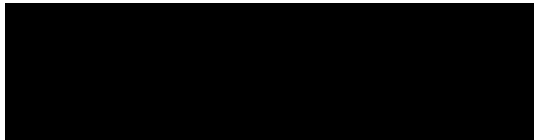


The Hon John Graham MLC
Special Minister of State
Parliament House
Macquarie Street
SYDNEY NSW 2000

By email:



Our Ref:
Your Ref:



Dear Minister

The regulation of lobbying in NSW

I write further to our meeting on 6 December 2024 when we discussed, among other matters, the recommendations set out in the Commission's report:

- *Investigation into the regulation of lobbying, access and influence in NSW* (Operation Eclipse: 2021).

As you may be aware on 19 July 2022 the then Government announced that it accepted, or accepted in-principle, the relevant recommendations however none were implemented before your government won office. On numerous occasions since then, the Commission has sought the government's advice in relation to whether the recommendations will be implemented and, if so, details of the proposed plan of action and progress reports. To date, however, no clear indication has been given of when a response will be provided (a timeline of key correspondence, reports and recommendations concerning lobbying is set out in the enclosed Appendix for your information).

In correspondence dated 21 August 2024 you advised that the Government was considering Operation Eclipse recommendations as well as reviewing lobbying reforms in Queensland. The *Integrity and Other Legislation Amendment Act 2024 (Qld)* introduced dual hatting laws, changes to the definition of 'registered' lobbyist, mandatory training for lobbyists, and additional powers to the Integrity Commissioner. Of particular interest is the requirement for the Code of Conduct to include a policy on managing conflicts of interest.

The Commission also notes the South Australia ICAC report on lobbying reforms¹, as well as the Victorian Government's public consultation on lobbying reforms (launched 7 January 2025) which includes extending regulation to local government councillors.² Notably, in

¹ https://www.icac.sa.gov.au/__data/assets/pdf_file/0003/1065873/The-Room-Where-it-Happens-Lobbying-and-Influence-report-August-2024.pdf

² <https://engage.vic.gov.au/lobbying-reform>

Operation Eclipse, the Commission observed that “the local government sector faces considerable risk of undue influence and should be regulated by the [*Lobbying of Government Officials Act 2011*]” (LOGO Act). Chapter 10 of the report set out the arguments for and against extending lobbying regulation to local councillors in NSW.

However, following the Commission’s *Investigation into the Conduct of Councillors of the former Canterbury City Council and Others* (Operation Dasha: 2021), the Commission made the firm recommendation “that the NSW Government amends the *Lobbying of Government Officials Act 2011* to ensure all provisions apply to local government”.

The Commission then considered that extending the provisions of the LOGO Act to local government would, among other matters, allow the lobbying regulator to provide guidance about the appropriate policies and procedures that would best suit the circumstances of local councils, particularly regarding matters about planning, land use, the environment and community amenities.

The Department of Planning and Environment responded that it proposed instead to issue guidelines under s 23A of the *Local Government Act 1993* together with a model policy to enhance transparency around the lobbying of councillors.

The Commission noted that proposed response in its *Investigation into the Conduct of the Local Member for Drummoyne* (Operation Witney: 2022).

On 8 August 2022 the Office of Local Government, under the previous government, issued circular 22-22 seeking the views of councils as to what should be included in the proposed guidelines and model policy. The circular also sought the views of councils on whether the LOGO Act should apply to local government.

The need for action was again highlighted by the Commission in its *Investigation into the conduct of three former councillors of former Hurstville City Council and part of Georges River Council and others* (Operation Galley: 2023) and its *Investigation into the conduct of the City of Canada Bay Council mayor and others* (Operation Tolosa: 2023).

The Kellar report of October 2022 titled *Focus on Civic Responsibility* commissioned by the then Minister the Hon Wendy Tuckerman MP also highlighted the importance of the matter. However, no action was taken in advance of the March 2023 election.


In November 2024 the Commission made a submission to the Councillor Conduct Framework Review restating whilst its preferred position is that the provisions of the LOGO Act be extended to local government it would be happy to assist the Office of Local Government to develop the proposed lobbying guidelines.

In light of the above I would be grateful if a substantive response to the Commission’s Operation Eclipse report can be given most earnest consideration with advice forwarded in the near future.

If there is anything in addition to the above you would like to discuss please contact my office on [REDACTED] or Lewis Rangott, Executive Director Corruption Prevention on [REDACTED]
[REDACTED]

I look forward to hearing from you on this important matter.

Yours sincerely



The Hon John Hatzistergos AM
Chief Commissioner

21 January 2025

Copy: The Hon Ron Hoenig MP, Minister for Local Government
Ms Kate Boyd, Secretary, The Cabinet Office

APPENDIX

Table: Timeline of key correspondence, Commission reports and recommendations regarding lobbying

Date	Correspondence
22 March 2021	ICAC releases Canterbury City Council - allegations concerning former councillors and other public officials (Operation Dasha) - Independent Commission Against Corruption.
22 June 2021	ICAC releases Lobbying and the NSW public sector - the regulation of lobbying, access and influence in NSW (Operation Eclipse) - Independent Commission Against Corruption.
13 Sep 2021	Special Minister of State (the Hon Don Harwin MLC) acknowledges receipt of Op Eclipse.
28 February 2022	ICAC releases Political donations – allegations concerning ALP NSW branch officials, Chinese Friends of Labor and others (Operation Aero) - Independent Commission Against Corruption.
21 June 2022	Chief Commissioner (the Hon Peter Hall KC) writes to Premier Perrottet advising that no response had been made to the Op Eclipse report furnished on 22 June 2021.
19 July 2022	The Perrottet Government responds to the Op Eclipse report. Government response to the Eclipse report 18 July 2022.pdf.
20 July 2022	ICAC releases NSW State Member for Drummoyne – allegations concerning improper influence and breach of public trust (Operation Witney) - Independent Commission Against Corruption.
8 August 2022	Office of Local Government releases circular 22-22 The development of guidelines and a model policy on the lobbying of councillors - Office of Local Government NSW.
October 2022	<i>Focus on civic responsibility</i> , report prepared by Gary Kellar PSM (“the Kellar report”) for the Hon Wendy Tuckerman MP, Minister for Local Government.
December 2022	<p>The Standing Committee on Parliamentary Privilege and Ethics report 4/57 <i>Review of the Code of Conduct for Members</i> notes the following finding regarding the recommendation made by the ICAC in Op Eclipse and the prohibition on paid advocacy:</p> <p><i>The reconstituted Legislative Assembly Standing Committee on Parliamentary Privilege and Ethics in the 58th Parliament should consider whether to amend the (Members) Code to prohibit all forms of paid advocacy. The Committee should also consider whether the prohibition on improper influence as outlined in clauses 2(b) and (c) should be amended to ensure that it extends to a Member of Parliament seeking to improperly influence other public officials on behalf of any other person with whom the Member is closely connected.</i></p>

	Refer also to the Government response to the report of the Privileges Committee Draft constitution (disclosures by Members) regulation 2024 (Report 96, September 2024) , below.
30 October 2023	Letter from Chief Commissioner Hatzistergos to Premier Minns and Special Minister of State (the Hon John Graham MLC) states that although a response to Op Eclipse had been received stating that 27 of the recommendations were accepted or accepted in principle (and two noted for Parliamentary action) there had been no implementation. The letter requests an update on the implementation of the recommendations and reforms of both Ops Eclipse and Aero.
30 August 2023	ICAC releases Georges River Council/Hurstville City Council – allegations concerning former Councillors and others (Operation Galley) - Independent Commission Against Corruption .
9 November 2023	ICAC releases City of Canada Bay Council – allegations concerning the Mayor and others (Operation Tolosa) - Independent Commission Against Corruption .
31 January 2024	Chief Commissioner meets with Special Minister of State to discuss relevant integrity reforms (including Op Eclipse recommendations).
7 February 2024	ICAC submission to the Australian Parliamentary Senate Finance and Public Administration References Committee inquiry into “Access to Australian Parliament House by lobbyists” with reference to Ops Eclipse and Halifax recommendations.
20 March 2024	Letter from the Special Minister of State to the Chief Commissioner confirms that the Government is considering the Op Eclipse recommendations.
17 May 2024	The Chief Commissioner gives oral evidence to the Joint Committee on Electoral Matters inquiry “Administration of the 2023 NSW State Election and other matters” when the issues contained in Ops Eclipse and Aero were discussed in some detail. The Chief Commissioner “observed a significant degree of bipartisan support for at least some of the Commission’s earlier recommendations”.
29 May 2024	<p>A letter from the Chief Commissioner is sent to Premier Minns regarding outstanding Op Eclipse recommendations.</p> <p>The letter notes that the Labor Party submission to the Joint Committee on Electoral Matters inquiry “Administration of the 2023 NSW State Election and other matters” stated that it “concurs with the sentiment of Op Eclipse” and “broadly agrees with recommendations contained within”.</p>
ICAC submission sent on 14 Aug 2024	Submission made to the NSW Parliament’s Joint Committee on Electoral Matters inquiry “Proposals to increase voter engagement, participation and confidence’ that primarily focus on recommendations made in Op Aero (as per the Inquiry Terms of Reference) and reference made to lobbying recommendations in Op Eclipse.

21 August 2024	Letter from the Special Minister of State to the Chief Commissioner advises that the Government is considering the Op Eclipse recommendations, as set out in his previous letter dated 20 March 2024. Letter states the Government is reviewing the Queensland lobbying reforms.
8 November 2024	ICAC submits to the Councillor Conduct Framework review .
2 December 2024	<p>The Government responds to the report of the Privileges Committee Draft constitution (disclosures by Members) regulation 2024 (Report 96, September 2024).</p> <p>The Government response regarding the recommendation by Privileges Committee concerning Op Eclipse and the prohibition on paid advocacy notes that “the Government will amend the Draft Regulation to omit clause 20 and clause 9 (a consequential interpretation provision) in accordance with the ICAC’s submission to the Privileges Committee on this matter and to deal with the Committee’s recommendation.”</p>
6 December 2024	Chief Commissioner meets with the Special Minister of State at the ICAC offices, and discussed among other matters, the recommendations set out in Op Eclipse.