative Council to have a look at rate pegging.

**The Hon. SCOTT FARLOW:** So that will be within the terms of reference in terms of special rate variations?

**Mr RON HOENIG:** It should be incorporated in the terms of reference. What happens is you keep giving them rate increases below the inflation rate and then, ultimately, they go to IPART and justify a rate increase in relation to their financial position. Then, right in the middle of a cost-of-living crisis, you end up with people with bill shock. When the government took political responsibility 46 years ago for council rates, you knew 46 years ago that they were never going to be reasonable in their response. With IPART in the past, you used to have to show that you had a project or something of that nature that you seek to fund, and then you consulted your community et cetera. Now it's effectively just a mechanism whereby you can justify—

**The Hon. SCOTT FARLOW:** An environmental levy or the like.

**Mr RON HOENIG:** You don't need an environmental levy. You can just show that your financial position is such that you're financially unsustainable unless they provide this to you. So there are too many. Too many are a product of decades of decision-making.

**The Hon. SCOTT FARLOW:** Minister, you have established that you're the lucky star of local government and visiting a lot of councils.

**Mr RON HOENIG:** You think so?

**The Hon. SCOTT FARLOW:** It seemed like you were the "I've been everywhere" man when it comes to local government, at least by your contention—although it doesn't appear in your diary, so we're a little bit puzzled by why that's the case. But, moving on, you mentioned Burwood mayor, John Faker, and the work being done in Burwood Council. You also mentioned in the last Local Government estimates that councils have a critical role in the planning process. Are you concerned, and are you hearing from mayors like John Faker that they're concerned, about the changes that your Government is bringing in when it comes to planning across New South Wales?

**Mr RON HOENIG:** I'm not the one having discussions or negotiating with the mayors of councils over meeting the State's housing strategy—a strategy which not only do I support because I'm a Minister but is well overdue. The planning Minister has actually been quite exceptional in the way in which he is managing the cooperation of councils in respect of the process. I think you should be talking to him about that, as distinct from me, because I don't have a role. When I go and see what they've done in Burwood, and what they're able to negotiate through voluntary planning agreements—being able to create densities close to rail stations and create those public spaces—that's the sort of work that you really only see when larger councils have expertise and a lot expert planning resources and engineers. You don't normally see that in a small council.

**The Hon. SCOTT FARLOW:** Surely, getting around to all these councils, you're hearing from councils about their frustration in terms of not being a partner with the State Government in this delivery.

**Mr RON HOENIG:** I think you're finding that the partnership is growing.

**The Hon. SCOTT FARLOW:** You might be the only person who has that assessment, Minister.

**Mr RON HOENIG:** No. I'm probably speaking to more of them than you are, Mr Farlow.

**The Hon. SCOTT FARLOW:** I don't know about that these days, Minister. With respect to the department of Local Government's role when it came to, in particular, the selection of sites for transport oriented development, Ms Fishburn told us in the planning Minister's estimates hearing that the Office of Local Government was part of what was known as the inter-agency assessment review committee. Minister, what was the Office of Local Government's role as part of that committee?

**Mr RON HOENIG:** Mr Whitworth? Because I didn't have a role.

**BRETT WHITWORTH:** I think that role was probably two-fold. It partially was the fact that I am a long-term public planning bureaucrat and had an understanding of the sites and the issues, so I think there was that desire to access some of my history in the area. The other element was that under the National Housing Accord—I think I've given evidence on this before—that I have been asked to chair the local government engagement working group, which brings together the different jurisdictions of the different States and their housing and local government offices to provide advice to, essentially, the council of finance Ministers and Treasurers on some of the local government perspectives around the delivery of housing under the National Housing Accord.

**The Hon. SCOTT FARLOW:** Did the Office of Local Government have any advocacy for councils to have input into the process in terms of selection of sites?

**BRETT WHITWORTH:** Sorry, the process of selection of sites was a process where there was a lot of planning information. I think that there was evidence that was provided, there were requests on specific issues. I think evidence has been given in other hearings about how the different agencies were asked to provide information about particular constraints and processes. As I said, my role there was probably more in terms of my history and understanding of Sydney and its geography, more so than a particular local government perspective. What I did say, which is part of the process, is that it will be important to talk to local government and to advertise and exhibit and engage with councils on what the proposed reforms were, which is what happened. Ms Fishburn spent a lot of time talking to councils and actually meeting with councils and the councillors to engage them as part of the process.

**The Hon. SCOTT FARLOW:** Mr Whitworth, with respect to the role that you played, you're saying that effectively you were there as a member of the cluster, so to speak, rather than as a representative of the Office of Local Government. Is that a fair characterisation?

**BRETT WHITWORTH:** Well, that is a characterisation, yes. I am a member of the executive of the Department of Planning, Housing and Infrastructure, and I bring a local government perspective into the conversations that occur around that table, just as my colleague Deputy Secretary Hawyes provides a Crown Lands perspective et cetera, et cetera. It's not unusual for me to participate in a conversation, but I'm there to provide advice as to what the most appropriate process would be to engage with councils and any local government perspectives around the Local Government Act. I'm not the advocate for councils specifically, because that is a job that's undertaken by Local Government NSW, for example, who actually represents the councillors and the councils through a far more democratic process. My job is to be the custodian, the regulator, of the local government system, working for the Minister, to ensure that there are frameworks in place about how councils operate and to ensure that they can operate within those frameworks, and to achieve service delivery outcomes that will be expected of councils as a result of legislation and so forth.

**The Hon. SCOTT FARLOW:** We might return to some other questions on that this afternoon. Minister, just turning now to Newcastle city council, you were talking about the unsolicited advice you get from many of your Legislative Assembly colleagues, particularly on the quiet. I suspect that with the Newcastle city council the member for Wallsend has given you some advice vocally and has done so on the record as well with respect to Newcastle city council. Is that correct?

**Mr RON HOENIG:** I think the member for Wallsend, like all of us in local government, was campaigning about a swimming pool or something in her electorate. I remember that. I remember the member for Kogarah was campaigning for years for a swimming pool in his electorate to remain open as well, so it seems to be—

**The Hon. SCOTT FARLOW:** I suspect this is less about a swimming pool, Minister. But, Minister, you'd be aware of the CEO of the Newcastle city council, Mr Jeremy Bath, and that the member for Wallsend has stated in Parliament that he authored letters under a pseudonym, effectively, of Scott Neylon—a long-time friend of his who's lived in Japan for the last 25 years.

**Mr RON HOENIG:** Yes. I've read the *Newcastle Herald's* repeated coverage in respect of that issue.

**The Hon. SCOTT FARLOW:** The member for Wallsend has called for him to be sacked. Do you agree with the member for Wallsend?

**Mr RON HOENIG:** It's not for me to pass an opinion. Newcastle council is a democratically elected third tier of government that is required to govern the people of the city of Newcastle. They employ a general manager. When the issue came to me, I sent it to the Lord Mayor of Newcastle and it was for them to make whatever determination they make. It's not for me to judge performances. My job is to make sure that, effectively, their constitution is adhered to and that they're operating in accordance with their constitution, which is the Local Government Act, other legislation, and to make sure that they financially don't fall over. That's effectively my role, really.

**The Hon. SCOTT FARLOW:** Minister Hoenig, there's been an investigation, terms of reference and a full report into these allegations against Mr Bath. Did you or the Office of Local Government have any role in establishing the investigation?

**Mr RON HOENIG:** I wrote to the Lord Mayor of Newcastle and suggested that it's her employee. She should look at it. But apart from that, I don't think we did anything, did we?

**BRETT WHITWORTH:** We have no role because the conduct of the general manager, the employment terms of the general manager, are all the responsibility—

**Mr RON HOENIG:** Of the council itself, yes.

**The Hon. SCOTT FARLOW:** Your member for Wallsend, Sonia Hornery, has stated, "The entire investigation has been secret, hidden and flawed." Do you or the Office of Local Government have a view on this?

**Mr RON HOENIG:** My view, generally, about all these secret code-of-conduct hearings, generally speaking, particularly when they relate to councillors, is quite bizarre. A really strange one impacted upon a Bayside councillor recently, which I thought was ridiculous. But when we're dealing with council staff, for instance, a different test applies. They're entitled, like any employee, to their privacy and they're entitled to discretion et cetera. A staff member that may well be alleged to have done the right or wrong thing—those matters should be necessarily investigated by an employer with due deference to their right to privacy, I would have thought.

**The Hon. SCOTT FARLOW:** Minister Hoenig, the local Labor branch in Newcastle has passed motions calling on the investigation to be released and Mr Bath agrees. Will you work with Newcastle council to ensure that this investigation's released?

**Mr RON HOENIG:** I will comply with the law and I will comply with whatever my statutory obligation is. I mean, there are many branches of the Labor Party that ask me to sack administrators, or sack councils, or to do a variety of things, but I'll do what my duty requires me to do. Really, what's really important—because I've seen this happen over decades—is it is absolutely critical that the Minister for Local Government makes his or her statutory decisions and utilises their discretions in a bipartisan, non-political way because, you know, during this period or time of censure, there's a window here whereby I may well be able to achieve some reasonable reforms provided I can operate on a bipartisan basis. I'm not going to intrude in people's local squabbles. I'm not going to be told by people to make political decisions that aren't right decisions to do.

**The Hon. SCOTT FARLOW:** In terms of the investigation, it has been reported that the investigators didn't contact the newspaper that the letters, including those unpublished, were sent to. Do you think that's acceptable in terms of that investigation?

**Mr RON HOENIG:** I've only read the newspaper reports. I haven't for some time. Generally speaking about these code of conduct examiners and the way in which the system has been operating, it requires some review.

**The Hon. SCOTT FARLOW:** In talking about a bipartisan approach, so to speak—and I will disclose this is a Liberal councillor on the council—Councillor Katrina Wark was told that a notice of motion that she submitted was unlawful and thus was excluded from consideration for a council meeting. Minister, do you believe that a notice of motion could be unlawful for a council to consider?

**Mr RON HOENIG:** Yes, it can be, if a notice of motion seeks the council to do something that's not lawful. What should happen—and this relates to codes of meeting practices, which is not all these papers; there's another encyclopedia—if there is a notice of motion that asks to do an unlawful thing is that the mayor should rule that notice of motion out of order. That used to be the way in which to do it. What has happened, both for codes of conduct and codes of meeting practice, is that general managers have been inserted into a process, which forces general managers into political conflict that general managers either should not be in or should not be forced to be in. To avoid things like aldermen jumping up and saying, "We should have a swimming pool built in our area," and them saying, "Yeah, we should have a swimming pool," and them going and spending millions of dollars to build a swimming pool and losing \$500,000 a year for the next 50 years, the codes of meeting practices say if a notice of motion is going to cost the council money, it's not allowed to be considered unless the general manager writes a report on how much that is.

**The Hon. SCOTT FARLOW:** Minister, I might cut you off there so I can get one last question in. With respect to that notice of motion, not only was that excluded from the consideration of the meeting but Mr Bath as general manager issued a media release stating that that was authored by somebody other than the councillor—a Mr Cook. Councillor Wark has claimed that that is defamatory and it was not authored by that person. Do you

think that's acceptable conduct from a general manager of a council to issue press releases against his own councillors?

**Mr RON HOENIG:** These councils have adopted policies—I don't know whether Newcastle council has; there are 128 of them—that make general managers the spokesmen on behalf of councils and try and restrict other councillors from making public statements. Those things are always fraught. If you start putting the general manager up as the council spokesman instead of the mayor, you'll always end up with a general manager being criticised. Whether that's the case in Newcastle or not, I don't have enough knowledge to be able to judge.

**BRETT WHITWORTH:** Minister, I'm very uncomfortable with these conversations because it's impinging on a code of conduct process and it's also making a number of assertions that I don't believe to be the case. The general manager did not have an involvement in the decision about whether the notice of motion was unlawful. And I don't believe that the general manager issued a media release but was, in fact, contacted by the media as a result of a confidential piece of correspondence to myself being made public. I really do feel that these sorts of public forums are not the right place to delve into these sorts of matters, because there are multiple sides to this story.

**Ms ABIGAIL BOYD:** Good afternoon to you, Minister. I have just a couple of questions, because I think a lot of them have already been asked by my colleagues, and then I might pass back to Dr Cohen. As you know, the RSPCA's Katoomba shelter is closing and the community have been calling for a council-run pound and shelter to be established in its place. Is there any intention to do that?

**Mr RON HOENIG:** In Katoomba, what's happening?

**BRETT WHITWORTH:** The RSPCA has been looking at its arrangements. I don't want to delve into why it's making its decision about Katoomba, but it did approach us and say it was provided a number of grant funds in previous grant rounds for capital works. That included money at Katoomba, but it would like to transfer that to an Illawarra facility. I gave approval for that last Friday—sorry, the Friday before. It was last week.

**Ms ABIGAIL BOYD:** Sorry, approval for—

**BRETT WHITWORTH:** For some of its funds that it had earmarked for the Blue Mountains facility upgrade to be transferred to an Illawarra facility.

**Ms ABIGAIL BOYD:** Okay, but in terms of there being a facility in Katoomba?

**BRETT WHITWORTH:** Yes, it was also on the basis that the RSPCA was engaging with council and that the council was prepared to take on the Katoomba facility.

**Ms ABIGAIL BOYD:** Okay, so that's going to happen?

**BRETT WHITWORTH:** That was the terms of the approval that we'd given them to transfer the money. I suppose it's now up to the RSPCA and Blue Mountains council to resolve that process of negotiation.

**Ms ABIGAIL BOYD:** When would we expect to know what was happening? I know the community is very concerned, so when will this be resolved? That sounds like a positive step forward.

**BRETT WHITWORTH:** I suppose these are matters for the two parties. I suppose we've given the parameters around the approval to transfer the money, recognising the importance of that Katoomba facility. I suppose the Companion Animals Act doesn't require a council to have a pound, but it does require them to have access to a pound, so Blue Mountains council would need to find a pound if the RSPCA closed the Katoomba facility down. The Katoomba facility is something that the council and the RSPCA, I know, are engaging on in terms of the transfer.

**Ms ABIGAIL BOYD:** If a solution isn't found, as we've seen through the inquiry into pounds and shelters and as we've known for some time, then we would expect community animal rescue and rehoming groups to have to step up and take the burden. If that does happen, will there be funding for those organisations? Will something be put in place?

**KIERSTEN FISHBURN:** You can't answer a hypothetical, Brett.

**BRETT WHITWORTH:** It is a hypothetical question, but I go back to the point that I made earlier that it is the responsibility of a council to have access to a pound. If the Katoomba facility is no longer available to the council, it will need to either work to establish a new facility or work with its neighbours to utilise their pound facilities, whether it's Lithgow or whether it's Penrith. Obviously the rehoming organisations have an important role to play, particularly given the responsibility of a council to make sure that they engage with rehoming organisations before making a decision about the future of an animal, but I don't necessarily see that there's an increased burden on them as a result of a decision between RSPCA and Blue Mountains.



**DOUGLAS WALTHER:** Sorry, just to jump in there, although we're not actively in the discussions between RSPCA and Blue Mountains City Council, it is worth stressing that, from all accounts we have, those conversations have been positive. Although it's a hypothetical, from what we gather, hopefully the conversations go well.

**Ms ABIGAIL BOYD:** Because we know that our existing pounds and shelters are incredibly overburdened, and there are real animal welfare concerns if we keep the same number of pounds and shelters but end up with councils accessing other pounds. I appreciate what you're saying—that there's no obligation to provide the pounds but rather for them to be able to access one. But clearly, as a government, we need to have sufficient pounds and shelters for all of the animals that may need it or we're going to have terrible animal welfare outcomes, aren't we, Minister?

**Mr RON HOENIG:** Yes.

**Ms ABIGAIL BOYD:** One of the questions I asked on notice last year—and I got some really good data back, so thank you very much—was in relation to the current registry, which I know is being updated. We asked a bunch of questions about the age of animals and other issues that couldn't be addressed because of the current form of the register. Will the new Pet Registry be able to be more accurately searched for things like the oldest animal and that sort of thing?

**Mr RON HOENIG:** I hope so. I'll get Mr Whitworth to answer. My concern is that they'll import data from the old Pet Registry into the new one, and they don't—anyway—record whether the animal dies or not. Mr Whitworth.

**BRETT WHITWORTH:** There isn't a mechanism where an animal dies—that there is an automatic update, so we are really reliant on the owners being able to say, "We need to change the registration status of the animal." The challenge that we have with the existing Companion Animal Register is that it just doesn't have that functionality to provide people with prompts, with emails, et cetera, which is why building the system off the Licence NSW platform—linking it into that Service NSW environment—will enable emails and updates to be provided to people to remind them regularly that they have certain obligations.

**Ms ABIGAIL BOYD:** But there's never going to be a situation where we have an independent verification of the information. It's very much reliant on user data entry.

**BRETT WHITWORTH:** Yes—it's hard for me to say this—because we don't have death certificates for dogs and cats, for example. What you're talking about is going to that sort of process. What we are trying to create is a fairly humane and appropriate way of identifying that someone's pet has passed away, that they can then put that into the system and that they know that there is a requirement to do so.

**Ms ABIGAIL BOYD:** Apologies for cutting you off. It's just because my time is limited. But, for example, it's a bit of a running joke on the Central Coast—where I'm from—that we apparently have animals on our part of the register that are older than the average age of most people.

**BRETT WHITWORTH:** Twenty-five, yes.

**Ms ABIGAIL BOYD:** I'm looking at the figures, by LGA, of all of the registered cats and dogs, and we have a huge number on the Central Coast—208,000 registered, whereas most of these council areas have anywhere between 20,000 and 40,000. No-one else has 200,000. Will there be an education aspect of the Pet Registry, where people are encouraged to come and actually correct the record?

**BRETT WHITWORTH:** Yes, absolutely. That's part and parcel of making the improved connections to pet owners. Mr Walthers reminded me also that those portals that I've talked about—the third stage. If a vet does need to euthanise an animal because they're at the end of their life, for example, the vet will be able to provide a prompt into the system that an animal has passed away. There is that element. There is also an ability to better target people in terms of their responsibilities as pet owners, be it how they care for their pet, be it how they ensure that their pet is safe, how they relate to other people and what happens at the end of their life.

**Ms ABIGAIL BOYD:** Is there any functionality for—we've spoken about greyhound whole-of-life tracking and the Government's answer has been to say that they will make sure that once a dog comes off the greyhound registry it will go onto the Companion Animals Register. We've always seen that as being not the solution, because it's incredibly hard to track a greyhound in the Companion Animals Register. Is there any additional functionality being built in around those kinds of high-risk animals in the new Pet Registry system?

**BRETT WHITWORTH:** Through you, Minister, again, the Greyhounds Welfare Integrity Commission does have access to the Companion Animals Register now—

**Ms ABIGAIL BOYD:** Yes, but it's a whole other issue where they don't then have power to go and investigate under the Act. It's something we've been working on. Is there any additional functionality under the Pet Register?

**BRETT WHITWORTH:** That would potentially be one of the portals that that could gain access to.

**KIERSTEN FISHBURN:** Chair, may I please be excused? I need to see the Premier.

**The CHAIR:** Yes. Absolutely. Thank you.

**(Kiersten Fishburn withdrew.)**

**The CHAIR:** Minister, just to go back to my previous questions, will you commit to advocating for financial support for rescue groups in the upcoming budget?

**Mr RON HOENIG:** Those are the ones that are currently being funded? Or are you talking about—

**The CHAIR:** The ones that did previously get a small amount of funding, yes. My understanding is that that funding has all been used up. They were quite small grants.

**Mr RON HOENIG:** I can commit to pursuing a renewal of those fundings through the process. I can do that, can't I?

**BRETT WHITWORTH:** You're the Minister.

**The CHAIR:** Yes, you can, Minister.

**Mr RON HOENIG:** At the end of the day, it's not a lot of money. I'll just see how I go getting it through the razor gang. Everything's so hard these days.

**The CHAIR:** I do appreciate that.

**Mr RON HOENIG:** At the end of the day, Ms Hurst, you and your party have been remarkably successful in pursuing these issues. When I look at reduction in euthanasia rates and that sort of stuff for animals, so you're not asking for a lot.

**The CHAIR:** No, we're not asking for a lot. I have a similar question about funding for cat desexing and community cat programs. The Centre for International Economics report commissioned by OLG recommended an investment of \$10 million over five years, with a focus on 40 councils with the highest cat pound intakes. Is that something that you've been briefed on?

**Mr RON HOENIG:** Not that I particularly recall. Most of the issues in relation to cats that I'm dealing with—and I'm waiting for that welfare committee that you chair. Most of the discussions I have relates to cat containment and the impact on wildlife.

**The CHAIR:** These issues are all the same; they all flow into each other. I'm sure once that inquiry starts you'll start to see the major intersections with these. Some organisations are talking about cat containment and other organisations are saying that we should be focusing on desexing to reduce the number of homeless cats that are out there.

**Mr RON HOENIG:** I don't think any of those things are mutually exclusive. What I really am concerned about—without eating up your time—for example, I recently met with Sue Higginson about cat containment and giving local government immediate power to be able to ensure cat containment. I just said to her I can't do that now until the committee's looked at it, because I'll give—some 85-year-old lady's cat will get out and some ranger will turn up with a fine. I don't want to go down that path.

**The CHAIR:** I appreciate that, Minister, and I appreciate that you're waiting for that inquiry's report. I understand that some councils in Western Australia actually offer a grant program for people to construct catios.

**Mr RON HOENIG:** To construct?

**The CHAIR:** They're called catios. It's like a patio but for—it's a cat enclosure where the cat can actually go outside.

**Mr RON HOENIG:** I've actually seen one in somebody's house, at Beaconsfield. I'd not seen that before.

**The CHAIR:** Now you know what they're called. It's called a catio.

**Mr RON HOENIG:** It's the first time I'd seen it. I was doorknocking this place, and I saw the thing.

**The CHAIR:** That's kind of a voluntary cat containment, where people actually choose to keep their cats inside. Obviously that comes from educational programs. But there was a grant program in Western Australia so that people who couldn't afford to build something like that or for areas that were particularly high risk for wildlife—is that something you're open to exploring?

**Mr RON HOENIG:** The challenge is going to be—after the Animal Welfare Committee has looked at this—how are you then going to impose things that are going to cost people money to be able—

**The CHAIR:** The question is whether you'd consider a grant program, not whether you'd consider imposing that people have to have them.

**Mr RON HOENIG:** It's a hypothetical. Can we just wait and see? If they're giving grants for something, I'm happy to have a look at it if you send it to me. I'd never heard the word before. I'm happy to have it looked at, but I can't commit to something I don't know.

**The CHAIR:** That's all right. My question was just are you open to exploring it? In regards to the Independent Pricing and Regulatory Tribunal conducting the investigation of the financial models of councils, do you know if this review will give any consideration to how councils are actually funding their pound facilities?

**Mr RON HOENIG:** My only statutory responsibility is to ensure, under the Act, that they have got to have a pound. Beyond that, it becomes an enforcement issue. If they're not being housed in a proper way, then it becomes a matter of enforcement by the RSPCA, Animal Welfare League or the police. I have not contemplated that being an issue. You keep pursuing—and I know you have with the previous Government—this division of responsibility between Local Government and DPI. At some point there has got to be a resolution of that because it must make it hard. It's quite clear to people like Mr Whitworth, but it must be pretty hard for members of Parliament to start holding people to account, as you've got shared responsibility as they divide up. At some point, it's going to have to resolve itself.

**The CHAIR:** It has come up quite a lot in the pound inquiry. There have been a lot of calls for pounds, particularly the welfare issues within pounds, to actually fall under Local Government. I guess that's something that we will consider as part of the committee. We have heard that many pounds are operating on inadequate budgets. They are relying on external rescue groups for bedding and things like that. We know that there are pounds being run out of vet practices because they don't have a proper pound system. I don't know how those issues would fall under enforcement. To me, that seems like that's an issue in regards to the construction of pounds themselves and whether or not councils are prioritising those facilities and how they'll run.

**Mr RON HOENIG:** The advice I've received—and I haven't looked at it independently, which is unusual for me—is that the only statutory authority I have is to make it that the council has to have a pound. Other than that, it's out of my hands.

**The CHAIR:** Do you feel that needs to be extended then? If a vet is running the pound because there is no facility, or if they're relying entirely on rescue organisations to take all of the animals because they've got a very small number of enclosures, I can't see how that would fall under an enforcement issue. It doesn't necessarily mean that the animals are in poor welfare; it just means that the actual pound facility itself isn't being adequately run. Is that then just a black hole, where that falls?

**Mr RON HOENIG:** There is a pound inquiry. What stage is that up to? Isn't that something that the Legislative Council was looking at in the pound inquiry?

**The CHAIR:** We are looking into it. But my question to you, Minister, is where does that fall under this whole division idea?

**Mr RON HOENIG:** It doesn't fall anywhere under the current arrangements. I think that's probably why the inquiry is happening in the first place.

**BRETT WHITWORTH:** It also falls with the council itself, as to the standards that they will be applying to the operation of the pound. Remembering that councils are democratically elected, it will be the community that will be saying to the councillors, "These are the expectations that we have of you for how these pounds are functioning."

**Mr RON HOENIG:** That might be a reasonable response, but you get organisations, like people in the animal welfare space or the Animal Justice Party, that know full well that animals can't advocate for themselves, don't vote and that there's not a huge line of people lining up behind you to fight these issues. I think the "normal democratic process" answer may not be the correct response in this circumstance.

**The CHAIR:** So your understanding is that IPART won't be considering anything—

**Mr RON HOENIG:** No. Let's just wait for the pound inquiry and see where it goes.

**The CHAIR:** In regards to that enforcement side of it, my understanding was that in the past two years there have only been routine inspections of just three of the 128 New South Wales council pounds. Does it concern you that there are no routine inspections for that enforcement side of it as well?

**Mr RON HOENIG:** You probably need to direct those questions to DPI, who are responsible for delegating their enforcement to the RSPCA. The other thing, too, though, is councils have health powers as well, too, quite individually. You would have thought, if they are running their own sort of reasonably unhealthy facility, that they might have health inspectors with something to say—unless they deem running a pound means that they can't enforce their own health standards because that would be a conflict of interest. That could be an excuse I'm sure some would manufacture.

**The Hon. AILEEN MacDONALD:** I just have one question. Could you provide the terms of reference for the LC inquiry on notice to this Committee?

**Mr RON HOENIG:** Yes, as soon as they're finalised or have gone off or whatever. Yes, I'm happy to do that. I'm happy to provide it to you individually too, if you want it. There is no secret.

**The Hon. AILEEN MacDONALD:** Excellent. Thank you.

**The Hon. SCOTT FARLOW:** Minister, have you advocated at all to the Federal Government in terms of local government funding? Of course, there was formerly about a 1 per cent line of revenue for local government. Is that something you've taken up with your Federal colleagues?

**Mr RON HOENIG:** I think constantly. Didn't it used to be 2 per cent at one stage?

**The Hon. SCOTT FARLOW:** You might be right. It might be 1 per cent in my time and 2 per cent in yours.

**Mr RON HOENIG:** Yes—look, constantly. There is considerable tension between the New South Wales Government and the Commonwealth Government over GST funding—considerable tension.

**The Hon. SCOTT FARLOW:** Minister, last time we spent a little bit of time on the "Rontent", so to speak. This time I'll have to ask you about the "RonTok". I'm not on TikTok, but I'm informed that you are. I want to ask, Minister, whether you have TikTok installed on your ministerial mobile phone?

**Mr RON HOENIG:** I don't have a ministerial mobile phone.

**The Hon. SCOTT FARLOW:** That answers that question.

**Dr AMANDA COHN:** There is a \$17 million capital works fund for existing early childhood education in areas of need, which was announced alongside the new public preschools. I understand that was announced by the education Minister. It's very welcome. Are there any equivalent measures planned to support council-run early childhood education?

**Mr RON HOENIG:** I'd have to take that on notice. Why would a council childcare centre or a pre-school be in a different category to anybody else? I don't know the answer to that question. But I am very supportive, and it's about time that the Government started recognising education for early childhood, because that recommendation has been floating around overseas for a long time.

**Dr AMANDA COHN:** Absolutely. That's a really good step in the right direction from the education Minister, and I acknowledge that. It's relevant that Local Government NSW has been calling for some time for council-run early childhood education and care facilities to be eligible for all funding opportunities and grant programs that are otherwise available in the early childhood education ambit, so I would appreciate that response on notice, or any representation to the education Minister.

**Mr RON HOENIG:** Okay, I shall. I'm happy to take it on notice.

**The CHAIR:** I might throw in a quick couple of questions. Minister, in 2022 Local Government NSW passed a unanimous resolution requesting that the New South Wales Government phase out the use of shark nets. This was a quite historic motion. It was supported by every local council that has shark nets actually installed on their beaches. I understand shark nets, obviously, are a decision for the agriculture Minister. But I'm wondering if there are any actions that you've taken to represent and advocate for the position of councils to the rest of the Government or to the agriculture Minister yourself.

**Mr RON HOENIG:** If it was carried in 2022, firstly, it was before my time as the Minister. Secondly, if it was a resolution carried by the Local Government NSW annual conference about a matter relating to Minister Moriarty's portfolio, it would have gone directly to her. It wouldn't have gone through me. Thirdly, I'm

not qualified to be able to respond to that sort of matter as a Minister of the Crown. We've all got our private views, but I can't do it as a Minister of the Crown.

**The CHAIR:** It is now time for Government questions, if there are any.

**The Hon. EMILY SUVAAL:** No Government questions.

**The CHAIR:** That being the case, Minister, thank you for joining us today. Our time with you has completed.

**Mr RON HOENIG:** Thank you for your time.

**(The Minister withdrew.)**

**(Luncheon adjournment)**

**Ms MELISSA GIBBS,** Director, Policy and Sector Development, Office of Local Government, affirmed and examined

**Ms KARIN BISHOP,** Director, Sector Performance and Intervention, Office of Local Government, affirmed and examined

**Mr KEITH BAXTER,** Director, Emergency Recovery and Strategy, Office of Local Government, affirmed and examined

**The CHAIR:** Welcome back. We will now go to the Opposition for questions.

**BRETT WHITWORTH:** Sorry, Madam Chair. There was a stat that was given this morning about women in councils, and I just wanted to make sure that I was clear that I'd said that there were 42 per cent. I was talking about candidates. The number of candidates had increased from 38 per cent to 42 per cent. Dr Cohn, you are absolutely correct; 39 per cent of councillors in New South Wales are female.

**The Hon. AILEEN MacDONALD:** Thank you for your time this afternoon. Just prior to lunch, the Minister said he doesn't have a ministerial phone. How does the department contact the Minister?

**BRETT WHITWORTH:** Typically, I will make contact with the Minister through his office. I communicate with his principal policy advisers and his chief of staff. Obviously, you could see the Minister's phone on his desk. He will, from time to time, call me as well, but the principal mode of contact is through his ministerial advisers. But also we make contact through the departmental liaison officers and the established processes and protocols about the supply of information from the Office of Local Government or the Department of Planning, Housing and Infrastructure up to the Minister's office.

**The Hon. AILEEN MacDONALD:** I touched on waste contractors with regard to the Local Government (General) Amendment (Tendering) Regulation (No 2) 2023. I just wanted to get across some of the finer details, if I could. 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?

**BRETT WHITWORTH:** That's an interesting perspective that has come directly from an industry group. I think we've got to be careful to understand that we are talking about situations where a council is tendering out for the provision of a particular service. So, yes, the definition needs to be understandably broad, but the provisions in the regulation around the protection of staff entitlements very much relate back to the tender process. If there isn't a tender process for that, then those staff are not captured. The other thing is that this is about the collection of waste, in terms of the council's undertaking there, and their proper function as providing municipal services. If you're talking about someone who is going into toilets to collect sanitary napkins and so forth in the council chambers, then that would be a professional service that the council has already outsourced and wouldn't be someone who they had already in their employ. It's part of their operational procedures for the running of the council chambers and the administration building.

We do hear these, and we have asked a number of councils. Whenever anyone has come to us and asked us about this, we've said, "We're really keen to get your perspective on this," and to understand what their particular concerns are. As the Minister said, we are more than happy to look at how those issues could be fine-tuned. But I also think it's important to recognise that the regulation was changed but the changes were made off the back of existing provisions that were associated with the tendering out of waste services in the first place.

What the regulation did is just make it clearer and stronger that you can't achieve innovation in waste delivery at the expense of proper entitlements that workers have.

**The Hon. AILEEN MacDONALD:** When you say "tightening up", is it up to the councils in their tendering documents to outline what their definition of "waste" is? Or how would you see—

**BRETT WHITWORTH:** It will be up to the councils to define what services they're outsourcing or what services they are seeking to obtain tenders on and then how those would relate to the existing staff or the staff that have been undertaking that service to date. So it's not just "Oh, my God. The 'waste' definition is huge." It needed to be quite broad. It's actually the tender definition and the tender documents that will be used to identify who the staff are that are affected and who the staff are where that mandatory consultation will need to occur.

**The Hon. AILEEN MacDONALD:** The Minister also indicated this regulation needed to be brought in because it was necessary, as you say, to protect employees. But there doesn't appear to be a definition of "employee". Was it intended that this regulation impacts only the drivers or would it impact all waste staff, including mechanics, education staff, call centre staff and management?

**BRETT WHITWORTH:** I'm sorry, I don't know. You have obviously been provided some material. We would be happy to get access to that material. We have asked a number of people that we've engaged with in the waste industry, government and local government, but remembering that it also comes back to the tender document and the employees who are providing the services.

**The Hon. AILEEN MacDONALD:** I'll follow that one up for you. Was the regulation also—this might impact employees who have a dual role within council, if they've got, say, commercial contracts as well as municipal?

**BRETT WHITWORTH:** I think the example that you're probably raising, if I can perhaps paraphrase, is where a council collects waste and that's taken to a reprocessing facility, and a number of other councils collect waste and send it to the reprocessing facility, how do you define the extent to which the person working at the reprocessing facility may have originally been from that council? That's one of the issues that we're very keen to get advice and perspectives on. I also think that it's important that—a number of people have made the assumption that this is about locking in staff numbers. It's not about locking in staff numbers; it's about locking in the entitlements. Under the existing local government award, there are mechanisms in which councils can go through a process of identifying that a position is excess and ensuring and enabling that person to take a redundancy. What the waste reg is designed to do is to ensure that those protections manifest in any tendering process and any subsequent operation of a waste service as a result.

**The Hon. AILEEN MacDONALD:** Section 178 states that each relevant registered organisation must be consulted and satisfied for any individual contract. That would include the Waste Contractors and Recyclers Association. Would it also include the three unions? There may be more than three but, say, the TWU, AWU and MSU.

**BRETT WHITWORTH:** I'm sorry, but that's actually bordering on a request for legal advice. I think it's also important to read the definition of—those terms link to other terms in other pieces of legislation and link to other provisions around the award. They link to other Commonwealth legislation. This was all examined as part of the process of preparing the regulation. We obviously get the Parliamentary Counsel to draft these provisions, so they understand how the law works and they understand how to properly define and characterise these different types of organisations. I'm quite comfortable that it's about consulting with the relevant unions.

**The Hon. AILEEN MacDONALD:** Just as a follow-on—and you might say it's bordering on legal advice; I'm not sure—if an agreement is not reached, will the council be required to issue another tender?

**BRETT WHITWORTH:** Again, sorry, that's a hypothetical, and I don't quite understand what the terms—if you're going to talk about that, there would have to be other elements to the conversation. There would have to be other elements to the tender documents and so forth. There are mechanisms in which councils, under the tendering regulations, can deal with those circumstances where they don't have a tender that they can agree with. There would be a number of recourses that they could look at. Again, that would be something that they would want to take their own legal advice on because it's their own compliance with the tendering regulation.

**The Hon. AILEEN MacDONALD:** What consideration was given to the significant risk the regulation poses to any tenderer that operates with a workforce that is not able to provide details regarding individual entitlements?

**BRETT WHITWORTH:** That would be quite concerning—that someone who employs staff doesn't know what their leave entitlements would be.

**The Hon. AILEEN MacDONALD:** Where we said "satisfied", what requirements are there for registered organisations to indicate to a council that they are satisfied, say, pursuant to section 178 (1A).

**BRETT WHITWORTH:** I would assume a letter would suffice.

**The Hon. AILEEN MacDONALD:** If the registered organisations cannot be provided with the 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?

**BRETT WHITWORTH:** Again, I feel that's quite a hypothetical question. There seem to be a number of questions that you have. We're more than happy to take these on notice.

**KIERSTEN FISHBURN:** I think we will take these on notice. There are a few matters in there that I'd like to get my general counsel to have a look at before we provide the advice back.

**The Hon. AILEEN MacDONALD:** This one might fall into the same category. Do incumbent contractors have an obligation to provide information during the tender process?

**KIERSTEN FISHBURN:** That's a response to a tender.

**The Hon. AILEEN MacDONALD:** Yes, and each individual council, I suppose.

**BRETT WHITWORTH:** It also goes to how the council would put together the tender process as well. There are obligations on the council as to how it puts together the tender and seeks to ensure that it understands the employment entitlements of the people that would be affected.

**The Hon. AILEEN MacDONALD:** Have many councils contacted the department seeking assistance in how they implement these regulations?

**BRETT WHITWORTH:** We've had a number. I don't know whether Mr Walther or Ms Gibbs want to characterise that.

**DOUGLAS WALTHER:** I wouldn't say a significant number, but we have had representations, especially from some of the councils that were in various stages of tender preparation at the moment. Yes, we've certainly had some representations.

**The Hon. AILEEN MacDONALD:** Was a workshop provided or just the memo?

**BRETT WHITWORTH:** We have said to councils—there have been meetings with the particular industry groups—that we're happy to receive their information. We are in the process of compiling that and the next steps will be to identify what we understand, to look at where the issues might be and what further advice we might need. If that requires a workshop or further engagement with councils, we'll certainly undertake that before going back to the Minister.

**The Hon. AILEEN MacDONALD:** How will the incumbent contractor be obligated to transfer entitlements? Is that spelled out?

**BRETT WHITWORTH:** That's something that we would, again, want to get some—firstly, it is a hypothetical question. Secondly—

**The Hon. AILEEN MacDONALD:** On notice?

**BRETT WHITWORTH:** I think there's a lot of detail in what you're asking. And for us to anticipate what some of these processes would be, we are not industrial relations lawyers as well or industrial relations experts. Some of these matters will go to the industrial relations environment. That's why it's important to understand that the nature of the hypotheticals that are being raised and that people are concerned about. I keep coming back to that fundamental position that what we are doing is making sure that someone who had a job doing something where they had certainty—entitlements and protections—they don't suddenly lose those because there's been a change in the world around them that they had no influence or control over.

**The Hon. AILEEN MacDONALD:** This might be another hypothetical—I'm not sure—but what mechanism is in place to ensure that successful contractors do not just pocket the transferred entitlements?

**BRETT WHITWORTH:** Again, it is a hypothetical, because you'd have to understand what the entitlements were and who was carrying the entitlements. Are we talking about long service leave? Are we talking about standard recreation leave?

They get treated differently within a reserve, carrying reserves to pay those environments. That's why these aren't necessarily the sorts of questions that you can answer in a session like this, because you need to understand how the council had managed the entitlements, how they were transferred from one party to another party. You'd need

to understand how they link back to the award. You've then got multiple unions that are associated with this. You've got the parties to the local government award, being Local Government NSW, United Services Union, DEPA and the engineering professionals. They've all got a particular view about how these provisions should and would operate, and they have far greater expertise around those industrial relations matters than what we do. That's why I keep coming back to—I'm not trying to displace the questions. I'm trying to say you have to look at each individual case on its individual circumstances.

**The Hon. AILEEN MacDONALD:** How do you think or how do you propose, say, the New South Wales—it's a two-part question. How will the New South Wales Government monitor this? And how will local government monitor this regulation?

**BRETT WHITWORTH:** Monitor from what perspective?

**The Hon. AILEEN MacDONALD:** Just to ensure that it's operating as it's intended to operate.

**BRETT WHITWORTH:** There's a policy position about "Is it achieving the policy outcome?" And there will be a number of stakeholders that will be very quickly on the phone, advising us whether they feel that workers' entitlements are being lost or being protected. In terms of how the individual awards and the individual arrangements would operate, that would be something that I would expect the parties to the award and I would expect the parties to the tender documents would be responsible for. And, again, the unions would more than likely be there, making sure that the workers' entitlements are protected.

**KIERSTEN FISHBURN:** Can I just add, having had practical experience of outsourcing services within a council, while every council is different—to come back to some of your questions—the expectations would be set up-front in the tender document. That would then form the basis of the contract for which you outsourced, and there would be an oversight capacity as part of making sure that that tender was being delivered on, and that includes all industrial relations elements if germane. That could be something like a steer co report back to council. There's various mechanisms that a council could put into place. But I think, to come back—I'm circling right back to the start of what Brett said. The tender document itself is actually the starting point to detail both which employees are affected but also the conditions under which a contract would then be issued.

**The Hon. AILEEN MacDONALD:** Just on the tender document, do you have a suggested template for councils to use? Or is it up to each individual council to—how do they start the process?

**BRETT WHITWORTH:** They start the process on the basis that there are general requirements for tendering in the regulations. There is guidance around the tendering process. There's not a template tender for waste services, so they would—any tender document would typically be compiled by both procurement professionals, the subject matter experts and be overseen by legal specialists. I feel like any—

**The Hon. AILEEN MacDONALD:** Within each council?

**BRETT WHITWORTH:** Yes, and I feel like any template that we would provide would be perhaps suitable for—it would have to fit the middle ground. Some of the tender processes that the City of Sydney undertakes, for example, are incredibly complex, very detailed, very well thought through. I'd hate to be impinging on how they go about it. But if a council—we've made clear to councils that if they want to seek any sort of assistance from us, we'd be happy to talk to them about it.

**The CHAIR:** Mr Whitworth, the Animal Welfare League's recommendation at the pound inquiry was that we need to further strengthen relationships between rescue groups and pounds, and they believe that that should be coordinated through the Office of Local Government. I'm just wondering if OLG is currently doing anything in that space to coordinate that relationship between rescue groups and pounds.

**BRETT WHITWORTH:** I feel like I'm contractually obliged to point out that I have 65 people in the Office of Local Government, and the expectation of what we can do is quite challenging in terms of everything that everyone expects that we will do to regulate local government. The short answer to your question is that, at the moment, we have people who are working to identify the acquittal of the various grants that we've provided to the different animal welfare associations, rehoming associations and so on. We have people who we have engaged to help us with the education and the expansion of the Pet Registry and the concepts of responsible pet ownership. We have been looking at the engagement across the sector. But, specifically, do we have anyone that is working on the links between Animal Welfare League and rehoming associations? No, I don't believe we do.

**The CHAIR:** Sorry, with pounds and rescue organisations.

**BRETT WHITWORTH:** The pounds are run by the councils, and the rescue organisations, being the rehoming—



**The CHAIR:** Sorry, you said, "Are we doing any work between pounds and the Animal Welfare League?" I just wanted to clarify that the question was about rescue organisations.

**BRETT WHITWORTH:** The Animal Welfare League were the people that made the recommendations. Again, that policy environment for companion animals, for pounds and animal welfare, I feel like I'm waiting for a clearer direction as to what is the most appropriate way that we can coordinate resources and policy activity. If there is a direction that comes from the various inquiries that the Government adopts, then we would be more than happy to implement that. But I also need to put the case forward, or identify, that there will be a resource implication of that.

**KIERSTEN FISHBURN:** Ms Hurst, I feel like this is my one opportunity to get to wear my general manager hat again. In my experience of having a council with a pound, the relationships with local animal rescue groups is generally very strong. You rely on them, obviously, to help you with rehoming. To be entirely frank, I wouldn't have seen any benefit in OLG actually participating in that activity. I can't see that they could provide a value-add that a council that takes their animal responsibilities seriously wouldn't already have in place.

**The CHAIR:** It's interesting. We hear a lot of the time that most pounds are working very close with rescue organisations—

**KIERSTEN FISHBURN:** You really do.

**The CHAIR:** —because they really lean on them. And then, of course, in any kind of system, there is always the small handful on the other end of the scale that aren't managing to work on those relationships the way that the majority are. I think that's where that recommendation came from—the ones that are falling through the gaps and fulfilling their requirements under the Act by emailing the RSPCA and the Animal Welfare League, but not actually working with their local rescue groups that are trying to put their hand up and say that they want to work with them. It's more a matter of who, in those situations, can help bring those relationships together?

**KIERSTEN FISHBURN:** If I come back to what Brett said, it does have resourcing implications. I'd probably rather that OLG was working to the exception rather than the rule. I'll give you an example: If I didn't have a relationship with the cat rescue leads, I would have bankrupted the council in Whiskas. There's a real reason why you want to build those relationships up. If there are exceptional councils—and I suspect there's also probably challenges in their management generally—obviously, we would look at that and take that seriously.

**The CHAIR:** I wanted to ask you some questions about Royal Sydney Golf Club. There was a controversial development approved that will see hundreds of trees cut down. I understand that members of the local community are concerned about alleged breaches to the development application, including work starting outside of approval times and a lack of appropriate signage. There are concerns from the community that they have taken that to council and haven't had any action taken. I'm just wondering are there obligations for local councils to monitor for potential DA breaches or is that something that has to go to Planning? These are people that are coming to our office. Where are we best to send them?

**KIERSTEN FISHBURN:** Councils should be looking at compliance activities within their local council area. The specifics of that one I'm not familiar with. But if you want to send it to me, I'm happy to have a chat with the council, because it is a planning matter.

**The CHAIR:** Is there capacity for the Office of Local Government to intervene or for Planning—

**KIERSTEN FISHBURN:** It would be Planning. You would be looking at breach of DA conditions.

**The CHAIR:** And is there capacity for them to intervene?

**KIERSTEN FISHBURN:** Look, there are 128 councils. There are literally tens of thousands of planning matters that are transacted. The majority of them go through, you know, sometimes without community support but nonetheless without a breach of DA conditions.

**The CHAIR:** Sorry, I'm talking specifically about breaches to the DA itself.

**KIERSTEN FISHBURN:** Generally we would be relying on councils to undertake their compliance activities. If there is a challenge within a particular council area—a shortage of compliance officers—then there are occasions when the department of planning could intervene.

**The CHAIR:** Wonderful, thank you. My understanding of this current situation is that the local council isn't acting, so that's really useful. Going back quickly to the Pet Registry, I know the initial pilot of the registry was focused on breeders. When can we see some pilots for rescue and rehoming organisations?

**BRETT WHITWORTH:** I think the logical—sorry, that's a hard question to answer because it's actually different to the way in which the structure of the registry is being created. There will definitely be channels and

portals for the rehoming organisations and the enforcement agencies, and that will come as part of the third stage. The first stage is about getting the portal up and running and enabling the concept of a pet is born, it gets microchipped, it then is sold, and making sure there is an ability to track those transactions and ensure that the owner of the pet is also registered and in the system. That process is what we are working to have by the end of June 2024. The next stage would be a series of enhancements to that process which would roll out from July 2024 to February 2025. Then it is the specific portal access that will come from March 2025 to June 2026, which is where you're talking about.

**The CHAIR:** I guess my question is that the way it is set up now has been specifically for breeders, or with that in mind—maybe not specifically for breeders. It has been set up for the registry of pets. But it has been set up with consideration of, as you say, an animal is born, an animal is sold and then there is a transfer. But there are huge problems in regards to the change of an adoption for an animal through the system. Animals can't be registered in the name of a rescue organisation; it has to be an individual—for example. Will that actually be considered and then included into this Pet Registry, or are we still going to have these gaps? Because at the moment that's not included.

**BRETT WHITWORTH:** Look, that's the ambition: that we make the registration process easier and the process of changing the registration easier. I've got a personal example where I had to change the registration of my pet because it was registered in my wife's name, and when she passed away it had to be registered in my name. That's not an easy process to do. So I use that as the sort of touchstone for me as the personal example of how do you get those changes in registration happening quickly and effectively. But I might ask Ms Bishop to just expand on what we get out of that first stage, in terms of that ease of access and change of the registration process.

**KARIN BISHOP:** Yes, sure. Thanks, Mr Whitworth. In relation to that, as you would have heard Mr Whitworth explain this morning, the focus at the moment is very much on building the technology to enable us to get a really good, solid registry. While you say we are focused on the breeders, we are focused on breeders only in the sense that they are the first step in creating animals into the system. We'll be looking then, with the first stage rollout, to be able to, as you say, get the breeders, the transfer to owners, the registration, the payments, that kind of thing—so setting up a good foundation for the system. What we'll be doing then is enhancing that particular aspect, but then from next year we'll start to look at portals and start to bring in other key stakeholders. That's where the rehoming and rescue groups come in.

But what we will be doing before that is starting to work with those groups to get an understanding of what they need from the portal, how they'll use it, whether they need to go in, whether it's primarily around identification of lost pets, whether there are issues around how they can transfer their own registration. You mentioned things like company logins versus an individual login. That's something we've actually identified in the context of discussions with vets, for example. These are all features that we are looking to build into the system and which will be rolled out progressively. I would imagine that, as I said, we will be starting those conversations long before we get to next year, but we will probably really start looking at that functionality and how we can utilise it, having built it in probably from next year.

**The CHAIR:** I'm just wondering, with the planned upgrades, will that also address the fact that someone who is adopting from a rehoming organisation can currently get free pet registration if they physically go into their local council and register in person? Will the new upgraded system allow them to do that online?

**KARIN BISHOP:** Yes. The system that we're building now is completely compliant with the Act and all the provisions under the Act. Where you've got zero registration fees, those provisions will be built into the new system too.

**The CHAIR:** It sounds like this whole system, as it's being built, more and more is being looked into to make sure it functions correctly. Is it going to need additional funding, or is the previous budget allocation at this point sufficient to cover the cost?

**BRETT WHITWORTH:** My advice is that the budget allocation is sufficient to cover the cost. Part of the delay is probably more some things that we had hoped to do concurrently we have to do progressively. Some of the testing—and this is where it gets into the detail of working in a sandbox, which I think is quite apt from a Pet Registry perspective. But you can't have multiple people testing multiple processes at the same time. We're not expecting any increase in the budget.

**The CHAIR:** Is it anticipated that there'll be any amendments to the Act or regulations to support the operations or any requirements under the new Pet Registry?

**BRETT WHITWORTH:** Obviously, any amendments to the Act and any amendments to the regulation are a decision for the Minister to take, but there may be opportunities to align process probably much more in the regulations to address some of these elements. We've been looking at that. I suppose our desire is to build a system

that's consistent with the regulation that exists now, but if we're encountering something that is going to be a significant challenge then we will look at whether we give the Minister advice about a potential regulation change. I don't know that we've encountered any sort of system-threatening issues to this point. It's probably more just tweaks.

**The CHAIR:** I'd like to go to Dr Filmer and Mr Tracey. In regards to the number of inspections within the pound system—and I know, Dr Filmer, you gave me that data recently—can I get an update on the routine inspection numbers, if there's been any additional inspections since the last estimates hearing?

**KIM FILMER:** I've only got data for the financial year, so I'll have to take on notice anything for the recent financial year. Just to clarify the time frame. From last budget estimates?

**The CHAIR:** Until now.

**KIM FILMER:** Okay.

**The CHAIR:** I'm wondering as well if any of the inspectorate authorities have raised issues with the Department of Primary Industries about the state of pound facilities?

**KIM FILMER:** No. There's been nothing. Nothing's come.

**The CHAIR:** Both RSPCA and the Animal Welfare League raised some pretty serious concerns in the inquiry into pounds in New South Wales. I'm wondering if you've had a chance to review some of their evidence and their concerns.

**JOHN TRACEY:** I haven't.

**KIM FILMER:** I saw some of that inquiry, but I have not recently reviewed it, if you're going to quiz me on it.

**The CHAIR:** No, I don't have quiz questions on it. It was more whether some of their concerns have been looked into at all.

**KIM FILMER:** If there are any concerns that they have, they'll raise them. So if there was something currently going on that they had concern about, I work very closely with them and they would raise those issues with us.

**The CHAIR:** It's just interesting that you've said that they haven't raised any concerns to the DPI, but they did raise issues at the inquiry. So it does sound like, maybe, they haven't come to you with those concerns, but they have come to the inquiry with those concerns.

**KIM FILMER:** I can't comment on that.

**JOHN TRACEY:** But, certainly, we would take those concerns on board as well. We want to hear about that and work with them. We do work really quite closely with them.

**The CHAIR:** Dr Filmer, you'll recall that we discussed at the pound inquiry that the RSPCA raised concerns around the boarding code and that it may only be mandatory in some circumstances because the POCTA regulation says it only applies to businesses in the course of which dogs and cats are boarded for fee or reward. Is this something the DPI or possibly even OLG has looked further into since that came forward?

**KIM FILMER:** Not that specifically at the moment. As you know, we're working towards the election commitment, so at the moment our focus is on the POCTA Act and regulation.

**The CHAIR:** Are you aware of the ongoing concerns within the sector around the boarding code more generally and the fact that councils and enforcement agencies are calling for it to be overhauled and modernised? Is that something that has come to the DPI?

**KIM FILMER:** I have heard that on occasion. I think we discussed it at one of the recent inquiries or budget estimates; I'm not sure which. Yes, that does get discussed but, as I said, the standards and guidelines and codes of practice at the moment are something that will be looked at after we've looked at the Act and regulation.

**The CHAIR:** Is it your understanding—pounds are currently being regulated by a code under POCTAA. Would it make more sense to have standards and guidelines for pounds on their own? Is that something that it is your understanding might be coming forward for consideration at some point?

**KIM FILMER:** There has certainly been discussion along those lines but, of course, even in the absence of a dedicated code, we do have POCTA—the Act and the regulation—that are standing there at the moment to protect welfare.

**The CHAIR:** Back to Mr Whitworth, I want to ask you some questions about the 2022-23 Pound Data Report, which was published on the OLG website. This latest report lists 10 councils as having no report, and there are no statistics available for those pounds. I'm wondering if you can explain to me what that means or why there's no report?

**BRETT WHITWORTH:** I'll probably get some assistance from either Ms Bishop or Ms Gibbs. But the process of compiling the information is that we write to councils and say, "There are certain things that you need to report to us on, and the pound utilisation is one of those." If they're not providing us with any report, then it's a nil response, effectively, saying that there hasn't been anything for them to report on. There is a degree to which our team does follow up, just to make sure that councils have not misplaced it or forgotten and so on. Ms Bishop, I think that's in the performance area.

**KARIN BISHOP:** Yes.

**BRETT WHITWORTH:** Is there anything that you can add to assist Ms Hurst?

**KARIN BISHOP:** No, that's right. Councils are required to submit their pound data to us annually, around about the end of October. We do collect that data. It's published on our website. We have identified that there are a number of councils that are regularly reporting that they have received—sorry, they are not regularly reporting; that's the issue. They are failing to report. There are about 10 councils we've identified, so we have taken steps this year. Now that we've got the data in, we will be reaching out to them and reminding them that they are required to report, seeking answers as to why they haven't and just trying to understand why that's happening a bit more. And then there are a couple of others that we're looking at, too, that do seem—we're looking at the data closely to see if there are any anomalies and things.

But we're also aware, through the work we do more broadly across the sector, that sometimes if a council reports that there's only been one animal to a pound that simply is because the nature of the council and its community and stuff means that they have a very low requirement for pound services. But we do collect that data and we are, as I say, taking a two-pronged approach to encourage councils to be more diligent in how they report it and following up the ones that haven't, and at the same time just looking at it a little bit more closely to see if there are any stand-out anomalies in there.

**The CHAIR:** Some of these councils do seem to be repeat offenders. For example, Bellingen Shire Council and Strathfield Council have given no report for the last two financial years.

**KARIN BISHOP:** They're on our list.

**The CHAIR:** I'm assuming that Strathfield Council wouldn't have had one animal. This seems quite concerning. Have they given any explanation as to why they have failed to report?

**KARIN BISHOP:** That's what we're seeking from them now.

**The Hon. SCOTT FARLOW:** Mr Whitworth, you'd be aware that the Government announced on 12 December that they would undertake a review of the emergency services levy. Of course, that has been an issue of contention for local government for some time. Has the Office of Local Government got any role in terms of that review on behalf of councils?

**BRETT WHITWORTH:** That review is being undertaken out of the Treasury. We have been consulted and I believe that there was an announcement yesterday by the Treasurer about some further consultation and engagement, but perhaps Mr Baxter can identify.

**KEITH BAXTER:** The Treasurer earlier in the week announced a stakeholder reference group, which has the president of LGNSW on that reference group. There is also an internal government working group, which I'm representing the Office of Local Government on, which has met for the first time.

**The Hon. SCOTT FARLOW:** Fantastic. Do you have any time lines in terms of when you expect the Office of—

**KEITH BAXTER:** That'd be a matter for the Treasurer.

**The Hon. SCOTT FARLOW:** In October of 2023 new DA withdrawal guidelines were implemented for councils. Has there been any assessment done of how those are working?

**BRETT WHITWORTH:** I did ask for an update to the data. Unfortunately, I wasn't necessarily given the data that I was—sorry, that sounds like I was saying, "Please give me the data I want."

**The Hon. SCOTT FARLOW:** I get what you mean. You sometimes ask for things and you get something else back in response.

**BRETT WHITWORTH:** Yes, I wanted to have an understanding so we could see the change from the last point of data that we provided to the Committee at the previous estimates to now. I will continue to pursue that, but when I got it I looked at it and went, "No, no, this is giving me the data from 2020-21 through to now."

**The Hon. SCOTT FARLOW:** So you weren't able to see any impact or the like.

**BRETT WHITWORTH:** Not to see any impact, yes.

**The Hon. SCOTT FARLOW:** If you can take that on notice and endeavour to get that updated data, that would certainly be helpful.

**BRETT WHITWORTH:** Yes.

**The Hon. SCOTT FARLOW:** And I'm just wanting to know if there are any other measures that the Office of Local Government are looking at in this space at all, and any reform that can be done to local council mechanisms through the Office of Local Government.

**BRETT WHITWORTH:** Probably not so much through the Office of Local Government. I think I provided evidence this morning about my role in the National Housing Accord process and assisting the Commonwealth to bring together my colleagues in other State jurisdictions. We did have the benefit of having the Australian Local Government Association and Local Government NSW in those working group meetings, and a number of measures were potentially identified. But they will be put to—it's got a terrible acronym called CFFR, the Commonwealth Federal Financial Relations. It's essentially the council of Treasurers and finance Ministers. That's a process that is ongoing.

We have actually been working with our colleagues across Homes NSW, within the planning group of DPHI, to give councils assistance and guidance on how they might utilise their own landholdings for the purposes of affordable housing or social housing projects and the sort of policies, the processes and the risk management environment they would need to put in place. That work is very close to being finalised but not yet ready for release.

**The Hon. SCOTT FARLOW:** Mr Whitworth, I promised this morning that we would return to the interagency assessment review committee—not many questions on that. With respect to your role, were you the only person from the Office of Local Government who was sitting on that panel or were there other individuals as well?

**BRETT WHITWORTH:** My recollection is that I was the only person from the Office of Local Government, yes.

**The Hon. SCOTT FARLOW:** With respect to that, was any notification given to local government through the Office of Local Government about the TOD SEPP process or the like prior to its announcement?

**BRETT WHITWORTH:** Sorry. Respectfully, that's not my role. The planning group, through the Minister for planning's approval, undertook an engagement process with councils. I provided some views about how you could better engage councils in terms of the narrative of the importance of providing housing and the narrative around infrastructure. I believe the material used to consult and engage with councils has looked at that and picked that up. I'm not the local government's advocate. As I said before, my job is to ensure that there is a strong system of local government rules and regulations—a framework, if you like—within which councils can operate. Our job is to help them build capacity and capability so councils can operate within that and, where there are requirements for enforcement, to make sure that occurs. If I have to become the advocate for local government, then that's the role for Local Government NSW.

**The Hon. SCOTT FARLOW:** Thank you, Mr Whitworth. I'll hand you over to Mrs MacDonald.

**The Hon. AILEEN MacDONALD:** I know you touched on this this morning—with regard to the \$4.5 million to set up the strategic policy unit, and I think I cut you off because I said I'd come back to it this afternoon. Would you be able to provide a time line for the work that you are about to undertake and give us an update?

**BRETT WHITWORTH:** We are preparing documents for the Minister's consideration, so part of that will depend on the Minister's views about time frames. We had been involved in a number of projects that have already come to fruition. We worked very closely with the Independent Pricing and Regulatory Tribunal around the draft terms of reference for the financial sustainability model. We've been compiling background material around case studies of code of conduct complaints to give an understanding not necessarily of the names but of the nature of the behaviours. That work is ongoing. We've already started talking about how we need to undertake the way in which we carry out investigations differently.

We have instituted new processes. Instead of a complaint coming in and going all the way through the system and then popping up on my desk or the secretary's desk, we have created a triage process whereby we can see that information coming in earlier, understand whether there are any trends, whether there are relationships with other complaints within that particular council area or trends about that sort of nature of behaviour. We have already started spending the \$4.5 million. Mr Baxter is my director who is running the unit. He has a number of people. We put ads in the newspapers—sorry, that's very old fashioned of me. We have put ads on I work for NSW, the website, and we've had a very positive response, which Mr Baxter, because I can't find the email—

**KEITH BAXTER:** We did four different grade applications, and we've had over 150 applications, which closed on the weekend. So we're just currently going through the assessment process, and they were for short-term positions because of the budget funding that we've been provided. So that was extremely positive, that there's a willingness and people were wanting to come and work for the Office of Local Government.

**The Hon. AILEEN MacDONALD:** When do you think you'll be fully operational?

**KEITH BAXTER:** From my perspective, we're operational now. We're doing the work. As we bring more people on, we'll be able to do higher volume. But, at the moment, we're doing the work, as Mr Whitworth has said. We've done a range of preparatory materials for the Minister and we're continuing to work.

**BRETT WHITWORTH:** I think it's important that that \$4.5 million was about creating a strategic policy unit to bolster the capacity of the Office of Local Government to deliver across a range of issues. We're already starting to deliver on that.

**The Hon. AILEEN MacDONALD:** When you say "short-term", what's your definition of short-term?

**BRETT WHITWORTH:** The budget was allocated. We received a \$4.5 million allocation within last year's State budget. Obviously, like every—we're engaged in conversations with the Treasury about the next-year budget bid.

**The Hon. AILEEN MacDONALD:** Just a little bit off topic, when councils are contacting the department, what are the three top issues that they—

**KIERSTEN FISHBURN:** The department, or Office of Local Government?

**The Hon. AILEEN MacDONALD:** Sorry. Office of Local Government.

**BRETT WHITWORTH:** That's an interesting question because councils will contact us through their networks, and each part of the Office of Local Government has their own particular network—the policy team, the people working on companion animals, the people working on the future of Central Darling. So it will vary. If someone from the community rings the Office of Local Government and is raising an issue or a question, quite often it'll be about council services. Quite often it'll be about—more often than not, I think—planning, in which case we redirect them and say that's best put to the planning part of the Department of Planning, Housing and Infrastructure. Typically, rates will also be something—and questions about what process or procedure does a council need to follow to do something.

**The Hon. AILEEN MacDONALD:** When they're talking to you about rates, are they canvassing special rate variations?

**BRETT WHITWORTH:** Sorry. Are councils canvassing? Councils don't canvass special rate variations with us.

**The Hon. AILEEN MacDONALD:** But community may?

**BRETT WHITWORTH:** The community may. If a council is proposing a special rate variation, the community may contact us about that. Typically, we direct people back to their council because that's where the best source of information will be. But, in the case of a community member raising questions about a special rate variation, we'll also typically direct them to the Independent Pricing and Regulatory Tribunal because they're undertaking the assessment of the special rate variation applications.

**KIERSTEN FISHBURN:** Can I add as well, having sat in Mr Whitworth's chair in the past, the inquiries you get are very dependent on where you are in council election cycles and other things that are occurring. When we were coming into the last council election, you were going to get lots of inquiries about council elections. When Valuation New South Wales reissues their information, you get more inquiries about rates and values of property. So it's very dependent on macro-activity, what type of inquiries you get through OLG.

**The Hon. AILEEN MacDONALD:** Say we've got local elections in September. With the Office of Local Government—and you've got, say, two different bills before the House at the moment. Are those bills being taken

into consideration in preparing for the election? Or it's just full steam ahead for you, regardless of those two bills, whether they get enacted or not? Or is that too much of a hypothetical?

**BRETT WHITWORTH:** It is a bit of a hypothetical. However, we have regular conversations with the Electoral Commission. They are already preparing for the September 2024 elections, as you would expect. The process of the preparation and the potential—we have four councils returning from administration to elected councillors. Central Darling is one where we are still continuing to talk about the model for that, so that is an area where there is a challenge. We have Snowy Valleys and Inner West that are in demerger proposal environments in that they have proposals in front of the Boundaries Commission. We have Cootamundra-Gundagai that is coming back into the process. Where I have been working at the moment is to try to ensure that we have the greatest degree of flexibility and to keep the options open as long as we possibly can. Unfortunately, sometimes, the process and the logistics of an election tend to close those options down. But we're not yet at the point where options are closed.

**The Hon. AILEEN MacDONALD:** So as far as you're concerned, the elections will be held in September, barring a pandemic or something like that?

**BRETT WHITWORTH:** There is a rumour that is flying around that the elections are going to be postponed.

**KIERSTEN FISHBURN:** I keep hearing that rumour.

**The Hon. SCOTT FARLOW:** Are you going to confirm or deny?

**KIERSTEN FISHBURN:** It's not from either of us.

**BRETT WHITWORTH:** Not from us.

**The Hon. AILEEN MacDONALD:** I haven't heard that rumour.

**KIERSTEN FISHBURN:** We are certainly working on the full assumption, as I can say fairly reasonably, that 14 September is the election.

**The Hon. AILEEN MacDONALD:** Barring those few anomalies with councils that may or may not have gone through their—

**BRETT WHITWORTH:** Again, my approach is keep the options open as far as I possibly can.

**The Hon. AILEEN MacDONALD:** From my local newspaper, is Guyra, which used to be a standalone council but is now part of Armidale Regional Council, in the mix there at all?

**BRETT WHITWORTH:** There's no demerger proposal from Armidale Regional Council at the moment, no.

**The CHAIR:** I wanted to continue to ask a couple of questions around the pounds statistics. If councils continue to fail to comply, what action will be taken to escalate the issue?

**BRETT WHITWORTH:** Obviously, there'll be a stepped process of escalation—write to them, in the first instance, and then we'll go and talk to them. Actually, we will reverse that. We'll go and talk to them first and then write. Also, as departmental chief executive, I can exercise powers under the Local Government Act to require them to provide information. We can do that. The challenges that we have under the Local Government Act are that we have drastic and draconian powers through performance improvement orders or administration or a public inquiry, but there are not those sort of short course-correction mechanisms. But we do use the request for information and the ability to undertake what we call preliminary inquiries as an instrument to obtain information from councils and, sometimes, to hopefully do some minor course correction. I think this is an example where there would be some value in us sending those sorts of letters out and looking to see whether we can get an improvement for the next financial year.

The other thing I have been working on as part of the Audit Office process of improving the regulatory stance of the Office of Local Government is a compliance calendar. It will, unfortunately, be quite a long and comprehensive calendar, but it's explaining to councils that this is the information we need at these particular points in time. I know we talked a lot about the Pet Registry and the build and data and so on, but moving the Office of Local Government into a much more data-driven and data-capable organisation, it would be great to be able to get that information from councils without having to write letters and so on. We'd have a much easier digital transfer of information.

**The CHAIR:** My understanding, then, is that other than writing a letter and potentially visiting them if they continue to fail to comply with that requirement, there's not a lot that can be done by OLG in that situation.

**BRETT WHITWORTH:** It's not that there's not a lot that can be done; it then jumps up to a much more extreme level of activity.

**The CHAIR:** When these pound statistics are received from council—and I understand you're saying that you're sort of moving more into that digital space—is any analysis being done to determine whether there are any trends or issues around rehoming or euthanasia rates?

**BRETT WHITWORTH:** We did use some of that information as part of that earlier rehoming report. I think that there is a reasonably rich vein of data that we can use to do that. Again, it's probably a question of resources and priorities in terms of how we can apply that information. I'd like to get to that point where—this is what I said—we are a far more data-capable organisation and that we can automate a number of those analyses, but I don't think we're there yet.

**DOUGLAS WALTHER:** We certainly take an interim look at the figures and numbers that come in just to see if anything really jumps out or if there's any sort of reason to at least pick up the phone and say, "Look, what's going on here?" But I think, to Mr Whitworth's point, certainly more can be done, and that would be fair.

**The CHAIR:** Perhaps when it moves more digitally, it will be much easier, anyway, to be able to actually do that.

**KIERSTEN FISHBURN:** Much easier.

**The CHAIR:** When I look at some of the numbers, some councils do stand out to me as having very high euthanasia rates and very low rehoming rates. Is that something where OLG has one of those phone calls and reaches out to one of those councils to see—

**DOUGLAS WALTHER:** Probably not, in that instance. It's more anomalies in data, things not adding up—things more along that vein.

**The CHAIR:** Is that also, again, a resource issue—that there's just not the ability for the OLG to kind of offer support to those councils—or do you believe that that's entirely out of the remit of OLG's position?

**BRETT WHITWORTH:** Look, I don't want to be the bureaucrat that constantly says that I've got no resources but, I mean, the Office of Local Government—

**The CHAIR:** That's all right. I put that in my question for you.

**BRETT WHITWORTH:** The Office of Local Government certainly is a small organisation. There's also a philosophic question here about councils are elected to be and are run as local democratically organised government entities and have their own roles and responsibilities that they need to comply with. I don't want to get into the situation where we have to enforce and regulate everything and every variation. We want to get councils to be self-regulating. They are a tier of government that should be in that area of self-regulation. We talk about the regulation pyramid. That's why I talk about creating the system of rules and processes, the framework and building the capability, and enforcement only in the rarest of circumstances. I sometimes feel like that enforcement pyramid is turned upside down where people say, "You need to be regulating council to do this, to do that, to do this", where they are actually their own self-governing entities. That's my focus and approach as a regulator: to build that capacity so they can take those responsibilities on themselves.

**The CHAIR:** Something else I noticed when I looked at some of the more recent statistics against the year prior is that, while we're seeing cat euthanasia dropping, am I right to say that dog euthanasia has had a small increase?

**BRETT WHITWORTH:** Can we take that on notice? I'd like to be able to check the numbers, beyond just looking at it myself.

**The CHAIR:** Yes, absolutely. If you could check the numbers and then on notice just let me know if you have any sort of information, if that has increased, as to why that might be potentially increasing.

**BRETT WHITWORTH:** We did see quite a significant drop in dog euthanasia rates as a result of the amendments to the Companion Animals Act and the obligation to undertake a rehoming process. If it's doing a slight uptick, we would like to probably understand that.

**The CHAIR:** Mr Whitworth, you said a couple of times today that councils have an obligation to have access to some kind of a pound facility. I'm just wondering which Act or regulation that is under?

**BRETT WHITWORTH:** The Companion Animals Act.

**The CHAIR:** Can you point me to the relevant section of the Act?



**BRETT WHITWORTH:** The relevant section?

**The CHAIR:** I'm happy for you to take that on notice.

**BRETT WHITWORTH:** Yes. I would be happy to take that on notice. I suppose the general principle is that the Companion Animals Act provides a number of regulatory powers for local government to operate and enforce. One of those is to deal with dangerous dogs. One of those is to deal with the collection of animals that are lost or—I probably don't have the right—

**MELISSA GIBBS:** Section 5.

**BRETT WHITWORTH:** I'm being told it's section 5, but we can also provide that and a bit more detail in our response.

**The CHAIR:** Yes. If you could give me a bit more detail because it sounds like what you're saying now is that the obligation is that they have to collect an animal, or something, rather than specifically to have access to a pound, or am I—

**BRETT WHITWORTH:** If they collect an animal, they have to take it somewhere.

**The CHAIR:** Yes, there has to be a location.

**BRETT WHITWORTH:** On that logic flow, they have to have access to a pound. I've been very careful in that because we don't want to necessarily stop councils from working with their neighbouring councils to have combined pound facilities, which means that they can hopefully offer a better standard and quality of care, improved access for rehoming organisations. At the end of the day that's the principle that Sydney Dogs and Cats is built on—that they're providing pound services for six different councils in the Sydney area.

**The CHAIR:** At the same time, councils aren't required to notify OLG if a facility closes. I'm just wondering if councils have an obligation to have access? Shouldn't they be advising OLG if they've temporarily or permanently closed one of these facilities?

**BRETT WHITWORTH:** We can look at that. I keep coming back to—the obligation exists that if they collect an animal they need to be able to take it somewhere so that it's safe and well cared for. I do know that there has been the Blue Mountains example where the potential closure by or the exiting out of the management of the Katoomba facility by the RSPCA has raised this concern that there won't be a pound for the Blue Mountains area. I also know that there have been circumstances where councils have needed to temporarily close their pounds because of concerns about diseases and viruses. But they were still operating the pound; they were just closing access to people to come in. I'm not sure what I would do with that information other than to be aware and to document it because I don't have the ability to go in and regulate how the council is operating its pound, as we've discussed at some length.

**Dr AMANDA COHN:** I am interested in exploring the changes to regulations that I understand were made in 2021 and included specific provisions for councils to financially support councillors that had carer responsibilities. This is about the provision of child care. I understand that that's in the regulations as a recommendation to councils. Could you explain in what way that's been broadly implemented, or is it monitored that that's been done?

**BRETT WHITWORTH:** I'm looking at Ms Gibbs to see whether she can answer that question. Are you able to provide any assistance?

**MELISSA GIBBS:** Yes, I can. You're correct; the regulation was changed to require councils to include in their expenses and facilities policy the provision of child care for all councillors. We're not aware that it's been a problem—that councils have failed to comply with that requirement. If you've got information about that that you'd like to share with us, we can certainly look into that for you.

**Dr AMANDA COHN:** Thank you. I won't air that now. On the note of early childhood education—coming away from child care for councillors to child care provided by councils—there was an ACCC report that came out recently that noted how many not-for-profit early childhood education facilities are run by councils but that meeting the requirements of that report may involve additional fees compared to for-profit services. What dialogue have you had with councils about this issue? Is there any support being provided for fee relief or helping them to navigate that?

**BRETT WHITWORTH:** That would probably be more in the area of Education. It's not within the Office of Local Government's remit—the specific service standards that they would need or the decision or the election to have childcare services that they provide.

**Dr AMANDA COHN:** Is it something that you've received any feedback about from councils?

**BRETT WHITWORTH:** Not me, personally, no.

**Dr AMANDA COHN:** I had a few questions about post-disaster recovery funding, including the Infrastructure Betterment Fund and others as well. One of the examples I've been given was that Hawkesbury council, which I understand is the only council in metropolitan Sydney that runs a sewer system, had a catastrophic pipe breakage caused by repeat flooding and now they have a \$35 million repair bill. I understand that the Government has not, at this stage, provided any financial support for that, when it has been provided in other parts of the State that were disaster impacted. Why have those different areas been treated differently?

**BRETT WHITWORTH:** There are a couple of points there. Firstly, remember that disaster recovery funding is typically provided under an agreement between the State and the Commonwealth, and there are certain obligations and processes that need to be met. The responsible agency for that is the NSW Reconstruction Authority. So I would be concerned about us venturing into any territory about how what are called DRFA processes are occurring. The Office of Local Government is, from time to time, called on to be a conduit for government decisions to provide funding directly to councils. During the Northern Rivers floods in March 2022, we were asked to be the conduit for funds for a number of different processes and projects and/or recovery funding for councils, which isn't necessarily DRFA funding. Mr Baxter can talk about the funds that we provided to those North Coast councils and maybe a little bit about the difference between that and Hawkesbury.

**KEITH BAXTER:** There was a State Government commitment to provide for water and sewer infrastructure for Northern Rivers councils. I can't remember the number off the top of my head, but it is a matter for the Reconstruction Authority and Ministers Scully and Dib. But, typically, water and sewer infrastructure isn't funded under disaster funding because it's not considered an essential public asset. Because it typically gets commercial revenue in terms of its water and sewer charges, it's not treated by the Commonwealth Government—but the Reconstruction Authority are the experts on that, and they're better off doing that. I know the water and sewer fund was completely funded by the State Government.

**BRETT WHITWORTH:** Just to clarify, Hawkesbury council applied for funds under the disaster recovery fund program, which has Commonwealth and State obligations and requirements. The Northern Rivers councils received funding straight from the State, which wasn't part of the DRFA process.

**Dr AMANDA COHN:** And the Office of Local Government was only the conduit for that money.

**BRETT WHITWORTH:** Yes.

**Dr AMANDA COHN:** So the policy setting that excluded Hawkesbury wasn't your decision.

**BRETT WHITWORTH:** The policy setting that excludes Hawkesbury is not so much a policy setting that excludes Hawkesbury; it's a policy setting that excludes the provision of funding under the disaster recovery fund agreement to entities that undertake commercial activity. The water utility is considered to be an entity undertaking commercial activity. That's why they're not eligible, as I understand it. That said, I know that Hawkesbury is raising the case, and it's a matter for Minister Scully and Minister Dib in terms of how successful they'll be in presenting an argument.

**KEITH BAXTER:** And just to confirm, OLG played no role in the administration of the water and sewer funding. That went directly through the Reconstruction Authority and Public Works.

**BRETT WHITWORTH:** Sorry, my apologies.

**Dr AMANDA COHN:** So based on sewer being treated as commercial, an exception was made for the Northern Rivers to that.

**BRETT WHITWORTH:** No.

**KEITH BAXTER:** It's State funding. It's done outside of DRFA.

**BRETT WHITWORTH:** The Disaster Recovery Funding Agreement funding, Commonwealth and State—the agreement is you've got to meet certain categories and requirements, and then the State pays half and the Commonwealth pays half. The money that went to the councils for their water and sewer provision in the Northern Rivers didn't use the DRFA process at all, so it was just direct State money.

**Dr AMANDA COHN:** And that was limited to the Northern Rivers?

**BRETT WHITWORTH:** Yes.

**Dr AMANDA COHN:** Thanks for enlightening me. Coming back to specifically the Infrastructure Betterment Fund, I understand that it has had an unintended consequence of disrupting budgetary cycles,

particularly for very small rural councils, because it has concentrated their expenses and now they've got higher depreciation. Have you had feedback on that? Are there any measures being considered to address it?

**BRETT WHITWORTH:** The depreciation issue is not something that I've had feedback on that specific matter. The issue is there is a delay—a time lag. Obviously, you've just had a disaster event. There are people crying out for you to make sure that they can get from their house to their place of business or whatever. A road needs to be repaired, so the councils will go in, repair the road and then claim the money back later. That has created a process of concern for councils from a financial perspective. There is a delay in sourcing the repayment of the funding for the spending that they've made. There is a broader issue here also about what is funded. Is the road to be built to the same standard that it was originally, or is it to be built to a better standard? There is a lot of conversation and discussion about how the Disaster Recovery Funding Agreement process works, and there has been identification that New South Wales could probably do something better and different. Those are matters for the Reconstruction Authority and they're managing that.

If I can take it up to a policy perspective, one of the outcomes of the O'Kane-Fuller inquiry was that we need to be thinking about State disaster mitigation planning more effectively to prepare for and anticipate disasters, and that we need to push that down to the local level through disaster adaptation plans that each council would be preparing. That's where I'm trying to position the Office of Local Government to be somewhere that can provide assistance and guidance and be the conduit, so that those disaster adaptation plans are able to anticipate—this is a road in a flood plain. If we build it to this standard now then it will actually enable us to recover more quickly and more effectively. They're almost a business case to seek funding before a disaster, to be prepared for a disaster.

**DOUGLAS WALTHER:** Apologies, Dr Cohn. Just to ensure that we don't mislead the Committee, recently councils, especially across the Riverina, have raised with me the issue of the depreciation as a result of some of those grant programs and funding.

**Dr AMANDA COHN:** What has been your response?

**DOUGLAS WALTHER:** In terms of the response, the large criticism—well, concern—raised with us has been on the back especially of repairing fully depreciated assets and doing the betterment element. It's had unintended consequences, especially on some of the smaller councils, with budgetary problems of both increased operational expenses and the depreciation element coming into the budget. There are also provisions made to exclude some of the usual capital reporting requirements and approvals that would usually take place, which has meant that sort of things. There were obvious reasons why they were exempt from those requirements—trying to get dollars out the door quickly to repair the assets and to make sure that community had ease of access and could continue to traverse where they were supposed to be going. But they have recently raised that concern. In terms of the work done to investigate that, it's only been a recent concern raised with us, so nothing's been done to date. Yes, I just didn't want to give the impression that councils hadn't raised it when they had.

**BRETT WHITWORTH:** Raised, as in last week raised.

**KIERSTEN FISHBURN:** Literally last week.

**DOUGLAS WALTHER:** Raised, as in last week raised.

**Dr AMANDA COHN:** Thank you for clarifying that. I'm interested to hear what can be done. I understand, as you've agreed, that it's an issue particularly affecting very tiny councils with very small budgets, and that, obviously, larger councils have been able to absorb this differently.

**BRETT WHITWORTH:** If it's okay, I think there's some—I hate to open up a conversation about depreciation, but depreciation is about identifying what the utilisation of an asset is now and into the future. It's not about cash, so it's not taking cash out of the council's budget.

**Dr AMANDA COHN:** I understand that, but the councils are also responsible for all sorts of ratios et cetera imposed on them that they have to meet in an audit.

**BRETT WHITWORTH:** Which is absolutely a really reasonable response, and I have been saying to councils, my frustration with the ratios is that they're not picking those issues up. My concerns about how councils operate are: What's their liquidity? Are they meeting services? Yes, they need to make sure that they've got a reasonable and ongoing investment in infrastructure, but having a performance ratio that is measured at the end of the year and that doesn't include development contributions but does include depreciation—we can do better.

**DOUGLAS WALTHER:** One of the elements we recognise is that we don't want to see a council saying no to funding to repair their assets because they can't accommodate the depreciation on their balance sheet or something.

**Dr AMANDA COHN:** Absolutely, and my follow-up question, which is getting exactly to that point—we know that these assets need to be rebuilt fairly urgently. Ideally, they should be built back better so that we're not just in the same cycle, but I understand, in some council areas, maintenance is a challenge, staffing is challenge and actually being able to implement those projects quickly when they're given funding has been a challenge. What has the Office of Local Government been doing to support them?

**BRETT WHITWORTH:** I made the point about disaster adaptation planning because it's about planning ahead for disasters, making sure that the infrastructure that you can build can recognise that and seeking upfront funding through disaster recovery funding agreement processes. You might invest more money now, but it will mean that you don't need to invest as much. You're not investing money in recovery later, because the infrastructure asset can withstand the disaster event. This has been the success of the Queensland Reconstruction Authority and how they've been able to apply their model and their approach. That's probably where the Office of Local Government wants to get in and help councils in that perspective.

**KEITH BAXTER:** I was just going to say, the Reconstruction Authority are also doing a lot of work in this space. They have started a piece of work looking at the funding model and how it applies and how it works. I also know that Regional NSW, more generally, has looked at the way it does some of its infrastructure grants to basically allow for better costings for councils and better—allowing things like increased amounts for project management costs and increased contingencies, where the old-school grant programs would have just cut them short and basically said, "We're going to shave the project management costs" or "We're not going to fund that. We're going to shave contingency." There is a much greater realisation within government that these are legitimate costs of providing the infrastructure.

**The CHAIR:** The Committee will now break for afternoon tea and be back at 3.45 p.m.

**(Short adjournment)**

**The CHAIR:** We're not going to go on a clock. We will be concluding early, at some point. We're just going to finish whatever questions each of us have. Mr Whitworth, my office is often contacted by concerned community members and rescue groups who tell me that some pounds, particularly in regional and rural areas, are not open to the public every day. In fact some of them apparently operate very limited hours or by appointment only. It can be very difficult to contact a ranger to get access to the animals. I'm just wondering if this is something that has come to OLG as a concern to be dealt with in any way.

**BRETT WHITWORTH:** Not that I'm aware of. There may be individual issues. I was aware, for example, of the—I can't remember which. There were a number of councils that closed their pounds because of the outbreak—I thought it was the parvovirus, that they needed to restrict people from accessing. I'm also conscious that some of the rural councils need to manage their workload in and around the availability of a ranger. But, again, if it's an issue that needs to be raised, then we can look at it. The flip side always of these conversations is there's a staffing impost. There's a cost impost on the council.

We're trying to encourage councils to operate as efficiently as they possibly can to meet expectations about standards and service delivery that the community has a say in and can talk to their councillors about and make sure that their councillors are advocating and influencing what those levels of standards are. If the Office of Local Government put a recommendation to the Minister about some of sort of regulation requiring opening of pounds, even if it was standard operating hours, that would be an impost on local government. I dare say I would next read about that in the cost-shifting report.

This is that fine balance. I think a question was asked this morning about the expectations of how services are delivered and the IPART inquiry. I was hoping that some of those issues would be looked at as part of the IPART inquiry. I'd explained to people that it's fundamentally an equation of three things—service delivery expectations, revenue and expenditure—and getting a balance between all three, based on community expectations. If you can't balance all three, what are the issues that are preventing that? But to your question, if there are concerns, we'd be happy to look at it and to see, again, what influence we can use to encourage councils to make their services more available to members of the community—but, more importantly, I think, to the rehoming organisations.

**The CHAIR:** Last time, we spoke about the Companion Animals Fund. You said that you felt there was an opportunity there to look at how we can get more bang for buck with respect to the fund, rather than giving a small rebate to each council. Can you further expand on what you mean by this and whether any steps are being taken to be able to use that fund more effectively?

**BRETT WHITWORTH:** No steps yet, but the team within the office have looked at some potential options that they've put to me. I haven't considered them in any detail. I'll need to talk to the Minister because it

could well be a shift in policy and I would want to make sure that he was comfortable with that. I keep coming back to a couple of statistics that those large councils, where there are lots of registrations, do get the lion's share, and I mean a huge amount of money, whereas smaller councils—I think for me, the issue was a council where we were giving them, after a quarter, \$29. I just don't see how that helps to run a pound and to provide education services, whereas, if we could talk about that council in combination with the other councils in its area, we could be talking about potentially running some pet education programs and so forth. The stat that I was looking at was that 79 per cent of councils get less than 1 per cent of the fees coming through. Obviously, we need to do something different, and that's something that we're looking at. Now that the team has given me some ideas, it's in my in-tray.

**The CHAIR:** Thanks for that update.

**DOUGLAS WALTHER:** The only other thing I'd add to that answer is that, in light of all of the other inquiries and things going on in that space, it's also useful for us to recognise whatever recommendations may come out of that in light of how that funding is spent in the future.

**The CHAIR:** Mr Whitworth, at the last estimates, you said the responsible pet owners group had not been resurrected but that you were in the process of putting together advice to the Minister around this. Is there any update on that and whether the group might be re-established?

**BRETT WHITWORTH:** No advice on timing. Again, the team has put something together. For some reason, it feels like we were only here in November. We had Christmas in between, and we've been doing a few other things in the meantime. But, yes, there are some options that have been put forward in terms of what we can do for that group. Whether it's resurrecting that group or whether it's about a different group with similar membership, those are things that we need to discuss with the Minister.

**The CHAIR:** I also wanted to ask about the Centre for International Economics *Rehoming of Companion Animals in NSW* report. I know we talked about that last time, but when I was reviewing the transcript, it still wasn't quite clear to me whether there's a plan to finalise that report or if it's going to remain in draft form.

**BRETT WHITWORTH:** The issue that I had is that it was policy by a consultant, and I would prefer that we have a policy by government. Certainly, there is a lot of information there. There's a wealth of information. That information is accessible through the draft report. There's probably value in how we might release that additional information and any changes between the draft and any finalisation of the report. However, we've got the cat containment conversation happening through the Animal Welfare Committee. We have the pounds inquiry through this Committee. We have a number of matters. I think it's public knowledge—and I don't want to go into them too much—that the media is reporting on the Coroner reviewing a number of cases which will provide recommendations as well. There is the reform process that my colleagues in the Department of Primary Industries are pursuing in terms of the animal welfare reforms. To wade into the space with, "Here is a new policy around companion animals," it probably isn't the right time at the moment. We want to wait and see what comes out, and then bring that CIE report forward and say, "What can we use to actually create a policy that we can put to the Government?"

**The CHAIR:** Registered rehoming organisations are required to report annually to OLG. I was wondering if those reports are ever compiled to get a picture around rehoming rates and statistics.

**BRETT WHITWORTH:** I believe that they were used to help support some of the CIE work. Is there any more detail, Ms Bishop or Ms Gibbs?

**KARIN BISHOP:** No.

**The CHAIR:** Is that something that, as OLG moves to more digital platforms, will be included?

**BRETT WHITWORTH:** Hopefully, yes.

**The CHAIR:** Lastly, I've got a few questions for Dr Filmer. These are quite specific, so feel free to take them on notice. At the pound inquiry you said that in the last three years Animal Welfare League had issued one PIN and RSPCA had issued one 24N notice, and you said Animal Welfare League had an ongoing investigation but you didn't know the outcome of that yet. I was wondering if there was an update on that investigation, if you're able to comment.

**KIM FILMER:** Yes. I don't have the names of those particular cases, but I have got the data here for the last couple of years. In 2021-22, Animal Welfare League had zero infringements and RSPCA issued one 24N notice. In 2022-23 Animal Welfare League undertook two inspections. They didn't issue any infringement notices. RSPCA undertook one inspection and didn't issue any infringement notices.

**The CHAIR:** In regard to the ongoing investigation by the Animal Welfare League, is that closed now?

**KIM FILMER:** If it's in that time frame, yes. According to the data I've got here, which is for the 2022-23 financial year, all of the investigations are closed.

**The CHAIR:** Could I get you to just check that on notice? In regard to the ongoing investigation that you mentioned at the pound inquiry, what was the outcome of that specific investigation?

**KIM FILMER:** I can chase that up for you, yes. I will take that on notice.

**The CHAIR:** The 24N notice that was issued by the RSPCA—do you know which pound this was issued to?

**KIM FILMER:** Yes, that was to the Bourke pound.

**The CHAIR:** What was the basis of the 24N notice?

**KIM FILMER:** I haven't got that detail here.

**The CHAIR:** Could I ask you to take it on notice?

**KIM FILMER:** I can. I may or may not be able to provide that information.

**The CHAIR:** That's okay—whatever you are able to provide, and whether that notice was actually complied with, to any knowledge that you may have.

**KIM FILMER:** Well, there has been no infringement notice and so, according to this data, there's no further action required. I'd say that would mean it has been actioned.

**The CHAIR:** Has there ever been a prosecution of a council pound for a breach of POCTAA or the regulations, ever, to as far as the records go? I get it; I'm happy for you to take that one on notice.

**KIM FILMER:** I'd have to take that on notice because, as I said, I've got data here from the 2021 financial year, so the last three financial years, and certainly in that time there's no indication—actually, there's one PIN; not a prosecution but a PIN issued back in 2021.

**The CHAIR:** In regard to the 24N notice at Bourke, could I also ask you to take on notice when that was issued, and then also any other details that you're able to supply to us in regard to that?

**KIM FILMER:** That was issued on 19 November 2021. As I said, I think that's the same question as you asked me before. I can see if I can find out any more details, but I may or may not be able to get that for you.

**The CHAIR:** Thank you so much for that.

**Dr AMANDA COHN:** I want to come back to Mr Walther. You took a question this morning about the asbestos, and I was pleased to hear that you were involved in the taskforce. Could you just elaborate on the work that has been done supporting councils? I think I cut you off to go back to the Minister this morning.

**DOUGLAS WALTHER:** From the outset, I should probably preface the answer with: The taskforce and the investigation has been focused on a particular contaminant material, so there is no requirement for councils, on the whole, to go out and test all asbestos mulch, and there's no need for the community to be concerned because there's a park with mulch in it. That said, in relation to the instances of contamination that have been confirmed, one of the main things that we're looking at doing now is developing a standardised protocol for the clean-up. In terms of the testing, the testing costs were covered by the EPA and there's a dedicated fund for that testing. But the question now becomes on the remediation costs, mechanisms, as part of that protocol, just to standardise what type of clean-up is required, and also get standardised certificates around the type of asbestos so that when that material gets taken to a disposal facility, they know exactly what it is, the prices and things like that.

**Dr AMANDA COHN:** How has that process been communicated to the public? I think particularly local government councillors are feeling a lot of pressure from the community about the urgency of replacing mulch quickly and being able to reopen parks. Are you supporting the councils by actually communicating this stuff to the public?

**DOUGLAS WALTHER:** In terms of the specific details around the protocol and how that's been relayed to councils, the EPA and SafeWork have been meeting with affected councils and providing that information to them. I could probably take on notice, or potentially for the Environment estimates tomorrow, how far along the EPA are in those specific discussions with councils. I know meetings were had with the City of Sydney earlier this week to relay that with them. I'm just not sure of the status of Penrith and Inner West.

**Dr AMANDA COHN:** You may need to take this one on notice too, but I'm most interested in that time frame for the protocols so that councils can get on with replacement.

**DOUGLAS WALTHER:** Yes. It's certainly imminent. It's number one priority now. We did have to take a staged approach to it. It was the contract tracing in the first instance, and that was the priority—to try to track down where that material went—and then, once it was determined where that was, priority was then how do you fence that off and minimise the risk of that material? But now we're very much in the remediation stage. Six sites to date—and that's not just council sites; that's of the 71 or 73 that had contaminate material—have been fully remediated, but we're in that remediation stage for the bulk of it.

**Dr AMANDA COHN:** I also wanted to come back to the questions I asked the Minister this morning about supporting councils to be able to run events safely, particularly events for the LGBTQI+ community. I understand that ACON's doing an online safety seminar series. Has the OLG been involved in that? Will you be sending a representative to attend it?

**BRETT WHITWORTH:** I'm not aware of it. If ACON wants to make contact with us, I'm happy to identify that through the external newsletter that we provide as well. That's a useful channel to provide information out. I attended at least the first part of the City of Sydney safety seminar that ACON worked with the City of Sydney to put on. I do think that those seminars are really important and would be more than happy to help publicise their existence. Certainly, I'm sure one of our governance team would like to tune in so that they're aware and if there are any issues or improvements that we can flag, see, make, we'd be happy to pick that up.

**KIERSTEN FISHBURN:** We can also provide that information to our staff network, Rainbow Connection, who will then be able to get it out more broadly because obviously outside of the Office of Local Government we also produce and deliver events as well.

**Dr AMANDA COHN:** When I was reading the information about the summit, it says that it's been designed specifically to provide practical application and reach the appropriate council staff.

**KIERSTEN FISHBURN:** Terrific.

**Dr AMANDA COHN:** There's obviously a role for the OLG in helping to facilitate that connection.

**The Hon. SCOTT FARLOW:** Ms Fishburn, with respect to the Department of Planning, Housing and Infrastructure, I understand there's a functional review that's ongoing at the moment in terms of the department. I'm just wondering if that has any impact on the Office of Local Government, particularly with directors and executive directors and the capacity within the Office of Local Government?

**KIERSTEN FISHBURN:** No impact on the Office of Local Government.

**BRETT WHITWORTH:** This should be where I point out that I have all my directors and my executive director here.

**The Hon. SCOTT FARLOW:** In terms of the Government's 15 per cent reduction in senior executive staff, is the Office of Local Government impacted by that target, or are they separate?

**KIERSTEN FISHBURN:** The target is held by the department as a whole. Obviously, we need to look at making sure as we reach the target that we don't disadvantage the smaller agencies. I'm very alive to that and the potential issue on the Office of Local Government and I will manage that.

**The CHAIR:** Government questions? No? Were there any questions taken on notice that anybody wants to address now?

**BRETT WHITWORTH:** There were some, but I think a written, more fulsome response is probably appropriate.

**The CHAIR:** Yes—absolutely wonderful.

**KIERSTEN FISHBURN:** Chair, can I thank the Committee for their courtesy and professionalism towards my staff. It's really appreciated. We're all passionate Local Government professionals and, as you can tell, we're happy to talk about it. We appreciate the questions and the way in which they were delivered. Thank you.

**The CHAIR:** Thank you. That's good feedback to get. Thank you to all of our government officers who have attended today. The Committee secretariat will be in touch in regards to any questions that were taken on notice but also if there are any supplementary questions from the Committee.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**