

PORTFOLIO COMMITTEE NO. 7 - PLANNING AND ENVIRONMENT

Thursday 25 August 2022

Examination of proposed expenditure for the portfolio area

LOCAL GOVERNMENT

UNCORRECTED

The Committee met at 9:30 p.m.

MEMBERS

Ms Sue Higginson (Chair)

The Hon. Scott Barrett

The Hon. Mark Buttigieg

The Hon. Rose Jackson

The Hon. Shayne Mallard

The Hon. Mark Pearson (Deputy Chair)

PRESENT

The Hon. Wendy Tuckerman, *Minister for Local Government*

* Please note:

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

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

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

The CHAIR: Welcome, everybody, to the initial public hearing for the inquiry into budget estimates 2022-2023. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past, present and emerging, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and the waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. I welcome Minister Wendy Tuckerman and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Local Government.

Before we commence, I would like to make some brief comments about the procedures for today's hearing. Today's hearing is being broadcast live via the Parliament's website. The proceedings are also being recorded, and a transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings.

All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Finally, could everybody please turn their mobile phones to silent for the duration of the hearing.

Mr KEITH BAXTER, Director, Emergency Recovery, Office of Local Government, Department of Planning and Environment, affirmed and examined

Ms ALLY DENCH, Executive Director, Office of Local Government, Department of Planning and Environment, affirmed and examined

Mr MICHAEL CASSEL, Secretary, Department of Planning and Environment, sworn and examined

Ms MELANIE HAWYES, Deputy Secretary, Crown Lands and Local Government, Department of Planning and Environment, affirmed and examined

Ms KARIN BISHOP, Director, Sector Performance and Intervention, Office of Local Government, Department of Planning and Environment, affirmed and examined

Ms MELISSA GIBBS, Director, Policy and Sector Development, Office of Local Government, Department of Planning and Environment, affirmed and examined

Ms MICHELLE FLETCHER, Director, Marine, Coastal, Estuaries and Flood, Department of Planning and Environment, affirmed and examined

The CHAIR: Today's hearing will be conducted from 9.30 a.m. to 12.45 p.m. We'll have a 15-minute break at 11.00 a.m. We are joined by the Minister in the morning, and in the afternoon we will hear from departmental witnesses from 2.00 p.m. to 5.15 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. If required, an additional 15 minutes is allocated at the end of the morning and afternoon sessions for Government questions. Thank you very much for your attendance today. We will commence with questions from the Opposition.

The Hon. MARK BUTTIGIEG: Thank you, Chair, and thank you to the Minister for attending. I appreciate your time today, all of you. We really appreciate you coming along. Minister, I want to investigate the theme of developers on council. I know this predates your time, and we covered some of this in the previous round of estimates, but I think it's important by way of context. Have you been briefed on the debacle that your predecessor, Minister Hancock, presided over in respect of Mayor Antoine Doueihi?

Mrs WENDY TUCKERMAN: Yes, I'm aware of that matter

The Hon. MARK BUTTIGIEG: Minister, that investigation by your office, the OLG, took about two years from the time that it was reported. It was then referred to NCAT, who again took quite some time. They eventually came to a decision that Mayor Doueihi did in fact breach the Act by not declaring his property interests. By the time they came to meting out a punishment, which was in fact a reprimand, it was some four years after the event took place. All the while—well, not quite all the while, but most of the time—Mayor Doueihi continued to sit on the council. Do you accept that that was the case?

Mrs WENDY TUCKERMAN: I believe so, yes.

The Hon. MARK BUTTIGIEG: Do you think it's acceptable that we have a situation where an investigation takes that long and ends in a simple reprimand, while the conflict that causes the problem is allowed to continue through all that time? The ratepayers presumably have the view that they are protected by legislation in those sorts of conflicts. Can you see the issue here?

Mrs WENDY TUCKERMAN: Absolutely I can see the issue. I believe there is a presumption of innocence, and people are entitled to be investigated and entitled to have that presumption of innocence. I don't have the power to suspend councillors when they are being investigated. What I am doing as the Minister is reviewing the misconduct framework. Any recommendations from ICAC—what I'm trying to achieve is to ensure that the framework is robust and is able to give confidence in the community that those provisions are in place to ensure that the councillors are best representing them as a community. I understand your question, and it is a concern. I have asked the reviewer to look at the issue and to make recommendations in the report.

The Hon. MARK BUTTIGIEG: I appreciate that perspective, Minister, but you would also appreciate that I've been doing this since I got elected—at least for three years. I think we've had three Ministers. You're the third Minister now. This isn't a new revelation. We've been bringing this up round after round after round. You have a situation where an investigation and punitive action—to the extent that you could call it punitive action—took a full term of council, and you're telling me that we're having a review and that you don't have the power to enforce. You're a Minister of the Crown. You can bring legislation to the floor of the Parliament to change this, can't you?

Mrs WENDY TUCKERMAN: That's what I'm intending to do, Mr Buttigieg. That's what the review, hopefully, will enable me to do. In regards to investigations, since I became Minister—can I say, I became Minister in late December—I have asked the department to ensure that the backlog of investigations are looked at, to come up with some way of ensuring those investigations aren't taking as long as they have been. That has certainly been reviewed by the department, and I'm pleased to say we have seen some improvement in that. As I said, I am absolutely intent on ensuring that the framework is strengthened, that the way we deal with investigations is prompt and that we continue to strengthen this sector in that regard.

The Hon. MARK BUTTIGIEG: Minister, could I take you to another relative, more recent example. Again, this is by way of context, because I think it's important we learn from these examples to inform how we're going to improve this. You will recall that at the last round of estimates we raised the issue of Councillor Sarah Richards on the Hawkesbury council—now, I understand, recently elected Mayor McMahon on the Hawkesbury council—whereby her partner, Matthew Bennett, was found to have been a property developer, at least on the company's website.

The Hon. SHAYNE MALLARD: That's not true. Point of order—

The Hon. MARK BUTTIGIEG: I haven't finished articulating the argument.

The Hon. SHAYNE MALLARD: You have to articulate truth. That's not true.

The Hon. MARK BUTTIGIEG: I haven't finished.

The Hon. SHAYNE MALLARD: He has been not found to be a property developer, and the department said that. You should not mislead the Minister.

The Hon. MARK BUTTIGIEG: Chair, with all due respect, I was qualifying that by saying that on the website it offered "end-to-end property development services". That's what the website says—

The Hon. SHAYNE MALLARD: Not found as a property developer.

The Hon. MARK BUTTIGIEG: —and that's what we raised with you, Minister. There was an investigation that took place—

The CHAIR: I think we can carry on.

The Hon. MARK BUTTIGIEG: To go to the member's point, there was an investigation by the OLG that took place. The finding was that Mr Bennett did not satisfy the definition of a property developer under the Act. Are you aware of what that definition is, Minister?

Mrs WENDY TUCKERMAN: Yes, I am.

The Hon. MARK BUTTIGIEG: Can you articulate that to the Committee?

Mrs WENDY TUCKERMAN: A property developer under the Act is defined as:

(a) an individual or a corporation if--

(i) the individual or a corporation carries on a business mainly concerned with the residential or commercial development of land, with the ultimate purpose of the sale or lease of the land for profit, and

(ii) in the course of that business--

(A) 1 relevant planning application has been made by or on behalf of the individual or corporation and is pending, or

(B) 3 or more relevant planning applications made by or on behalf of the individual or corporation have been determined within the preceding 7 years,

(b) a person who is a close associate of an individual or a corporation referred to in paragraph (a).

(2) Any activity engaged in by an individual or corporation for the dominant purpose of providing commercial premises—

The Hon. MARK BUTTIGIEG: That's okay, Minister. You've covered the relevant—the point is that we had a situation here where this fellow had spruiked end-to-end property development services on the website and, in fact, had lodged a DA for a subdivision of 104 lots, yet technically didn't satisfy the definition. I think Ms Dench wrote a letter to him to that effect, saying that he didn't satisfy the definition of a developer, yet we have got a DA for a subdivision in 2017 for 104 lots.

The Hon. SHAYNE MALLARD: In 2017.

The Hon. MARK BUTTIGIEG: That makes it okay, does it, because it's 2017? My question is, Minister, given what we've seen and the evidence we presented, and the decision from the OLG that it didn't satisfy the Act, do you think the Act is sufficiently tight to stop this sort of thing happening?

Mrs WENDY TUCKERMAN: The definition under the Electoral Act is not a matter for my portfolio. That's under the Electoral Commission.

The Hon. MARK BUTTIGIEG: You're in Cabinet, aren't you?

Mrs WENDY TUCKERMAN: I beg your pardon?

The Hon. MARK BUTTIGIEG: You're in Cabinet, aren't you?

Mrs WENDY TUCKERMAN: Yes, that's correct. I am in Cabinet.

The Hon. MARK BUTTIGIEG: You don't have input into overlapping legislation that affects your portfolio?

Mrs WENDY TUCKERMAN: There have been no concerns raised with me that the property developer definition is insufficient.

The Hon. MARK BUTTIGIEG: I'm raising those concerns now by giving you an example of where it doesn't work.

The Hon. SHAYNE MALLARD: This is your campaign to smear Sarah. That's what this is about.

The Hon. MARK BUTTIGIEG: I'm asking you, Minister—the question is very straightforward: Do you think, given that historical example, that the Act is adequate enough to protect the ratepayers of New South Wales from those conflicts?

Mrs WENDY TUCKERMAN: The matter has been investigated, and it has been determined that definition is not pertinent to the candidate—the now councillor.

The Hon. ROSE JACKSON: Can you see why this is difficult? The common understanding is that property developers and their close family members are not entitled to sit on councils because of the obvious potential conflict of interest. This councillor's husband runs a business that is called BCM Real Estate and Development that is offering "end-to-end property development services", yet that does not constitute, technically, a breach of the Act. Can you see how, on the surface of it, that might seem incongruous?

Mrs WENDY TUCKERMAN: The definition is what the definition is.

The Hon. ROSE JACKSON: Obviously, but—

The Hon. MARK BUTTIGIEG: I'm incredulous, Minister. You are a Cabinet Minister sitting in a government that has input into legislation and you're telling me, as the Minister for Local Government, that you don't have an issue with that definition.

Mrs WENDY TUCKERMAN: No, I don't.

The Hon. MARK BUTTIGIEG: Okay. Thank you. Was Mr Bennett formally interviewed by the OLG?

Mrs WENDY TUCKERMAN: I would have to ask the OLG. I don't have any input into the investigation.

The Hon. MARK BUTTIGIEG: Ms Dench, are you able to answer that?

ALLY DENCH: I'd need to take that one on notice.

The Hon. MARK BUTTIGIEG: What about Sarah Richards? Was she formally interviewed by the OLG?

ALLY DENCH: I'll take that on notice, and I'll get that information for you before the end of the day.

The Hon. ROSE JACKSON: It would be useful if we could have that for this afternoon.

ALLY DENCH: Yes, before the end of the day.

The Hon. MARK BUTTIGIEG: Was anyone interviewed by the OLG?

ALLY DENCH: I'll get that information for you by the end of the day.

The Hon. SHAYNE MALLARD: She didn't win Macquarie. I don't know why you're still pursuing it.

The Hon. ROSE JACKSON: We're pursuing it because property developers and their family members should not be on council.

The Hon. SHAYNE MALLARD: You did it to knock her off from Macquarie—

The Hon. MARK BUTTIGIEG: With all due respect, Chair, we have a right—

The Hon. SHAYNE MALLARD: It's all about Susan Templeman.

The CHAIR: Members—

The Hon. MARK BUTTIGIEG: We ask the questions here.

The Hon. MARK PEARSON: Point of order—

The CHAIR: Thank you.

The Hon. MARK PEARSON: Chair, I think you know what the point of order is. We're here to question the Minister and the department rather than have an argy-bargy. I ask you to call the members to order.

The CHAIR: Please, members, let's focus our questions to the Minister.

The Hon. MARK BUTTIGIEG: Minister, I've given you two emblematic examples, and there are many more but we don't have endless time here. There is one where the recourse for someone incorrectly declaring their property interests is clearly inadequate—four-year result, a slap on the wrist and continue to sit on council. Then we have the spectre of people being able to change the name of their company, technically not comply with the definition of the Act and still have that conflict. I'm going to give you another example now that has come to light recently, and I want to get your view on it. I'm going to table some documents, which will allow us to step through a similar sort of situation. The purpose of this is to show you that this legislation is impotent, ineffective and dysfunctional, and it doesn't protect the New South Wales ratepayer.

There are three packs of documents. One is a group of local government candidate disclosure forms. The other two suites of documents are ASIC extracts. If I could just distribute those. Minister, whilst we're waiting for those documents to be circulated, you would be aware that it is illegal for developers to contribute donations to candidates for local government. Are you aware of that?

Mrs WENDY TUCKERMAN: Yes.

The Hon. MARK BUTTIGIEG: If we have a situation where that's occurring, do you think that the system which picks that up—if you're looking at this through the prism of a New South Wales ratepayer, you would expect that the system would be proactive and people wouldn't have to go trawling through piles and piles of documents to show that someone is illegally donating. The system should pick that up, shouldn't it, in an ideal world?

Mrs WENDY TUCKERMAN: Well, yes. Yes.

The Hon. MARK BUTTIGIEG: The first document I'm going to point you to is a declaration, by way of introduction, for a group of local candidates in Sutherland Council.

The Hon. SHAYNE MALLARD: I assume you are about to dump a bucket on the Liberal Party again, are you? Is that your plan?

The Hon. ROSE JACKSON: Chair, if Mr Mallard is going to keep intervening—

The Hon. MARK BUTTIGIEG: This is beyond the pale.

The CHAIR: I apologise.

The Hon. MARK BUTTIGIEG: We have a right as a Committee to ask questions about the integrity of the electoral system to protect the New South Wales ratepayers, and that's what we are pursuing.

The CHAIR: Of course. Mr Mallard, you will refrain.

The Hon. SHAYNE MALLARD: I will refrain.

The CHAIR: Thank you.

The Hon. SHAYNE MALLARD: I'm here by myself.

The CHAIR: Mr Mallard, Mr Barrett is here too. Please refrain and let the Opposition ask their questions. Thank you.

The Hon. MARK BUTTIGIEG: Minister, can I take you to the document titled *Group of Local Government Candidates disclosure form*, in particular page 3, where it tells you reportable political donations received.

Mrs WENDY TUCKERMAN: Yes.

The Hon. MARK BUTTIGIEG: Could you read out for me the line item dated 6 September 2016?

Mrs WENDY TUCKERMAN: Mr Buttigieg, just so we can clarify this, obviously this is a candidate's electoral form and the Electoral Commission is responsible for those matters.

The Hon. MARK BUTTIGIEG: Sure. No, that is not my question, Minister. My question is that I want to point out to you what has occurred here and I want to get your response as the Minister for Local Government. Can you see there where it says 6 September 2016 on page 3 that there was a donation there for \$5,900 donated by HPA Management Group?

Mrs WENDY TUCKERMAN: Yes, I can see that on the form.

The Hon. MARK BUTTIGIEG: Okay. Now if I could take you to the document titled "ASIC 17 February 2022".

Mrs WENDY TUCKERMAN: Yes.

The Hon. MARK BUTTIGIEG: It lists company records for HPA Management. You'll see on page 2 of that document it lists directors of that company, namely David Highland, Kylie Jan West and Peter Highland, who was a director from 27 March 2014 to 23 October 2017. If I could take you further down that page, where it talks about the share structure, the ownership of that company, and it lists HPA Holdings as the 100 per cent share owner of that company. There's a third document there dated 18 August 2022, another ASIC document. You will see that that ASIC document says that the directors of HPA Holdings, that is the entity that fully owns HPA Management Services, are the same people: David Highland, Kylie Jan West, Peter Highland. There is another document there entitled "David Highland: Gearing For Growth" and it's a feature article in a magazine called *Elite Agent*. I will just read out to you the spiel. This is the fellow who is a director on both those entities, David Highland. He is spruiking his credentials as a real estate agent:

David Highland has personally sold more than \$140 million worth of property in the last 12 months... He is a third-generation real estate agent, and part of the founding duo of Highland Property Agents in Cronulla NSW with his father Peter—

Peter is the director as well—

—a successful property developer.

This is his son saying his father is a property developer. He is on the board with his father and that entity has donated \$5,900 to the current Mayor of Sutherland Shire Council, Carmelo Pesce.

The Hon. SHAYNE MALLARD: In what, 2017, is it?

The Hon. MARK BUTTIGIEG: Yes, financial year 2016-17.

The Hon. SHAYNE MALLARD: Five years ago?

The Hon. MARK BUTTIGIEG: Yes. Is the member suggesting that with the passage of time—

The Hon. SHAYNE MALLARD: You could have gone to the authorities if this was a concern.

The Hon. MARK BUTTIGIEG: —it somehow diminishes the importance of this? Is that what your suggestion is?

The Hon. SHAYNE MALLARD: Arguing back—you should go through the Chair.

The Hon. MARK BUTTIGIEG: I would be interested in your view on that, Minister. Do you think because this is a five-year-old case that it's invalid for me to bring this here?

The Hon. SHAYNE MALLARD: There's authorities you could broach it with.

The CHAIR: Mr Mallard, please.

Mrs WENDY TUCKERMAN: Mr Buttigieg, I would suggest if you have any concerns around the 2016 form that you're indicating to, that you should take it up with the Electoral Commission. I know what I'm doing in regards to trying to strengthen the framework around misconduct, around declarations. I have just announced that we will be doing random audits on all declarations made by councillors to try and strengthen and to ensure that the community does have confidence in councillors that sit on council.

The Hon. MARK BUTTIGIEG: Chair, we are done, are we?

The CHAIR: We'll come back to you shortly. It's mine now.

The Hon. MARK BUTTIGIEG: We'll continue that. Thank you, Minister.

The CHAIR: Minister, I just want to talk about code of conduct complaints. I'm aware of the review that's being undertaken. But for the purpose of the current situation, clause 6.10 of the model code of conduct procedures provides that there are only three circumstances that permit a complaints coordinator to change investigators. Those three circumstances are where the reviewer has failed to comply with the procedures in their consideration of a matter or comply with the lawful and reasonable request by the complaints coordinator, or fails to exercise their functions in a timely or satisfactory manner. Councils actually can't, apparently, terminate a conduct reviewer for any other reason. The question really goes to: Does the Office of Local Government actually allow general managers of councils to choose the code of conduct complaint reviewer?

Mrs WENDY TUCKERMAN: I'll refer to the Office of Local Government. My understanding is yes, they have a panel of investigators that they can choose from but I would like the chief executive to answer that.

ALLY DENCH: That's correct, there are a panel of members that you can choose from.

The CHAIR: And the GM actually can choose?

ALLY DENCH: From the panel members, yes.

The CHAIR: Is that something that specifically is being reviewed, because there is a perception that there can be a conflict there?

ALLY DENCH: That's part of the misconduct review that is happening at the moment, yes.

The CHAIR: As the current situation stands, what powers does the Office of Local Government have if a council complaints coordinator does terminate an investigator and replaces them, and hasn't provided a reason, and it certainly appears that those three lawful reasons aren't satisfied?

ALLY DENCH: I might ask Ms Gibbs if she has some information in regards to that.

MELANIE HAWYES: You might need to repeat the question. The misconduct review is a very holistic review. It is looking at the way that the code works.

The CHAIR: The question is quite specific. It really is about what can the OLG do where a conduct reviewer has been changed, and no reason has been given, and it appears those three reasons for justifying a change have not been present.

MELANIE HAWYES: Yes, okay. We would have a discussion with the council about what was occurring. Obviously, you would—

The CHAIR: When you say "the council", who in council would you have the discussion with?

MELANIE HAWYES: We have council engagement officers that talk with GMs. It would depend on the circumstances. Councils are autonomous and they can use these panel arrangements. If we had cause for concern, we would look into that on the specifics. It is hard to provide a very general answer to such a specific set of circumstances. Melissa, you might want to talk about the specifics of the code. But the whole code is under review through a very holistic process with Gary Kellar, looking at other jurisdictions but also working with the sector to understand some of the complexities of how it needs to work in practice and how it can be improved.

The CHAIR: If you received a complaint, say, last week, about a particular council and you were notified and advised that a complaints coordinator had terminated an investigator and replaced them with another without providing a reason, what would you do about that? Do you think that there's a problem and the Office of Local Government has a role and would intervene in that?

MELANIE HAWYES: In the first instance, we would have a conversation with the coordinator to understand what was occurring. But, yes, absolutely.

MELISSA GIBBS: Anyone can seek a review by asking the Office of Local Government to look into the matter. If it turned out that something like that had occurred, OLG would then intervene. OLG has an oversight function of that process. If anybody is dissatisfied with the way their code of conduct complaint is dealt with, it's open to them to approach the Office of Local Government and then the Office of Local Government would then look into that matter.

The CHAIR: If it became apparent that perhaps a GM was shopping around for a complaints reviewer, is that something that you would have visibility over?

MELISSA GIBBS: Yes.

The CHAIR: And that you would be able to do something about?

MELISSA GIBBS: Yes. We do have powers to intervene in that case. If we became aware, or if somebody brought such a situation to our attention, we would speak with the council and try to get the situation back on track—

The CHAIR: Again, sorry, when you say "the council", do you mean—

MELISSA GIBBS: The general manager. We would speak to the general manager.

The CHAIR: What if the problem is with the general manager? This is, I think, where the line of inquiry is heading or is seeking for some clarity. If the general manager appears to be the person who is taking the wrong course or exercising their functions not in accordance with the procedures set out in the code of conduct, how and at what point would you deal with that?

MELISSA GIBBS: If that was brought to our attention, we would be very concerned about that, and we would encourage the person complaining to us to seek a review by the Office of Local Government, and then the Office of Local Government would take over that matter.

The CHAIR: Thank you.

MELISSA GIBBS: If you do have a specific example, could you please let us know so that we can make some inquiries and hopefully deal with it?

The CHAIR: Absolutely. I'm told that the Minister, the CEO of the Office of Local Government and the Ombudsman were recently advised of this happening in a particular New South Wales council. Perhaps that's something that, I'm sure, you're dealing with, if you are suggesting when you receive those complaints or concerns or notice of advice that that's what you do—you investigate.

MELISSA GIBBS: Yes. I don't know the particular case you are talking about, but we do have a number of matters that we do look at and we take steps to find out what is going in that council.

The CHAIR: Is it fair to say that you are still currently very active in that and you are not waiting for the outcome only of the—

MELISSA GIBBS: Correct. We're still continuing to exercise our functions pending the recommendations and any implementation of the Kellar review. But I can confirm that the operation of conduct review panels is currently being actively considered under that review of the misconduct framework.

The CHAIR: Thank you. I want to table a report. It is a public report: The Morrison Low report commissioned by Office of Local Government called *Lismore Council Needs Analysis*, from May 2022. Minister, you are aware of that report, obviously.

Mrs WENDY TUCKERMAN: Yes, I am.

The CHAIR: It is a road map that appears to set out the path for some, perhaps, extra assistance and extra funding for Lismore City Council and the community that has been so catastrophically impacted by the events earlier this year. I'm just curious. Firstly, can you explain why that roadmap has been developed in consultation with a handful of councillors and didn't involve the whole of council—particularly the councillors who had been re-elected and who had been on council for many years?

Mrs WENDY TUCKERMAN: Ms Higginson, just so you are aware, this actual report was agreed to by council.

The CHAIR: Absolutely. Minister, the question really is why do the report authors only consult with a handful of councillors and not all council?

Mrs WENDY TUCKERMAN: I'm happy to defer to the agency in regards to how they actually conducted the matter, if you would like to expand on—

MELANIE HAWYES: I'll endeavour to provide a bit more detail with my colleagues. We commissioned Morrison Low because of their expertise in the local government sector and their focus was looking at how best to understand Lismore's capacity to lead recovery in such a complex and challenging set of circumstances, unprecedented for that council and arguably all others. They consulted looking at things like governance, financial sustainability, capacity, the asset work—that would have influenced some of the staff that they spoke with.

The report and the road map itself was signed off by council. They worked very closely with the GM. Ally and Keith might speak to it a little more about others that they consulted, but their focus was to go in and, with the depth of their experience, including experience supporting New Zealand to recover from earthquakes, to really look at what support council might need to be able to drive and lead recovery over a longer period in that very unique set of circumstances that Lismore council is in.

KEITH BAXTER: The focus of the Morrison Low report was on the internal operations of council. That's why it is about delivery of services and infrastructure. That's why there was a limited—the governing body was not in scope. We do not have any concerns about the operation of the governing body. That's why we took the advice of the general manager on who he would like to be interviewed there. I understand that council has now had a series of workshops on the road map and the Morrison Low report, including a briefing from council staff. And I understand, at the August meeting, that council agreed to the road map going forward and have signed the funding agreement.

The CHAIR: Yes. My time is up. I'm handing over to Mr Pearson. I will come back to this, if that's okay, because there are some really significant concerns. When you say council adopted it, I think it is pertinent to remind everyone that some councillors are very, very concerned about it. I will come back to that.

The Hon. MARK PEARSON: Thank you, Minister and everybody here. Minister, the NSW Pet Registry has been in dire need of an upgrade for some time, and there's been commitment from the Government to bring that about. Are you able to give an update as to how the Pet Registry is being upgraded and when it is likely to be finalised?

Mrs WENDY TUCKERMAN: Yes, thank you, Mr Pearson. I'm pretty excited about this project. As you correctly state, the Pet Registry has been in need of some review. It's a significant piece of work that the Office of Local Government and the department of Mr Victor Dominello, digital services, is currently looking at. It's about rebuilding and really changing how animal welfare is looked at in regard to companion animals. The registry—we're looking at doing a modern end-to-end digital system that makes it easier to register and care for the pets. Currently we are in the stage of a pilot, which will be going out to the public very shortly, certainly by the end of the year.

That pilot—we've engaged. We have absolutely engaged with all stakeholders in regard to the building of the project and the registry, getting lots of advice from stakeholders on how it should be implemented and the ease of implementing the system. It is well overdue—there's no doubt about that—but we're very focused on making sure that we have a contemporary, up-to-date system that's very user friendly and enables the registration of pets through this program. It will be able to be accessed by veterinarians, councils and stakeholders to ensure ease of that.

The Hon. MARK PEARSON: Will that include the possibility to access it nationally from other States and Territories? That has been an issue in the past.

Mrs WENDY TUCKERMAN: That's a really good question. I'm happy to flick to someone to be able to answer that question, please. Ally?

ALLY DENCH: At this point in time it's something that can be looked at in the scoping of the work. I'll ask Ms Bishop because she's been running this particular project in regard to the extent that it's able to be—

KARIN BISHOP: Yes, thanks for the question. That's a really good point. It's not something that is currently in scope, but we're very happy to take it on board and consider it as we develop it. The project is being developed in stages, so that's something that we will definitely be looking at.

The Hon. MARK PEARSON: It has been an issue where animals are purchased online and they come from interstate and then there have been health issues with the animals, particularly from puppy farms, and that sort of inbreeding issue. It would be good if you could give me an update on the progress of that because it's quite important.

KARIN BISHOP: I'm happy to look into that. One thing I can say is that all the breeders that will be on the registry will have to have their own breeder identification number. So if that is extended to interstate, they will need to be registered breeders as well.

The Hon. MARK PEARSON: I would obviously be interested in the Rehoming Practices Review, which is extremely important. We congratulate the Minister and the former Minister on ensuring that most councils are starting to dramatically reduce the numbers of animals that they kill. There was a promise that it would be completed by the middle of this year. We understand all of the factors regarding COVID et cetera that have probably slowed a lot of progress down. It's now late August. Will the rehoming practices review be complete before the election?

ALLY DENCH: Sorry, before the?

The Hon. MARK PEARSON: The State election.

ALLY DENCH: It will be completed this year.

The Hon. MARK PEARSON: By then?

ALLY DENCH: Yes.

The Hon. MARK PEARSON: It will be?

ALLY DENCH: Yes, it will be.

The Hon. MARK PEARSON: Excellent. Will there be a public report and recommendations at the end of this review?

ALLY DENCH: I'll ask Ms Gibbs to answer that. My understanding is yes.

MELISSA GIBBS: Thank you. Yes, I can confirm that the report is on track to be delivered by October this year.

The Hon. MARK PEARSON: Great.

MELISSA GIBBS: It is intended to release it publicly—release the findings publicly—and the Government will obviously respond to the recommendations. I understand that there's been quite extensive consultation with key stakeholders under way, including some that have been referred by your colleague, and there'll be a further opportunity for further consultation before the report is finalised.

The Hon. MARK PEARSON: Excellent. Also the standards in pounds—the actual housing and welfare standards in pounds—I understand that this has been under review as well. Has there been any progress in that area?

MELISSA GIBBS: I think pounds management is actually something that's—

ALLY DENCH: Minister Saunders.

MELISSA GIBBS: —undertaken by our colleagues in the Department of Primary Industries, and Minister Saunders is the responsible Minister.

The Hon. MARK PEARSON: It's one of these issues, like much legislation, like many programs or regulations, that can cut across several—one or two or sometimes three—portfolios. I don't think we can directly hand this over to DPI or DPIE because the building is under the jurisdiction—pounds and shelters are actually under the local government jurisdiction. I'm just wondering if you could consult to see whether there's actually any progress in the standards. The DPIE, under the Prevention of Cruelty to Animals Act 1979 or the standards for boarding facilities or whatever, I understand, are under that jurisdiction. But the implementation and ensuring it occurs actually stops with the local government departments because the pounds are under their wing, so to speak. Has there been any progress there at all?

Mrs WENDY TUCKERMAN: Certainly, and obviously there are moneys from the registration of cats and dogs that go back. Some 80 per cent of the moneys gained from registration of cats and dogs go back to councils for that very fact: to ensure that theirs are best standards in regard to pounds. Obviously the actual standard is a matter for Minister Saunders, but certainly my expectation is that those pounds are of the best practice.

The Hon. MARK PEARSON: We know that the Government is actually providing funding for the RSPCA and the Animal Welfare League and Sydney cats and dogs, but the situation is that there are a lot more voluntary organisations that are doing a great deal of work for rehoming companion animals, yet they actually receive no funding from the Government. They are totally voluntary organisations, unlike in Victoria and other States where there is funding provided for other voluntary organisations. Has the Government turned its mind to this issue of providing funding—very much a budget question—for all registered and acknowledged voluntary organisations that are doing rehoming of animals?

At the moment we're only giving money to RSPCA, Animal Welfare League and Sydney cats and dogs, but there are myriad other groups that are doing great work. I think that was highlighted during the floods and the bushfires. It's not just RSPCA, Animal Welfare League and Sydney cats and dogs. Has the Government turned its mind to providing funding for these other organisations? Because they continue to make applications, but they don't receive the funding.

Mrs WENDY TUCKERMAN: Thank you for your question. I think it's a really important question, particularly since we've seen an explosion of companion animals registered during COVID. There are avenues, obviously other grant application avenues and streams that those organisations can apply for. Obviously there is not an endless amount of funding that we have as a government. We have specifically targeted some organisations, and we encourage other organisations to look at the other funding streams available, such as Community Building Partnership funds, Stronger Country Community Fund. There are other revenues for that to occur.

The Hon. MARK PEARSON: Minister, would you consider your department looking at a specific funding arrangement for the other certified and registered voluntary organisations, rather than them having to go through a funding application, which might be indirectly or even almost not relevant for their work?

Mrs WENDY TUCKERMAN: Mr Pearson, we're always looking at opportunities. You're more than welcome, if you have any suggestions on how that could occur, knowing that budgetary issues are very competitive—but we're happy to look at any way of assisting.

The Hon. MARK PEARSON: I suppose the question would be in balance—if the spirit of the councils at the moment is to do as least killing as possible, then, obviously, there's going to be a need to rehome the animals. That's why I think I would ask the Minister to turn your mind to a specific funding for those organisations because the demand has been growing because of the good action by local government to stop the kill rate for animals that don't need to be euthanased.

Mrs WENDY TUCKERMAN: Yes.

The Hon. MARK BUTTIGIEG: Minister, I'll just recap that previous line of questioning where tabled several documents which show a clear line of developer interests donating to the current mayor of Sutherland Council and then councillor, Mayor Pesce. Would you give an undertaking to the Committee that you'll investigate this matter as well?

Mrs WENDY TUCKERMAN: If that's required, yes. Absolutely. We're happy to take that on and investigate. But I would encourage you, Mr Buttigieg, if you have information like this, once again, to not wait till an estimates committee to raise it, to actually put that complaint in.

The Hon. MARK BUTTIGIEG: Minister, do you think it's adequate to rely on an upper House budget estimates committee to perform the role that government departments should be performing on behalf of the New South Wales ratepayers, to protect their interests?

Mrs WENDY TUCKERMAN: That's why I have taken action in regards to the audit, Mr Buttigieg, because I think it is important that we make sure that we're strengthening that framework. If we are doing audits in regards to what declarations are being made, once those candidates have become councillors, I think, it's really important. That's why I have taken action where I have.

The Hon. MARK BUTTIGIEG: You've been Minister for how long now?

Mrs WENDY TUCKERMAN: Since 21 December 2021.

The Hon. MARK BUTTIGIEG: So we're coming up to the 12-month mark or at least nine months.

Mrs WENDY TUCKERMAN: Nine months, 12 months.

The Hon. MARK BUTTIGIEG: I've now given you three examples. I would point out, Minister, that these are qualitatively different examples of where the legislative framework and the enforcement is patently impotent and failing. I put it to you Doueihi—clearly, a property developer—was able to sit on council with no punitive action and transacting conflicts of interest. Then we had the spectre of Sarah Richards and her partner Matthew Bennett, where there was again clear property development interest—didn't satisfy the definition of the Act. "Nothing to see here". And now a clearly illegal donation. Can you see how the system is not working? It is actually failing. We've now had three Ministers that have been questioned on this. Nothing's really changed in all that time. I think New South Wales' taxpayers and ratepayers would expect that their governments are elected to actually do something and change it in their interests. Would you accept that?

Mrs WENDY TUCKERMAN: Mr Buttigieg, that is why I'm doing the review, the misconduct review. We're taking into consideration all the recommendations from ICAC. We are taking into consideration the matters that you raise. I will be more than happy for Labor to stand with me on this to ensure that we're going to pass legislation to strengthen that framework.

The Hon. MARK BUTTIGIEG: I can assure you we'll stand with you, and we'll win government and actually change it because it seems that's the only way we can get any action around here, with all due respect. The frustration—

Mrs WENDY TUCKERMAN: That's not actually true. It's a little bit misleading. I've been in this job for nine months now, and I have actually made sure that we are reviewing that framework. I take integrity very, very seriously. Until those recommendations come to me, which I'm hoping will be by October, we can look at this issue and strengthen the framework around the issues that you raise.

The Hon. MARK BUTTIGIEG: But you can see how time is very important in these matters.

Mrs WENDY TUCKERMAN: Absolutely. Time's very important. I've been in this job since December 2021. Right? I am doing what I can. I am expecting this report to be coming to me with the recommendations and I intend to act on it.

The Hon. MARK BUTTIGIEG: And you'll undertake to investigate this matter I've just raised. Thank you.

Mrs WENDY TUCKERMAN: Yes. Absolutely.

The Hon. ROSE JACKSON: Can I just ask one clarification question before I move on to another matter? Apologies. I may have misheard. I think that you said earlier, Minister, that you do not have the power to suspend councillors who are under investigation for corrupt conduct.

Mrs WENDY TUCKERMAN: That's correct.

The Hon. ROSE JACKSON: You do not have that power.

Mrs WENDY TUCKERMAN: That's correct.

The Hon. ROSE JACKSON: Is that something that you would be interested in pursuing? You can see the concern that the community would have—that an elected representative is actively under investigation for corrupt conduct and no-one can do anything about that. You don't have the power to suspend them.

Mrs WENDY TUCKERMAN: That's certainly a part of the review. I look forward to those recommendations as to how we work on those issues. I am looking at it. I am concerned, and I look forward to Gary Kellar's recommendations.

The Hon. ROSE JACKSON: I just want to move on to the Central Coast Council. Are you aware of the recent remarks by the administrator, Mr Hart, that the council's financial problems have largely been resolved and that the council is back on track to post a budget surplus this year?

Mrs WENDY TUCKERMAN: I'm aware that there has been some ground made in that regard. Yes.

The Hon. ROSE JACKSON: Considering that awareness—that there has been ground made—and, as I said, the comments from the administrator—that the financial problems have been resolved—why is it that—

Mrs WENDY TUCKERMAN: I don't know whether they've been resolved fully. I think there's been some headway in regard to getting to that point.

The Hon. ROSE JACKSON: As I said, the administrator has said that the financial problems are resolved and the council is on track to post a budget surplus. Why is it that the council is unable to exit administration and return to being a democratic body until 2024?

Mrs WENDY TUCKERMAN: Obviously, the report from Roslyn McCulloch in regard to the public inquiry on Central Coast Council recommended that the council remain in administration to ensure that we have a council ready to be taken over by councillors. Obviously, it's pretty serious what occurred. The recommendation was to ensure that we're monitoring the progress, that we're handing over a council fit for purpose for councillors to continue to look after that council. So I make no apologies. I think it's really important that we ensure that council is back to where it needs to be. I also considered that having two elections in that time frame was an impost on the community in regard to cost. As you're aware, local council elections are over \$1 million to conduct. I think it was important that we ensured that we had a council fit for purpose.

The Hon. ROSE JACKSON: As you would be aware, one of the concerns that has been consistently expressed by the former councillors and the community is that a major contributing factor to the financial issues of the council was the forced merger. Would you be willing to consider offering the option of a demerger as part of that election in 2024?

Mrs WENDY TUCKERMAN: Obviously, there is a process in regard to demergers. That process is around submitting a business case to the boundaries commission and for them to undertake a process of consultation. If Central Coast Council make a decision to do that, of course, I will refer that business case and that opportunity to the boundaries commission, like any other council.

The Hon. ROSE JACKSON: One of the challenges, though, is that they're under administration. Normally what happens is that, as you say, councils who have been subject to forced mergers, the ones that have pursued options of demerger—and we'll get to them later—make a decision: "Look, this isn't working for us". But that's the sort of democratic decision that the councillors make. This council is under administration. How do they—is it just up to the administrator, who's been appointed by you to administer the council to make a decision to do the business case and then submit that? Is that what you would expect Central Coast Council to do?

Mrs WENDY TUCKERMAN: If they were wanting to go down that road, yes.

The Hon. ROSE JACKSON: But what I'm saying is if they—it's actually just the administrator.

Mrs WENDY TUCKERMAN: Correct.

The Hon. ROSE JACKSON: So there's no option for the community to democratically express their will at any point here—because how would that happen? They're just meant to all email the administrator saying, "Please consider this on our behalf"?

Mrs WENDY TUCKERMAN: But they're making progress under the administrator. If a council was elected in 2024 and they determined that that's a path they wanted to go down, that would be the process that they would follow.

The Hon. ROSE JACKSON: As part of the plan to resolve the issues at the Central Coast Council, staffing costs were reduced by \$30 million. Are you aware of how many staff were let go in order to achieve that cost saving?

Mrs WENDY TUCKERMAN: No, not specifically. I'd have to take that on notice.

The Hon. ROSE JACKSON: That would be useful. An additional part of the plan to resolve the issue was a pretty massive sale of council assets. I think it was in the order of \$60 million. Are you aware of how that figure is to be achieved?

Mrs WENDY TUCKERMAN: Did you say that there were assets sold off for \$60 million?

The Hon. ROSE JACKSON: No, assets to the value of \$60 million. Various assets, not a single asset.

Mrs WENDY TUCKERMAN: That have been sold off?

The Hon. ROSE JACKSON: Some have been, yes.

Mrs WENDY TUCKERMAN: So what's your question? Am I aware that that's the case?

The Hon. ROSE JACKSON: Are you aware that that is occurring?

Mrs WENDY TUCKERMAN: I'm aware that the administrator has made decisions around asset sell-offs. I'm not absolutely up to date with exactly what has been sold off. That's a matter for the administrator.

The Hon. ROSE JACKSON: There have been concerns raised about a number of asset sales that have been undertaken by the administrator—for example, the sale of 2 Bounty Close, which is an office building in the Tuggerah Business Park. That was funded from Commonwealth Government grants and has been sold for substantially less than market value to Central Coast Group Training, the CEO of which is the former councillor Greg Best and the chair is the former Mayor of Wyong, Doug Eaton. Does that concern you?

Mrs WENDY TUCKERMAN: That's a matter for the administrator.

The Hon. ROSE JACKSON: In a way, Minister, I can see where this is going. I'm going to raise a range of questions around asset sales in the Central Coast and you're going to say, "That's a matter for the administrator". Is that right?

Mrs WENDY TUCKERMAN: Correct.

The Hon. ROSE JACKSON: But part of the problem here is that the administrator isn't accountable to the community in a democratic way like an elected council is. How can you, as Minister, have confidence in the decisions of the administrator and what assurances can you give the community that there is going to be proper oversight for these kind of asset sales?

Mrs WENDY TUCKERMAN: Well, I absolutely dispute that they're not accountable to the community. They are. They conduct themselves as a council does. The community has the option to ask questions of the administrator and to put their views forward. I would expect that to happen.

The Hon. MARK BUTTIGIEG: They're not elected though.

The Hon. ROSE JACKSON: Councillors when they make decisions are obviously aware that they're putting themselves forward at regular elections and having their performance judged, as we do, by the community in the form of re-election or not. That's not something that is relevant at all to an administrator, is it?

Mrs WENDY TUCKERMAN: Well, they do a role as of the councils and, yes, they're not an elected. But at the end of the day the Central Coast was in an absolute financial debacle. Something had to be done to make sure that the cost of that debacle wasn't being borne by the ratepayers. That is a really sad state of affairs but that is the fact of the matter. The administrator has the role of ensuring—getting that council back on track so a democratic council when elected can have a council handed to them fit for purpose. It's a very sad circumstance. I totally agree with that, and it's the last thing that I want to see, as a Minister, happening—that we have to appoint administrators to be able to take over the business of council. The councillors are there to make responsible decisions around how they are governing the council and unfortunately in Central Coast's circumstances that wasn't done appropriately.

The Hon. MARK BUTTIGIEG: But, Minister, in the absence of democratic accountability—which my colleague pointed out—don't you, as a Minister, feel as though the Minister for Local Government has some responsibility of oversight of the actions of administrators in the absence of democratic accountability?

Mrs WENDY TUCKERMAN: Obviously, an administrator—it's an autonomous body that is functioning. There are audit committees set up. There are checks and balances in regards to the Auditor-General, so there are those checks and balances. I mean, I can't interfere in the day-to-day running of a council.

The Hon. MARK BUTTIGIEG: Goodness me. This local government Minister gig is a bit of a joke, isn't it? You don't seem to be able to do anything.

Mrs WENDY TUCKERMAN: I disagree with what you're suggesting. Obviously there's a framework in place: Where councils aren't doing what they're supposed to be doing, I can intervene and make sure that we get councils back on track. That's my role. But I can't interfere in the day-to-day running.

The Hon. ROSE JACKSON: One of the concerns that was raised is that the Central Coast Council was forced to seek funding from a commercial lender for undisclosed terms because they were unable to secure a loan via TCorp. Are you aware of that concern that has been raised?

Mrs WENDY TUCKERMAN: I believe that came out in the inquiry, yes.

The Hon. ROSE JACKSON: Is there any potential of a renegotiation of that loan with the TCorp now on more favourable terms for the council, considering that it is a public body that is serving the community?

Mrs WENDY TUCKERMAN: Look, I'd have to refer that question to the CE—

ALLY DENCH: That would be a matter for the council to make application to TCorp. That would be a matter for them.

The Hon. ROSE JACKSON: The administrator, Mr Hart, has made public comment that the Government wouldn't even return his calls, Ms Dench.

ALLY DENCH: The Government, as in—

The Hon. ROSE JACKSON: Would not return his phone calls—that he did indeed attempt to reach out.

ALLY DENCH: Was that to the OLG, to TCorp, to who in government?

The Hon. SHAYNE MALLARD: Government's a big place.

The Hon. ROSE JACKSON: I appreciate it's a big place, but is there not even some capacity to compare notes amongst yourselves and say, "Oh, this guy has been trying to call me. I think he should be trying to call you."

ALLY DENCH: We have no role in TCorp. They're an independent body. If Mr Hart was having troubles contacting TCorp, he has my number. I could've facilitated that on his behalf. I do speak to Mr Hart quite frequently. It hasn't been raised with me that no-one has returned his calls.

The Hon. ROSE JACKSON: Well, perhaps it might be raised and it would be useful if you could assist him.

ALLY DENCH: That's what we're here for—to help, to facilitate and to assist any councils in connecting with State government agencies.

The Hon. ROSE JACKSON: Some of the recommendations that came out of the report into the Central Coast Council—things like information sessions for prospective councillors, mandatory training for councillors, requirements that councillors complete company director courses, those sorts of things—is there any consideration being given to applying those statewide in order to avoid a repeat of these situations?

Mrs WENDY TUCKERMAN: Absolutely, and all those recommendations were agreed to. The Office of Local Government have an educative process in regard to mandatory training when councillors first sit on council. They have six months. It's a mandatory requirement—six months to be able to complete those courses. I've actually—looking at that as a part of the review as well in regard to those councillors that don't complete, what is the result of that.

The Hon. ROSE JACKSON: What is the result of that?

Mrs WENDY TUCKERMAN: Well, that's what I'm looking at the moment. That's got to be a part—

The Hon. ROSE JACKSON: But what is currently the result of that? I appreciate you're looking at it, but currently what happens?

Mrs WENDY TUCKERMAN: Currently, at the moment, there is no actual—

The Hon. ROSE JACKSON: Right. Okay.

MELANIE HAWYES: There is a requirement that councillors undertake mandatory training. It is in its first year of implementation. They will be required to report it in their annual reports, which are pending in September. In the meantime, through our engagement, we have ascertained they almost all have completed that induction training. That is what they have said to us.

The Hon. ROSE JACKSON: What is that figure, Ms Hawyes?

MELANIE HAWYES: I will have to get you the figure, which we can do in the break. I don't have it just to hand.

The Hon. ROSE JACKSON: That would be great, thank you.

MELANIE HAWYES: But the mandatory training is in. In addition, this year, with all of the newly elected councils, OLG ran workshop sessions to help them onboard and to understand their accountabilities and the dimensions of the elected role. I might invite my colleague Ally to discuss those workshops. They were a first for OLG.

The Hon. ROSE JACKSON: I've seen the list. It's very long, so that won't be necessary at this point. Thank you.

The CHAIR: Minister, is Lismore City Council under consideration for administration at the moment?

Mrs WENDY TUCKERMAN: No, it's not.

The CHAIR: Thank you. With the Morrison Low road map, just back to the fact that it was, as explained, adopted by council, does the Minister realise that was adopted by council at the end of the council meeting in July, it had already been signed off by an acting GM and had not been properly consulted with the other councillors in the development of that report, and that, obviously, councillors right now in that local government area are literally as traumatised as everybody in the community and are going to adopt anything that suggests more funding would flow to their community? I mean, really, the question—and I hope you can answer this—is: Are you satisfied with the Morrison Low report, and the road map, in the view that councillors who were elected to council and were elected as return councillors were not consulted at all in the development of that road map and nor was anybody else from the community? And yes, I understand some operational staff were.

Mrs WENDY TUCKERMAN: Would you like to answer?

KEITH BAXTER: I think it is important to note that the Morrison Low report and the road map, from our perspective, are two separate documents now. The Morrison Low report had an initial road map that was put in place and it was an input to what our perspective was with the council's decision-making. We then said to council, and we had that follow-up with council, that there was separate—that they should then do councillor workshops and have discussions with their councillors, and have the elected body agree. My understanding is that those workshops occurred in late July-August. I believe there was some miscommunication between council and the general manager, and that is a matter for—ultimately, that is not our concern. Our concern is that we get a road map going forward—

The CHAIR: Can I just interrupt if it's okay, and I apologise for seeming rude. The road map and what has been adopted now actually removes councillors' planning powers. Now that there is an independent

decision-making body for certain development decisions, would you not suggest that that is something quite controversial that has been forced upon the council, via the Morrison Low road map and report?

KEITH BAXTER: No, because we always said to council that the Morrison Low report was an input into their decision-making. It wasn't us probing there. Our view is always, with this \$20 million, we want it to be councils' road map and not the OLG's road map.

The CHAIR: Why did OLG staff attend that July meeting and why were they not introduced to all councillors? Why was it only some councillors?

KEITH BAXTER: I will get Ms Dench, who was at the meeting, to explain.

The CHAIR: Thank you.

ALLY DENCH: I was one of the officers there, yes, definitely. We went up to the council meeting with the intent—I did—to discuss and to engage with the councillors. Yes, so I did have discussions and have meetings.

The CHAIR: So why only some councillors? Why were you there advising and talking in the ear of some councillors during the meeting and all the others were left aside?

ALLY DENCH: No, they weren't. No, that is not correct. I made myself known. I went up there on the day before the—or the day of the council meeting, made myself known that I was up visiting to talk to all the councillors and the whole council. I specifically went to dinner before the council meeting to engage and discuss with the councillors, and I also had meetings set up as well after the evening of the council meeting and made myself available to all councillors.

The CHAIR: Well, I put it to you that there were certainly some councillors who felt that they were not part of that process and that they were alienated from that. They didn't know who you were and they didn't know what you were doing there, and they didn't know they could approach you while you were advising other councillors sitting at the table as the road map was being pushed through council and, ultimately, did go to a vote and, ultimately, was successful—good or bad thing it was. If I could just move on. So how will you ensure probity for the \$300 million grants provided to Lismore City Council's acting general manager under the special delegation now?

KEITH BAXTER: That's a matter for council to assure that. But in terms of the \$20 million that we're focused on with the Lismore funding agreement—that the Office of Local Government is—there's a project control group that's been established and my understanding is the general manager—

The CHAIR: Who's on that group?

KEITH BAXTER: My understanding is all councils. That was agreed at the last meeting of council, that all councils would be a member of the project control group.

The CHAIR: Thank you. Does it concern you at all that the Morrison Low document—and perhaps this is feedback for them—was quite critical of the Lismore council staff being behind on strategic planning documents and didn't make one reference whatsoever to the fact that we've just been through a pandemic and that all public institutions had some difficulty during that period?

KEITH BAXTER: As I said, the Morrison Low report was an input for us. It was not a be-all and end-all document. The be-all and end-all document for us is the road map and the subsequent funding agreement, and that's what we're focused on. I understand there are some people that have taken issue with some of the language in the Morrison Low report and the findings. I know that the office has had feedback from some councils in that respect, and that's why we've said we are not so focused on the Morrison Low. That was the input. The output is the road map that has now been agreed by council.

MELANIE HAWYES: Could I add? I think it's important to note that the purpose of sending them in was to help us understand areas that may be a weakness or a vulnerability that would impede their ability to move forward with recovery, and our intent was to bring some independent expertise in to help us guide the rollout of additional funding for Lismore council and make sure it hit the right spot, if you will.

The CHAIR: Thank you. I hear that—and all things with good intentions, I understand. Perhaps it is good feedback to them that, really, it's seen as a radical failure not to go and talk to councillors that are elected by their community—especially councillors that have been on the council for 19 years, community-elected over and over, and the former mayor, who wasn't spoken to at all.

KEITH BAXTER: I think it's also important to note that this is the first time we've rolled out funding of this sort, because it was an extreme situation facing Lismore council. It is the first time as a Government we

have done this funding above and beyond to support capacity and capability, and of course there are lessons to be learned, including the ones that you have outlined.

The CHAIR: I think if there is one thing that we have all learnt from what has happened across the State in terms of catastrophic climate-induced weather events, we know that community-led responses and community-led inputs are where the success and satisfaction is taking place. This report just did not take that approach. I accept what we were trying to do and I am grateful, naturally.

MELANIE HAWYES: It was focused on the core operational issues within council. It wasn't intended to be a community piece and, to an extent, we relied on our cooperation with the GM to liaise with councillors. But I do note it was voted in and supported by council.

The CHAIR: Yes, but not a full majority. As I say, you have to remember you have a council—

The Hon. SHAYNE MALLARD: It's not a majority here, often, too.

The CHAIR: —that is desperate for assistance and a community that is desperate for assistance. So, naturally, it is almost a coercive position when you literally are sitting as the decision-makers and the collegiate body of a community that is smashed and traumatised.

The Hon. SHAYNE MALLARD: Madam Chair, can I—

The CHAIR: Northern Rivers—I'm moving on now.

The Hon. SHAYNE MALLARD: I'm doing a point of order. You delivered quite a lot of material in your presentation. I appreciate that. I just keep seeing Ms Dench trying to get the microphone. She was there and I think her reputation has been a little bit—

The Hon. SCOTT BARRETT: Besmirched.

The Hon. SHAYNE MALLARD: I don't want to use a strong word, but it's brought into question around that consultation. I would like you to invite Ms Dench to respond.

The CHAIR: Certainly, Ms Dench.

ALLY DENCH: Yes, thank you. I went up there with all intent to consult with every councillor and made that quite well known. I went up there for two days, made myself available. I had dinner with them. I actually met after the council meeting, particularly with the former mayor, and sat down and explained everything, went through the whole process about the development of the road map and gave assurances that they would be involved in that.

The CHAIR: After the meeting took place, you mean, with the former mayor? Sorry, was that what you—

ALLY DENCH: I spoke to the former mayor the day after the meeting.

The CHAIR: The day after. Yes, thank you. I don't doubt your fabulous intentions, Ms Dench; I really don't. It's just, naturally, I am hearing from the councillors and the process that has just been undertaken and many members of the public who were present and watching the meeting. So it's not about you personally, Ms Dench.

ALLY DENCH: No, I understand that.

The CHAIR: I'm sure you did everything you could.

ALLY DENCH: I'm just saying, as the Office of Local Government, we put our hands out to help support as much as we can and still continue to. I've had conversations with many of the councillors since and continue to to ensure that they are included in anything.

The Hon. SHAYNE MALLARD: We appreciate that.

The CHAIR: I have just one more question about the ratepayers' relief that has been offered. Is there any position, Minister, or in any capacity you can, to reconsider and actually pay the entire rates bill for those flood-impacted properties? There are so many people that are still just not living in those homes. They're not using the sewerage; there's no rubbish collection, so why are they paying? I know in the announcement there was a technicality to say it would be the rateable component only, but then so many of these people who just aren't in those homes now still have to pay for these services. Is there anything you can do to help them, Minister?

Mrs WENDY TUCKERMAN: As you're aware—and I note the concerns of ratepayers—there's a significant amount of money that was attributed to assisting ratepayers, the \$43 million. I understand that those water and sewer rates weren't catered in that funding, but certainly councils, and by assisting councils with the

\$20 million road map and in lots of other ways—actually at the press conference I certainly noted that councils have a hardship policy and if anyone is not able to pay those, that hardship policy could come into—

The CHAIR: Minister, sorry, can I just interrupt there? In terms of hardship policies, the people I'm talking about are the same people that have sat with government officers and agents applying for grant, for help; applying for grant, for help; applying for grant, for help. I can't tell you the depths of what each of these people I'm talking about—I'm talking about a select group of people in that north and south Lismore basin that was absolutely smashed. They have no homes. Some of them are living in a tent in the former shell of their home. They don't have sewerage services. They don't have rubbish, and yet they don't have a system to help them just this once, just for this one year that they've lost absolutely everything. Is there anything you can do to try a little bit harder to go and find those people and tell them they are relieved from those service fees just for this one year?

Mrs WENDY TUCKERMAN: Ms Higginson, please rest assured that I continue to make representations on behalf of the communities in Lismore. I understand the impact that they're going through. There are obviously a lot of competing priorities in that space. The \$43 million that we were able to successfully announce was as much assistance that we could provide at the time on top of all the assistance that is currently being provided by the New South Wales Government. We'll continue to work with council in regards to any considered pressures that they're finding the ratepayers under to see if we can assist further, but please know there is a significant amount of money that has been there and allocated to assist those people that are most at need and we will continue to monitor that.

The CHAIR: Thank you, Minister. I would ask you if you could just try a little bit harder for those people in the basin, north and south.

Mrs WENDY TUCKERMAN: I try hard every day.

The Hon. MARK PEARSON: Minister and officers, I'm just going to ask you to go with me in this in a bit of a discussion to try and grapple with this question which the Wesley Mission has actually asked me to raise with you, because it's an issue which cuts across the Planning portfolio but also the Local Government portfolio. What it's in relation to is poker machines, and there is a restraint that is section 209 which explicitly prevents councils or consent authorities to consider poker machine installations when determining planning applications. It has been placed in the Gaming Machines Act, and what it does is there can be an application for fewer than 21 poker machines to be placed in a facility but there is no requirement for consent for that if the number of poker machines is under 21. So there's no requirement for an application to be made to the local government, to the council. Are you aware of this particular exemption?

Mrs WENDY TUCKERMAN: No, I'm not Mr Pearson, and certainly it's not something that has come across my—

The Hon. MARK PEARSON: Are any of your officers aware of that?

MICHAEL CASSEL: We'll need to take that on notice. It's very specific.

The Hon. MARK PEARSON: Would you take it on notice to investigate it?

Mrs WENDY TUCKERMAN: Absolutely.

The Hon. MARK PEARSON: The concern from the Wesley Mission of course is that it's an avenue for poker machines to be installed without any consideration of the possible impact on the community. An explanation: ILGA and Liquor & Gaming define SA2 units across the State as either band 1, 2 or 3, depending on the socio-economic disadvantage index and gambling machine density. Then they're all ranked. That is, the top 50 per cent of SA2s are called band 1, and if a venue applies for less than 21 poker machines, no community consultation is required and no application needs to be made to the council. So obviously you can obviously see what the concern is from the mission and the community about the possible impact that can have on vulnerable people in the community, so I would really appreciate if you could turn your mind to that and come back to me.

Mrs WENDY TUCKERMAN: I know the secretary would like to provide some—

MICHAEL CASSEL: Mr Pearson, if I could have a copy of that correspondence, I'd be happy to come back to you with an answer around that. It sounds a very technical question.

The Hon. MARK PEARSON: Yes, and that's why I'm sort of seeking your assistance because it's not an area that I turn my mind to but I appreciate the Wesley Mission's concern.

MICHAEL CASSEL: I'm happy to get Planning to answer that.

The Hon. MARK PEARSON: I will get all the details to you.

The CHAIR: Minister, will you consider at some point allowing councils to rate currently non-rateable properties, such as infrastructure like universities or government schools, churches et cetera, particularly for councils where they really are struggling with their rate bases and they feel a significant struggle through the sort of exercise of—for want of a better term—the cost shifting that has taken place intentionally or unintentionally on some of those struggling regional local government areas?

Mrs WENDY TUCKERMAN: That's a matter for the Valuer General to consider and—

The CHAIR: Is it something, Minister, that if submissions were made to you by a particular local government, that's something you would consider taking up?

KEITH BAXTER: Sorry, Ms Higginson, that was considered in the IPART review of rating and the Government responded to that. IPART made a series of recommendations in that and the Government at the time provided a response to that, which was available, and we can probably get a copy of that for you.

The CHAIR: I suppose the question really goes to: Is that static? I mean, a recommendation made—the experience of local governments that are struggling is that—

KEITH BAXTER: At the moment, the Government policy is established in the Government response, but I'm happy—we can take it further on notice for you.

The CHAIR: With your expertise and having a view of LGAs across the State, when a case is made, do you see some value in continuing that consideration?

KEITH BAXTER: Yes.

ALLY DENCH: Yes.

Mrs WENDY TUCKERMAN: Can I also say, Ms Higginson, something that's really important to me and that I'm focused on is sustainability of councils. I don't know whether you're aware, but there will be a review into IPART and the methodology they use. I think that's a really important piece of work because clearly, as we've seen in regard to the announcement of the 0.7 per cent rate peg, we need some consistency. Sustainability is really important, so that piece of work is really important, and it's really important to the future of the sector. I'm very focused on the sustainability of councils, and I look forward to the recommendations that are going to be put forward by IPART.

The CHAIR: Thank you. Are there any plans or consideration for looking at the protection of councillors from defamation proceedings in terms of a privilege? Is that on your radar in terms of councillors?

Mrs WENDY TUCKERMAN: We can certainly look into that.

The CHAIR: Okay, thank you. That takes us to the morning tea break.

(Short adjournment)

The CHAIR: We will recommence the hearing. Just as an initial matter, I think that Ms Hawyes wanted to respond to something from earlier.

MELANIE HAWYES: Thank you, Chair. Ms Jackson, you asked us a question about the number of councils that have completed the training. We just did a quick check in the break, and we can respond with that figure now.

MELISSA GIBBS: Thank you, Ms Hawyes. The answer is that we're very interested to see how this new initiative is working because it's the first time that councils have been required to undertake mandatory training, so we were checking in with councils to see how things are going. Of all of the councils we contacted, we're yet to hear back from 11. But all of the other councils that we heard from have actually undertaken the induction and professional development or have delivered induction and professional development to their councillors within the first six months of their election.

The Hon. ROSE JACKSON: Just to clarify, you contacted all of them and 11 haven't responded?

MELISSA GIBBS: Eleven haven't responded.

The Hon. ROSE JACKSON: But of the entire remaining number, they have delivered it. All of the councillors participated in that, and they provided that information to you—that councillors had in fact attended the training that they delivered?

MELISSA GIBBS: Yes.

The Hon. ROSE JACKSON: That's good, thank you. I have a couple of questions on the Central Coast Council. One of the issues that has been raised in relation to the Central Coast Council is the water business. Are you aware of any future plans in relation to that water business—for example, plans to sell it or corporatise it? Are you across any of those options?

Mrs WENDY TUCKERMAN: I'm not across where it's up to at the moment, but I'm certainly happy to throw to the CE to give you a brief.

ALLY DENCH: Yes, thank you for the question. We are in conversations with our water agency as well as Central Coast in regard to that.

The Hon. ROSE JACKSON: What is the direction of those conversations?

ALLY DENCH: We've just had some preliminary conversations at this stage.

The Hon. ROSE JACKSON: As a participant in those conversations, has the administrator indicated his view or the council's view of what outcome they would like to see?

ALLY DENCH: Yes.

The Hon. ROSE JACKSON: What is that outcome that they are pursuing?

ALLY DENCH: I would like to take that on notice.

The Hon. ROSE JACKSON: If you have that information, Ms Dench, you are actually required to provide it to us.

ALLY DENCH: Yes. It's just preliminary discussions at this stage, and he's wanting to come in under the Local Government Act with the water.

The Hon. ROSE JACKSON: Apologies, Ms Dench?

ALLY DENCH: He's wanting to come in under the Local Government Act in regard to the water utilities. That was his preference.

The Hon. ROSE JACKSON: And at the moment, you—

ALLY DENCH: We are still in conversations.

The Hon. ROSE JACKSON: So the OLG doesn't have a preference? You're just facilitating the conversations?

ALLY DENCH: Correct.

The Hon. ROSE JACKSON: What's the time frame on that?

ALLY DENCH: I don't have a time frame at this stage.

The Hon. ROSE JACKSON: At what point would you consider engaging the community in those conversations? As I've said, the administrator isn't an elected representative. He doesn't have democratic accountability to the community. This is a \$4 billion business; it's a \$4 billion part of the council, so there's obviously going to be a change in relation to that. The community may well have a view about that.

ALLY DENCH: Of course they will. That's up to council to undertake that consultation. As I said, it's only very preliminary discussions at the moment.

The Hon. ROSE JACKSON: Yes, I appreciate that but, as I said, this is a substantial part of the council's operation. If they are intending a change in relation to that and pursuing those conversations with the Government—I appreciate you say it is up to them to do the community consultation. Have you indicated to them that, as the conversations progress, that is your expectation?

ALLY DENCH: Definitely, yes.

The Hon. ROSE JACKSON: Okay, that's useful. Minister, you've obviously mentioned the council wasn't sacked for no reason; it was sacked because it was in a pretty dire financial state, as you noted. As you're probably aware, the former councillors are of the view that they were not made aware of the seriousness of the financial situation by the council staff. For example, the report that was done noted:

... Council finance staff actively discouraged the councillors from reviewing the budget in the presentation to the councillor briefing on 3 June 2019 ...

That's a direct quote. What steps have you taken to ensure that this is not able to happen again in future?

Mrs WENDY TUCKERMAN: By adopting the recommendations around councillor training and what questions are important to ask in the forum that they have. I think that's a really important part of making sure that councillors are fit to have oversight of what is going on. That's an important part, and that recommendation obviously was a part of the inquiry report and continues to be implemented. The "Hit the Ground Running" series offers councillors information on how to handle those sorts of things. We're looking at a broader piece of work in regard to financial competency as well. There were recommendations around doing that board—Institute of Company Directors. Obviously, that comes at a great cost to council, but we're looking at whether there's another way to develop a course similar to that that would be of less cost and obviously provide that value to councillors going forward.

The Hon. ROSE JACKSON: Have you considered the State Government partnering with councils to cover the cost of that course?

Mrs WENDY TUCKERMAN: We haven't considered that. Obviously, the cost is a responsibility of council, but it's something that we need as an agency and a sector to really hone in on—how we best make sure that councillors are fit to do the job that they're being elected to do.

The Hon. ROSE JACKSON: And that is important. Obviously, if that comes in the form of mandatory training or mandatory course completion that the Government has imposed, shifting the cost of that to councils—who, as we already know, are quite cash strapped—could be challenging. If you are going to require councils to do training or courses, it perhaps isn't unreasonable that you would provide some resources for the completion of that work.

Mrs WENDY TUCKERMAN: It's something that can be considered.

The Hon. ROSE JACKSON: So you're open to considering it?

Mrs WENDY TUCKERMAN: Absolutely, always.

The Hon. ROSE JACKSON: I might just ask a couple of questions in relation to the Wingecarribee council. I just wondered how long you have been aware of the issues at Wingecarribee council.

Mrs WENDY TUCKERMAN: Obviously, becoming local member in 2019, I had a lot of dealings with Wingecarribee council as part of my role as a local member. I field lots of emails and have conversations with constituents within their local government area. I was aware of some concerns since 2019.

The Hon. ROSE JACKSON: Have you had any meetings with the council or councillors in relation to those issues?

Mrs WENDY TUCKERMAN: Absolutely. I had regular meetings with the council—the council mayor and council general manager. I meet with all of my councils on a regular basis.

The Hon. ROSE JACKSON: In 2020, before you were the Minister and the issues at Wingecarribee Shire Council were becoming more well known, the former Minister noted the strong representations from yourself and the member for Wollondilly in relation to the dysfunction at the council. You're aware of that, obviously. You're aware of those representations that you made.

Mrs WENDY TUCKERMAN: Indeed.

The Hon. ROSE JACKSON: The question is: How did you manage the potential conflict of interest between yourself as a local member who had previously made strong representations in relation to the council and your role as the Minister in your decision to dismiss the council?

Mrs WENDY TUCKERMAN: As you're aware, the former Minister appointed the person to do the inquiry. I don't see any conflict of interest in regard to that.

The Hon. ROSE JACKSON: Not in relation to that.

Mrs WENDY TUCKERMAN: The inquiry was conducted and there were recommendations made. I followed those recommendations and accepted all of them.

The Hon. ROSE JACKSON: That is fine. But, as I said, there is still potentially a conflict of interest. I understand a report was prepared and it made recommendations, but you were still the decision-maker. You still had the capacity to accept or reject those recommendations. You obviously had a deep personal interest in the matter, as a local member who'd had regular meetings on the matter over a number of years and who'd made strong representations on it. It is arguable that you had a preformed view about what needed to occur prior to the report being prepared and recommendations given to you. How do you respond to that?

Mrs WENDY TUCKERMAN: I didn't have a preformed view. I knew there were issues. As a local member, my role is very different to being in the role as the Minister for Local Government. There was a public inquiry, there was an independent person that conducted that inquiry and made recommendations, and I followed those recommendations. I don't see that I had a conflict of interest or any personal view in regards to that. It could be speculated as much as you like, but that's just not true.

The Hon. ROSE JACKSON: It's just that conflicts of interest often aren't necessarily actual, as you would well know. The perception of a conflict is also—

Mrs WENDY TUCKERMAN: Ms Jackson, there was plenty of evidence during that inquiry as to how the council was performing. I didn't influence those inquiries. There were recommendations done under that evidence, and I was quite happy to accept that.

The Hon. ROSE JACKSON: Did you take any steps, or did the department or the Office of Local Government take any steps, to acknowledge or—

Mrs WENDY TUCKERMAN: Absolutely. I asked for legal advice as to whether I had a perceived conflict of interest—

The Hon. ROSE JACKSON: That's excellent.

Mrs WENDY TUCKERMAN: —and that legal advice came back to say no.

The Hon. ROSE JACKSON: Are you able to table that legal advice?

Mrs WENDY TUCKERMAN: I would to have ask the—I can't table it right now. Certainly, we'll take it on notice.

The Hon. ROSE JACKSON: That would be useful. Thank you. I'll pass to my colleague Mr Buttigieg.

The Hon. MARK BUTTIGIEG: Minister, you raised the misconduct review on a number of occasions during an earlier question. Can you provide an update on where the review into councillor misconduct is?

Mrs WENDY TUCKERMAN: Yes. The current review is being undertaken by Gary Kellar. I am looking at getting the report by October.

The Hon. MARK BUTTIGIEG: This was commissioned back in 11 June 2021. That happens to be my birthday, so thank you for that present. Submissions regarding the paper closed on 28 March this year. We're now in August. Do you still expect it to be completed by September?

Mrs WENDY TUCKERMAN: I'm hoping to get the report by October. I've been advised by Mr Kellar. I acknowledge the amount of time it has taken, but we have had a pandemic.

The Hon. MARK BUTTIGIEG: It seems to be a common theme, doesn't it?

Mrs WENDY TUCKERMAN: Consultation on these matters are really important. Obviously, those considerations around the pandemic and access to be able to consult with people is really important. I totally agree that it's been a long time coming, but we have had some exceptional circumstances.

The Hon. MARK BUTTIGIEG: Can you tell me, Minister, will the review be made public?

Mrs WENDY TUCKERMAN: Absolutely.

The Hon. MARK BUTTIGIEG: You obviously have got to get the report, read it yourself and review it. Can you tell us how much delay there'll be between that time and when it's made public?

Mrs WENDY TUCKERMAN: I can't predict what delay there might be or what the circumstances— as soon as I get it, I'll have a look, consider the recommendations and determine when it will be made public.

The Hon. MARK BUTTIGIEG: Would you anticipate that we'd have the report published by the end of the year?

Mrs WENDY TUCKERMAN: I'm happy to refer as to when the expectation might be.

ALLY DENCH: We are aiming to have it completed by the end of the year, definitely.

The Hon. MARK BUTTIGIEG: And we'd have an official response from OLG by then as well, presumably.

ALLY DENCH: We are preparing—

MELANIE HAWYES: The report will come in, and there'll be a discussion about that report being made public. And then, of course, there is some time to develop the response. It is a root-and-branch review, and we are expecting it to make a suite of recommendations about potential recommendations to the framework, which will need time to be developed not just by OLG but in consultation with other agencies.

The Hon. MARK BUTTIGIEG: Just to elaborate on that response, are you suggesting that the response from government might take longer than the end of the year?

MELANIE HAWYES: It's difficult to predict when you haven't seen the recommendations. I also note that there has been, and continues to be, improvements made to the way the conduct framework operates. Those changes have been informed by a number of things, including ICAC findings. Those improvements continue, even while we wait for this report. The report will come in. The Minister has made it really clear that her expectation is that the recommendations are made public, and then, of course, there is a period in which to form an appropriate response and be able to implement that response.

The Hon. MARK BUTTIGIEG: Minister, presumably, given the litany of things we have seen go on in the local government sector in terms of code of conduct breaches, misbehaviour and all the rest of it—and the ICAC findings—would it be safe to presume that you'll take these recommendations very seriously and look to implement all of them?

Mrs WENDY TUCKERMAN: Depending on what the recommendations are. My intention is to ensure that, whatever the recommendations are and are agreed to, we do it as quickly as possible.

The Hon. MARK BUTTIGIEG: Can I ask how many submissions were received in response to the consultation paper?

MELANIE HAWYES: We can get you that figure. I note that there's the submission process, but engagement with the sector continues, whether it is with LGNSW or councils and others. It is not restricted to the number of submissions received. A number of them were aggregate submissions. We have Mr Kellar continuing his work, which includes consultation with other jurisdictions that are also looking at how to improve their conduct frameworks. It seems that we're not the only jurisdiction dealing with the need to update and refresh that framework, so there is consultation beyond the submission process itself.

The Hon. MARK BUTTIGIEG: But you will be able to get me the number of submissions.

MELANIE HAWYES: We can get it for you and provide it in the later session, if that's okay.

The Hon. MARK BUTTIGIEG: I appreciate that. In terms of the advertising of the opening of submissions, how is that done throughout the State?

MELANIE HAWYES: I will need to take that on notice. Melissa, do you have that?

MELISSA GIBBS: I know that there was definitely a circular that was issued. The website, obviously—

The Hon. MARK BUTTIGIEG: Sorry Ms Gibbs, a circular to councils?

MELISSA GIBBS: A circular to councils, yes, and definitely notices on the website. It was pretty fairly widely known that the review was being undertaken. One of the other reasons, and you raised the length of time taken—

The Hon. MARK BUTTIGIEG: I'm sorry, on that point, "it was pretty widely known". How did you come to that conclusion?

MELISSA GIBBS: Mainly because the Minister had been speaking about it at a number of sector events, such as the local government conference, Local Government Professionals conference, in discussions with the parties to the local government award.

The Hon. MARK BUTTIGIEG: So unless you were at a local government conference or some sort of insider event, you may have missed this even if you're a councillor. What about ratepayers?

MELISSA GIBBS: Can I take on notice whether there was any particular targeting of ratepayers?

The Hon. MARK BUTTIGIEG: Sure. Minister, does that concern you that we may not have advertised this to ratepayers in terms of their elected representatives, a code of conduct being reviewed?

Mrs WENDY TUCKERMAN: We'll take on notice to see whether we have or haven't.

MELISSA GIBBS: It may have been on the Have Your Say website. I'd need to check that though.

MELANIE HAWYES: We'll just check for you in the break.

The Hon. MARK BUTTIGIEG: As we stand now, we don't have any line of sight onto the penetration into that sort of ratepayer space in terms of knowledge of this review?

MELISSA GIBBS: I can get you a breakdown, if you like, of the submissions that were made and by the category of people who made the submission—whether it is the council, a councillor, elected body staff member or member of the community.

The Hon. MARK BUTTIGIEG: Is there an intention to make the submissions public?

MELANIE HAWYES: I haven't turned my mind to that. I don't see why we wouldn't be able to do it as an addendum to the report when it comes in, but at the moment it's currently in train. It was an open process to make submissions and I know that we've spoken with a number of individuals beyond councillors. There may be some that are sensitive for personal reasons, so I won't give a blanket commitment here.

The CHAIR: How many overall submissions? Did you answer that?

MELANIE HAWYES: We're just getting the number for you in the break.

The Hon. MARK BUTTIGIEG: The former Minister, Shelley Hancock issued a press release on, as I said, 11 June 2021 in which she stated:

Residents rightly expect high standards of behaviour from their elected representatives and the NSW Government has zero tolerance for councillors who put petty politics and egos ahead of serving the local community.

Given it took nine years, Minister, for your Government to commission the review, would it be fair to say Ms Hancock's statement is somewhat misleading when she claims the New South Wales Government has zero tolerance? This again goes to time. Everyone can say we're going to have a review into this and we're going to do this, but if it takes eons it's almost like it never happened. Would you accept that that is problematic?

Mrs WENDY TUCKERMAN: That's a matter for Ms Hancock to probably answer. I know that I hold very close to my heart the integrity of the councillors and the sector, and I think it's very important that the community does so too. I'm doing my best to ensure that we have a comprehensive consultation and this review is going to come down. We try and get some focus on how we can best implement a very robust misconduct framework. So it's happening.

The Hon. MARK BUTTIGIEG: It's happening, yes—that's an interesting and oft-repeated refrain.

The CHAIR: Thank you. Just as a point, if I can put it to you, there are quite a number of councillors that have contacted me, and perhaps similar to my colleagues, that they weren't aware of this. Actual councillors weren't aware of the current review of procedures. I know how difficult it is to get the word out and to make it noticed, but I think we just need to be really cautious that some of these traditional consultation processes are being a bit neglected in terms of the rigour and the effort we can make.

MELANIE HAWYES: Could I just respond to that and confirm that it was at the time published on the Have Your Say website. I appreciate that particularly with an intake of new councillors who don't have that corporate history. We meet regularly with LGNSW as a peak that can help get the word out. My hope is that LGNSW plus our own messaging telegraphs it out so everyone who wants to participate can. If you hear from people who would like to have a say, please bring them to our attention and we'll factor them in.

The CHAIR: That's wonderful because I literally got messages in the last two days: Have submissions closed? And my advice was, well, it appears they have.

MELANIE HAWYES: That particular element has been closed but we are open to hearing from people who would like to participate, so bring them forward.

The CHAIR: Terrific. Thank you very much. That's really good hear. Can I just ask a couple of questions around amalgamations. Do you expect that there may be any amalgamations being considered at the moment for the Northern Rivers region?

Mrs WENDY TUCKERMAN: Amalgamations being considered for the Northern Rivers?

The CHAIR: Yes, councils in the Northern Rivers.

Mrs WENDY TUCKERMAN: No.

The CHAIR: Does the Fit for the Future still apply to councils—the reform package that was released by the New South Wales Government?

Mrs WENDY TUCKERMAN: I'm quite happy to hand over to the team about what the framework is at the moment.

KEITH BAXTER: Minister Upton concluded that process a number of years ago. Some of the councils are still reporting their metrics and their improvement plans but there's no formal monitoring of the Fit for the Future process at the moment.

The CHAIR: What criteria are current in terms of determining whether there would be any amalgamation?

KEITH BAXTER: The Government's policy is there's no forced amalgamations at the moment and if there's a proposal that is lodged, it will be dealt with under the provision of the Local Government Act.

The CHAIR: You're confident that that's an absolute current government policy and position in terms of amalgamation?

Mrs WENDY TUCKERMAN: Absolutely.

The Hon. SHAYNE MALLARD: Absolutely.

The CHAIR: Mr Mallard's very certain over here. I suppose now it is about really looking at the harm or the damage that's been done. Minister, are you concerned about the mental health issues that were identified in the boundaries commission report on the demerger of Cootamundra-Gundagai Regional Council?

Mrs WENDY TUCKERMAN: Yes, absolutely. That was a part of my consideration. As you are aware, I made the announcement yesterday that I have agreed with the boundaries commission report and that Cootamundra-Gundagai will be demerged. That was a part of those considerations. Obviously, I read the report and the dissenting report in regards to the information and the examination by the boundaries commission. Certainly the mental health and work health and safety of employees was paramount in my decision, and that was the result of that.

The CHAIR: Will you move to legislating binding plebiscites in all forcibly merged councils and support holding these plebiscites concurrent with the March 2023 State election?

Mrs WENDY TUCKERMAN: Plebiscites are at the hands of councils themselves. If they wish to engage with their communities in regards to that matter by that way, they can do so. But what I do know is that we have a framework in place currently with the boundaries commission and that is a vehicle for consulting with the community and presenting a business case in regards to any proposed demergers.

The CHAIR: If there was that request, you would support that?

Mrs WENDY TUCKERMAN: It is not a matter for me to support; it is up to the councils to decide.

The CHAIR: With the boundaries commission recommendation, are you saying in terms of the Snowy Mountains council—what's your view there?

Mrs WENDY TUCKERMAN: Any council can make a proposal for demerger. That is then put to the boundaries commission to examine and to then report back to me, as Minister, on any recommendations they have. That's the process under the Act.

The CHAIR: Can I just move to the Office of Local Government's role in the flood recovery and post disaster? Can you just tell me what, if any, work you are doing in the Northern Rivers about the housing crisis directly to housing?

KEITH BAXTER: Housing is being handled by the Northern Rivers Reconstruction Corporation and the Department of Planning and Environment prior to that. In terms of the involvement, we were involved in the former housing task force, but that was the extent of our involvement. We're not directly involved in the service delivery.

The CHAIR: I understand, then, with service delivery. But I'm a bit confused about the Northern Rivers Reconstruction Corporation, now, and the New South Wales reconstruction agency. I think there is a bit of confusion there about whether the latter is replacing the former, or the former continues.

KEITH BAXTER: I think the former continues until the new one is established, but that's a matter for the Department of Premier and Cabinet and the Minister for Flood Recovery.

The CHAIR: Do you see a role, though, for Office of Local Government? Do you think you will continue and be able to feed into however that manifests?

KEITH BAXTER: We feed into all government processes. We are a member of the State Recovery Committee, a member of the State Emergency Management Committee, and we do regular liaison with our

colleagues in other State agencies, bringing councils' issues to their attention. We are also trying to address issues that are raised by councils, plus also help other agencies address issues in local councils.

The CHAIR: Minister, what's your view, in terms of your vision for local government, in terms of this disaster recovery? Do you think it's appropriate that the collegiate decision-making powers of council are able to be overridden in terms of these reconstruction authorities or whatever we end up with—corporations, authorities?

Mrs WENDY TUCKERMAN: I think we have very extraordinary circumstances at the moment and the New South Wales Government is doing its best to ensure that we're recovering and we are assisting the people to recover up in the Northern Rivers. Certainly, council plays a very big role in providing feedback in regards to decisions around planning, and it is important that there is a relationship and that consultation occurs. In regards to the Northern Rivers construction authority, obviously the Deputy Premier has control over that at the moment. I'm happy to pass on to the secretary to see where that is up to. He is a part of that cohort as well.

MICHAEL CASSEL: Yes. There's an advisory committee for the Northern Rivers construction authority, which I sit on. But the chief executive reports directly to the Deputy Premier in that regard.

The CHAIR: Really, my question is do you see that there is a role for you to advocate on behalf of the councils, to support them and maintain their representative role in driving the decisions that will be made? And I mean the planning decisions and development decisions and the rezoning decisions on behalf of their communities in this recovery process.

MICHAEL CASSEL: For me?

The CHAIR: Minister, whoever you would like to—

MICHAEL CASSEL: I think there are complex issues when you start to drill into planning, and that's really a question for the planning Minister. How the legislation works and how it proceeds, having managed a lot of programs that deal with those types of conflicts, whether it is going to be the State-led process or a local-led process—there's always positives and negatives on both sides.

The CHAIR: The Government keeps saying, "We know community-led recovery. We know every IPCC report in terms of adaptation and response is about community-led recovery, community-led response. That's how we succeed in the face of climate events or disaster events." At the moment in the Northern Rivers, there is this enormous situation happening. Really, the question is—there are councils who are directly impacted and are looking for some kind of assurance that they will be able to continue, regardless of how complex planning is.

These are the people elected to make decisions on behalf of their community. They are the ones that are talking to their communities every single day, and their communities elected them to get them through this crisis. Yes, they need the help of State Government. But, as the Minister for Local Government and the office and representatives of those local governments, are you taking an advocacy role to the State, to say, "These elected representatives play a really important part. It is important that we don't run roughshod over them in this process of recovery"?

MICHAEL CASSEL: I think it is pretty clear that most planning processes do do that. But, as far as the advocacy process, I think that is a question back for the Minister.

Mrs WENDY TUCKERMAN: Yes, absolutely. I think it's an important part of the whole process. I think, if the process is to be successful, that's an important part to ensure is happening. I'm very much for advocating that there is that role for council to play. And I'm absolutely certain there will be, and I'm happy to advocate for it.

The CHAIR: To the extent that their planning powers as elected councillors won't be overridden?

Mrs WENDY TUCKERMAN: That's a matter for the planning Minister on how best to do that. But, certainly, I'm happy to advocate to the planning Minister on my views on that.

The CHAIR: I raise this because, naturally, there's a number of contentious aspects in terms of the recovery and pre-existing contentious issues before the disaster events happened in some of those council areas. There is a fear that councillors will be overridden and their powers usurped in the recovery. There clearly is a much better way of finding that balance, so thank you for that assurance. Can I go to a completely different issue around the State Government's new policy on private native forestry. Obviously, this impacts some of our regional and local governments.

One of the issues that has been longstanding is the notion of councils having some power over private native forestry and the impacts that that has on their functions as a local government—whether it is roads, consent,

managing the environment, et cetera. Can you tell us about the dual consent provisions for private native forestry—again, this goes to the notion of councils being overridden—and whether there are still councils that are able to make decisions about this?

Mrs WENDY TUCKERMAN: I would have to refer to the agency. Do you have any idea?

MICHAEL CASSEL: Could you just repeat the question? I think it is more of a forestry/native forestry question, which is not the Minister for Local Government.

The CHAIR: No, I understand that. This is actually about councils being able to exercise their consent functions. Do councils still have the power to make their decisions, under their LEPs, now the State Government has introduced a new regime? For context, the State Government said that dual consent of councils was a problem; however, it still appears there are dual consents. Have you been informed, or do you know, whether councils will be able to continue to exercise their powers?

MICHAEL CASSEL: I'd need to take that on notice. I think it is more of a planning or native forestry question, so I want to take that one on notice.

The CHAIR: Thank you. I suppose the question, if you could get the answer to it, is how many councils are still able to exercise their functions, under their LEPs, as it applies to private native forestry? Also did the State Government consult with Office of Local Government, or councils, if those dual consent capacities have been removed? They are the two questions.

MICHAEL CASSEL: Okay.

The CHAIR: Thank you very much. In terms of background, Local Government NSW was very active in that process and did make submissions and made their concerns very clear that they wanted to retain control, or some control, and be able to exercise their functions. The curiosity is we don't know what's happened and where that has landed, so some certainty around that would be very helpful. In terms of local governments being able to—I think this is a similar question. This is, again, a natural resource question and comes from regional and rural councils in relation to councils being able to exercise their functions in providing safe and secure water, and for those councils that do.

The questions really are around the water sharing plans and whether or not—the incongruities. Where is the capacity for councils to be able to fulfil their obligations to deliver safe and secure water when the State Government has these water sharing plans that are excluding councils from being able to undertake their functions? One in particular is in relation to the agricultural use of water under water sharing plans versus the competing right of being able to supply water to communities. Is that something that has crossed your table that you are aware of and that you can assist councils with?

Mrs WENDY TUCKERMAN: That's a matter for the water Minister. Obviously he does consult with councils in regard to his portfolio. I think probably they're best answers given by him.

The CHAIR: I think the theme, really, for some of these regional councils is they're just perhaps feeling like they don't have the representation or the support to exercise their functions in relation to some of those State Government incursions onto the exercise of their functions. They're looking for some sort of clarity and leadership around that. Why is it not the role of the Minister for Local Government to be able to advocate on their part so they can exercise those functions?

Mrs WENDY TUCKERMAN: As you'd be aware, local government touches all agencies—there's no doubt—all different portfolios. As the local government Minister, I am happy to advocate for the local government sector, and I think that's a really important part of my role. So any issues that you think I need to take up with other Ministers, I'm happy to do so and do so on behalf of councils that have raised them with me.

The CHAIR: Would you please raise and find out whether some LGAs are able to refuse applying the new koala SEPP? Specifically because the koala SEPP schedules local governments, and particular local governments, that must apply the koala SEPP and there are a couple of local governments that would like to be excluded from the schedule of the former Deputy Premier's koala SEPP. Is that something that you think is possible?

Mrs WENDY TUCKERMAN: I'm happy for councils to write to me and ask me to advocate on their behalf, but they would be best served to go directly to the planning Minister.

The CHAIR: Is there something that the New South Wales Government will do—and you, Minister—to improve the rate-pegging methodology to prevent future financial shocks to the sector and ultimately move to removing rate pegging?

Mrs WENDY TUCKERMAN: I'm not sure whether that's the answer, but certainly the review by IPART is an important piece of work, as I reiterated to you earlier. Having that consistent rate peg and making sure the methodology is actually looking forward instead of looking backwards, to me, is an important concept. So I'm looking forward to that review taking place because I think it's really important that we do have that consistency on what rate peg is being applied. Certainly that enables councils to better plan financially. We need to move the peaks and troughs in regard to rate pegging. As I said, I think it's a very important piece of work.

The CHAIR: Do we have timing around that?

MELANIE HAWYES: Yes, the review has kicked off. IPART confirmed with me, actually just the other day, that they have commenced. Obviously they need some time to complete that review, given it's quite a complex topic. I think we've set an end date of March. I might need to take it on notice; I don't quite remember the end date. But it's got a time line with IPART, and I can tell the Committee they've kicked it off. We'll confirm the scheduled end date in the break.

The CHAIR: Thank you. What steps, Minister, are being taken to reform the emergency services levy funding model?

Mrs WENDY TUCKERMAN: That's a very important topic at the moment, obviously. The New South Wales Government has been able to take the hit out of the enormous costs that are upon councils in regard to emergency services. We have significantly ensured that the extra costs over the last few years have been—the State Government has provided funding to councils to assist them in that funding. I think it's a really important question, and it's certainly something that I'm working on with the emergency services Minister and—

The CHAIR: Can I just ask on that—I'm really grateful to hear this, and I'll finish now—are you aware of the Climate Council's work on the real vulnerabilities? Are you looking at models of, I suppose, "substantive" difference as opposed to just blanket reform? Are we looking at areas that may be more prone and more susceptible to the requirement for emergency services over time?

Mrs WENDY TUCKERMAN: I'm not, specifically. Obviously, there's a big role in government in regard to the emergency services levy. I think it was tackled before and there were some issues, but I think it needs to be at the forefront of our mind as to how we are going to cope—particularly, as a sector, around sustainability—how councils are going to cope with the enormous impact that that levy will have. There are discussions going on at the moment—

The CHAIR: Discussions?

Mrs WENDY TUCKERMAN: —in regard to how we are going to look at that levy. Certainly it's a matter that we are putting on the table with the Treasurer because it's important that there is a focus on it.

The CHAIR: But there's no actual plan yet?

Mrs WENDY TUCKERMAN: Not at this stage.

The CHAIR: Discussions. Thank you.

MELANIE HAWYES: Excuse me, Chair. IPART has nine months to complete its review.

The CHAIR: Thank you very much.

The Hon. ROSE JACKSON: I just want to go back to the questions of Ms Higginson in relation to the Cootamundra-Gundagai Regional Council. You said to the Chair that your decision to demerge the council was based on your reading of the boundaries commission report and dissenting report. You made a reference to the health—the mental health—of staff. I wonder if you could elaborate on that.

Mrs WENDY TUCKERMAN: If you've read the report, Ms Jackson, it did highlight some concerns around staff and some comments that were made at a public inquiry hearing. Obviously, as soon as I read that issue I did ring the mayor of the council to express my concerns in regard to seeing that statement and asked that we work towards making sure that work health and safety is paramount in the council's mind. He assured me that it was. There were lots of considerations made in regard to the decision around demerging Cootamundra-Gundagai, and that was one of them.

The Hon. ROSE JACKSON: Obviously, as you are aware, Cootamundra-Gundagai is not the only council that was subject to a forced amalgamation that wishes to demerge. Another obvious one is Snowy Valleys, which is awaiting your decision in relation to Cootamundra-Gundagai. The boundaries commission also came to the conclusion that Snowy Valleys should demerge. So will you now allow that to occur?

Mrs WENDY TUCKERMAN: Obviously, there is a process in place. As you are aware, under the Act if the council decides to put forward a business case for a position of demerger proposal, that will go directly to the boundaries commission to be examined, to conduct public inquiry on it and to make recommendations to me, as the Minister. That hasn't occurred yet?

The Hon. ROSE JACKSON: Part of the issue here is how long you anticipate the boundaries commission will take in relation to the consideration of those proposals. You are aware that Snowy Valleys is going to pursue that? They have voted to do that.

Mrs WENDY TUCKERMAN: Yes, I have heard that.

The Hon. ROSE JACKSON: You are aware of that, yes. So now that we've had this recognition that some of the mergers that were pushed through were a failure and that there is the option to have them reversed, I think it's fair to say a number of councils are going to pursue that. So what advice can you give them in relation to how long that process is likely to take?

Mrs WENDY TUCKERMAN: That'll be a matter for the boundaries commission. Obviously, I cannot predict nor would I want to predict how long an examination would take. I expect that any examination is thorough and consultative with the community. How long is a piece of string? That would be up to the boundaries commission.

The Hon. ROSE JACKSON: In relation again to those councils who are now looking at what has happened with Cootamundra-Gundagai, the CGRC, can you give them an assurance that, just as you have followed the boundary commission advice in relation to this council, you will consistently do that in future? It is a lot of effort for them to go down that path, the business case, all of the consultation. They've seen their colleagues in Cootamundra-Gundagai be successful. What assurance can you give them that if the Local Government Boundaries Commission makes similar recommendations in future, you'll follow them?

Mrs WENDY TUCKERMAN: I will make a determination on each individual case. Obviously, I'm not going to go out and say that I'm going to be doing a carte blanche on all proposals. It needs careful consideration on each proposal and the recommendations by the boundary commissions. That's their role. I will do my due diligence around each and every case that's put before me.

The Hon. ROSE JACKSON: It is a bit of a concession that the forced mergers policy was a failure, that we've literally, within—

Mrs WENDY TUCKERMAN: I disagree with that, Ms Jackson. There's plenty of examples of councils that were merged, that are successfully merged. Just because I have—

The Hon. ROSE JACKSON: What's top of your list there?

Mrs WENDY TUCKERMAN: I'm quite happy to go through.

The Hon. SHAYNE MALLARD: Inner West.

The Hon. ROSE JACKSON: Inner West? They voted at a community referendum to demerge. Evidently, the community of the Inner West isn't happy. Central Coast have had a—

Mrs WENDY TUCKERMAN: Let's have a look at some examples of some achievements that have been made by councils that have merged. I think the Northern Beaches has been very successful. A report from LSI Consulting in May 2021 found that the amalgamated Northern Beaches Council was performing better than its three former individual councils. The council's 2020-21 annual report stated that it had achieved more than double the State Government's \$76.3 million estimated savings over 10 years from amalgamation. This is a projected \$161.6 million net present value over 10 years. These savings have been reinvested into the community through operational and capital projects, on track to more than double the \$76.3 million estimated savings from amalgamation.

Queanbeyan-Palerang Council, another merged council, has also delivered more than \$1.1 million in infrastructure projects. In fact, the overall performance and progress of this council was recognised in 2020, when presented with the prestigious AR Bluett award for being the State's most progressive and innovative council. That's a regional council, and it's doing very well. In a media statement, LGNSW commended Queanbeyan-Palerang's remarkable transformation journey since the merger in 2016.

Cumberland City Council, as flagged in its '20-21 annual report, achieved a net operating surplus in 2021, compared to a deficit the previous year—the best result for Cumberland City Council since amalgamation. The improved performance saw the council able to assist ratepayers who were expecting financial hardship by placing residents on affordable payments plans. We've got Dubbo Regional Council: Regional council has realised savings

of \$0.9 million since amalgamated. MidCoast Council's centralisation of office staff is delivering operational efficiencies through improved collaboration and streamlined processes—

The Hon. ROSE JACKSON: I'm just letting you run on because it's my view that we have consistently seen the community extremely dissatisfied with the Government's forced amalgamation policy. If it is honestly your view, the day after you have now reversed the unbelievably unpopular forced amalgamation that led to Cootamundra-Gundagai Council—your position is still this was a raging success. That's your view? The community members listening in—I'm sure there are many—

Mrs WENDY TUCKERMAN: No. You said to me that the merger policy is a complete failure. I've just given you examples, and there is evidence to say that's not the case. So I'm quite happy to sing the praises of the councils that did merge, the great job that they've done in regards to that merger and how they've implemented that transition. I think you should be doing the same. You should be congratulating those councils for what they've achieved for their communities.

The Hon. ROSE JACKSON: In a way, I'm pleased that they've managed to do well in a very difficult set of circumstances. But I go back to my original question. Of the many local government areas who were subject to forced amalgamations, who continue to be strongly opposed to that—Snowy Valleys, Central Coast, Inner West, Hilltops; the list goes on. You would know, from the correspondence that you receive, the community is not happy. They've now seen that there is a path to demerger that Cootamundra-Gundagai have been able to take. Can you give them an assurance that you will offer them the same opportunity if the Local Government Boundaries Commission makes that recommendation?

Mrs WENDY TUCKERMAN: I can give them an assurance, that if they put forward a proposal and a business case, it will be examined by the boundaries commission as per the Act.

The Hon. ROSE JACKSON: I know that you said you were unable to provide any information in relation to how long that might take—

Mrs WENDY TUCKERMAN: That's a matter for the boundaries commission.

The Hon. ROSE JACKSON: In relation to Cootamundra-Gundagai, what representations did you receive from members of Parliament in support of that? Did you meet with any members?

Mrs WENDY TUCKERMAN: No. The decision is mine alone.

The Hon. ROSE JACKSON: I appreciate that.

Mrs WENDY TUCKERMAN: I wasn't going to be influenced by any members of Parliament. I have the responsibility in my portfolio to make that decision around my thoughts on the demerger proposal. I did my due diligence. Let me tell you it was a very difficult decision. It was a very difficult decision because there is a lot of elements at play. Obviously, it's important that we make sure that these decisions are in the best interests of the community. Clearly, community sentiment around the demerger in the Cootamundra-Gundagai was very high. I could see that things were not going to improve for the community—

The Hon. MARK BUTTIGIEG: Minister, in '19-20, Hilltops had a—

Mrs WENDY TUCKERMAN: In 1920?

The Hon. MARK BUTTIGIEG: FY '19-20. Sorry. Not in 1920. I know we were both alive then. It had an operating performance ratio of negative 9.1. Is that an indication of a successful merger?

Mrs WENDY TUCKERMAN: As I said before, I've indicated to you some achievements by merged councils. Let me tell you this is not our Government alone. The 2004 Labor Government did exactly the same thing, without funding to assist councils. Let me say each individual council—the way it's implemented is very important to its success.

The Hon. MARK BUTTIGIEG: So overall it's been a success, merging councils.

Mrs WENDY TUCKERMAN: You're putting words into my mouth for your own political purposes.

The Hon. MARK BUTTIGIEG: But that was the implication. It's by and large—

Mrs WENDY TUCKERMAN: As I said to you, some councils in the merge process have found it more difficult than others. There is no doubt about that. Clearly, Coota-Gundagai was an example of that, for lots of reasons.

The Hon. ROSE JACKSON: I just wanted to clarify: So you did not meet with or have any conversations with any members of Parliament in relation to whether or not the Coota-Gundagai council should be demerged.

Mrs WENDY TUCKERMAN: I have had meetings with the member for Cootamundra in regards to—she set up a meeting for me to have with some stakeholders in the Cootamundra-Gundagai area, particularly Gundagai. I had a meeting with those people. Clearly, her representations on behalf of her community were made to me. But, in relation to the decision that I made around Cootamundra-Gundagai, I have not had a discussion with her. That was my decision alone.

The Hon. ROSE JACKSON: In relation to the conversation that we're having about the councils that have struggled and, indeed, the councils that have done well as a result of the merger policy, we've asked this before, but I'm going to ask it again because the Government's estimates in relation to the benefits of that policy when it was announced was based on analysis prepared by KPMG. That analysis has never been made public. We have now seen you making a decision to reverse forced mergers in at least one council. Will you make public the full KPMG report on which this policy was based—the estimates on which this policy was based in the first place?

Mrs WENDY TUCKERMAN: Ms Jackson, I'm looking to the future; I'm not interested in the past. Clearly this has been a difficult time for some councils in regard to the transition and merging. We're looking forward to the future now in assisting councils, where we can, to deliver services to the community.

The Hon. ROSE JACKSON: But the future looks a lot like the past when the future is, "We're going to let them go back to what they had before." The answer I take from that is no. It was a direct question: "Will you release the full report?" And then you just talked about something else. So you won't? Even now, when we have seen that there are serious questions over the basis on which some of those decisions were made—we've already had one reversed—you won't release the full report?

Mrs WENDY TUCKERMAN: No.

The Hon. ROSE JACKSON: That's very disappointing for a number of the councils, I'm sure.

The Hon. MARK BUTTIGIEG: Minister, I understand you've undertaken to recommence annual reporting by all New South Wales councils regarding their employment statistics. That's in the mandatory annual reporting to the OLG, where you'll require each council to provide their total staffing numbers on a date named by the OLG, which will provide a breakdown of full-time, part-time, casuals, labour hire, contract staff. Presumably that's to assist in identifying any overuse or misuse of staff who have no secure employment. Is that right? Are those statistics going to be published?

Mrs WENDY TUCKERMAN: As a part of the annual report, of course.

The Hon. MARK BUTTIGIEG: When can we expect that report will be published?

Mrs WENDY TUCKERMAN: The annual reports are published usually in September.

ALLY DENCH: November.

Mrs WENDY TUCKERMAN: November. They're put before council and they're published in November.

The Hon. MARK BUTTIGIEG: In the reports in November, we can expect that these full-time equivalents, part-time, all those sort of breakdowns will be included.

Mrs WENDY TUCKERMAN: Yes, I'm assuming.

The Hon. MARK BUTTIGIEG: Can I ask you, Minister—the report obviously relies on councils providing accurate input data to the OLG, because you're going to be requiring councillors to report, obviously. Are there any penalties or any penalty regimes being considered in the event that councils are found to provide misleading or inaccurate information?

Mrs WENDY TUCKERMAN: I'll have to refer to the agency.

ALLY DENCH: We monitor and analyse the information that comes in. Certainly we'll be reviewing that. I think Ms Bishop's area in performances will be certainly taking a close look at those figures as they come in.

The Hon. MARK BUTTIGIEG: Yes, because you can appreciate there may be an incentive to—depending on your employment practices, there may be an incentive to misreport. I'm not suggesting that would be the automatic reaction. But my question is: Is there going to be a regime which puts a lens over that?

MELISSA GIBBS: I'm happy to take that if you like. This new reporting requirement, as you may be aware, was developed in partnership with the parties to the local government award and Local Government NSW, all of whom have a great interest in looking at the returns or the reports that councils will be providing for the first time in the annual report. I would expect that they will all have an interest in making sure that they are satisfied that the figures are accurate. I'm sure they'll report to us if they think that they're not. The new regulation was again developed in consultation with the parties to the award and LGNSW. It picks a particular date of the year that councils have to report on to eliminate or at least mitigate councils potentially gaming the system—not that we think they would do that. But it was a deliberately random date that they have to report on so that they can't necessarily prepare for a particular date and get rid of all of their labour hire staff.

The Hon. MARK BUTTIGIEG: I appreciate that, Ms Gibbs, and I appreciate the answer. My question was more around, if it's found that those figures are inaccurate for whatever reason, is there some sort of enforcement regime or penalty regime?

MELISSA GIBBS: It would be the usual.

MELANIE HAWYES: Code of conduct. I think there's an important difference between providing reports and then what you're suggesting, which is sanctions and penalties for people deliberately trying to engage in misleading or dishonest conduct. There are provisions around that.

MELISSA GIBBS: Also we have the new internal audit framework coming in. Reporting performance is going to be a function of the internal audit committees.

The Hon. MARK BUTTIGIEG: Would you be communicating with councils to that effect, that this is a serious reporting regime, we expect it done accurately and if it's not—

MELISSA GIBBS: Yes, we have actually done that. Any breaches that we become aware of will be dealt with under the existing enforcement provisions under the Local Government Act.

The Hon. MARK BUTTIGIEG: Minister, can I ask you: Have you taken any initiatives to seek additional funding for New South Wales councils?

Mrs WENDY TUCKERMAN: I'm always trying to push for additional funding. I think going forward the importance of ensuring that we have a strong sector is very forefront in my mind. This misconduct review will be an important part of that. I would see that we'll continue to strengthen the sector because I think they play a really important part of our State's economy, our State's effectiveness. I will always, always continue to advocate that the sector is well resourced.

The Hon. MARK BUTTIGIEG: Advocacy is one thing but success is another. Have you had any positive noises from the Treasury about that?

Mrs WENDY TUCKERMAN: As I said, we're working together in regard—I'm putting my view forward in regard to the importance of local government to the State. I'm always talking with the Treasurer around those issues.

The Hon. MARK BUTTIGIEG: I wish you more success than your predecessors, Minister.

Mrs WENDY TUCKERMAN: Thank you.

The CHAIR: Minister, what are we doing to ensure councils are not going to be worse off under the proposed reforms to the infrastructure contribution system?

Mrs WENDY TUCKERMAN: That's a matter for the planning Minister. I have his assurance that councils won't be worse off, but that's a matter for him to probably discuss that issue with you. I believe he's—

MICHAEL CASSEL: Monday.

Mrs WENDY TUCKERMAN: Monday, right.

The CHAIR: I think that every council would expect that the Minister who represents them in Cabinet would be well and truly aware of the potential threats that councils may not end up better off and that they would expect that there would be—

Mrs WENDY TUCKERMAN: And there is, Ms Higginson. There always are those discussions in regard to any reform that might affect council. I've had the assurance that councils won't be worse off but, as I said, that's a matter for the planning Minister.

The CHAIR: Is there anything you can tell us—in ways in which he has given you those guarantees? Because we know how contributions—we can miss out radically if we get it wrong and then it's hard to shift those once they're in place.

Mrs WENDY TUCKERMAN: Well, I take the planning Minister on his word and we'll see what the outcome is.

The CHAIR: Do you see any role, in terms of the role of local government Minister and the responsibility of councils and their functions and being able to healthily perform their functions, in light of what we are experiencing with the disaster events and now the complete removal of doubt that we are—we're not "facing"; we have a climate change scenario upon us. Are you taking steps to make sure that your councils across New South Wales, particularly in those vulnerable areas, are being supported and assisted to face how they develop their adaptation around climate change?

Mrs WENDY TUCKERMAN: I'm happy to defer to the agency. But I want you to know that there has been a lot of funding that's been provided to councils in helping them to plan for the future.

The CHAIR: When you say "a lot", what are you talking about?

Mrs WENDY TUCKERMAN: Can I just go through some of the funding, particularly around catchment management plans to ensure—not catchment, coastal management plans. Obviously, there has been particularly a focus on making sure that councils have coastal management protection plans in place. There has been support enabling them to do that. There is always funding available to assist councils for their planning and that has been recognised through those grant funding schemes. I'm happy to defer to the agency in regard to what other issues are arising out of adaptation. Flood funding, obviously—there has been significant money that has been provided as a result of the disasters and the capacity for councils to address some of the responses and recovery. There have been enormous amounts of funding gone to assist those in recovery. But, obviously, in the IP&R framework, there is the ability for councils to really do some homework on what the importance of the future looks like, and we as a government are there to support them.

The CHAIR: We are, at the moment, naturally overwhelmed by response and recovery. But what we really need to be doing is, equally, looking at adaptation and what we do to make people safe.

MELANIE HAWYES: Yes. Thank you. As the Minister referenced, there is a whole-of-government application of effort to this and the response to the flood inquiry will look at some of these questions. We have colleagues at the table who can speak to the investment in coastal management planning—and disaster readiness or climate change readiness is a part of that. My colleague, Mr Baxter, can also speak to some of the work that the emergency response agencies are doing around future readiness as well as immediate recovery. Ms Fletcher?

The CHAIR: Yes, thank you. Also, particularly, I would love to know are we looking at innovation in adaptation and not just, sort of, building hard structures and moving problems elsewhere? Thank you.

MICHELLE FLETCHER: Sure. Councils across the State are working on their coastal management program, and the department provides funding and technical support for those. I think you were asking, sort of, the level of funding that has been provided. Since 2016 there has been 249 grants to local councils and that's totalling around \$48 million. And that funding continues. Councils are able to apply for funding to both prepare and to implement their coastal management programs. In terms of—

The CHAIR: Can I just ask with that, has that been very competitive? Do you think that those grants—the \$48 million—is the idea they're snapped up very quickly and then there is a desire for more? Is that what we're experiencing?

MICHELLE FLETCHER: At the moment, the program is not oversubscribed. It is a competitive program and the guidelines are publicly available with the criteria in those. Our process for awarding those grants is consistent with the DCP guidelines and, certainly, there is technical review. There are independent technical reviewers that look at those. We are expecting as more of the coastal management programs come online, there might be higher demand for the grant funding, because once you have your program prepared in consultation with your community, you are able to get funding for those, and there is a bit of a ramp-up in funding over the next three years that was announced in the budget to try and account for that.

You also asked about climate change and are we looking at, I guess, innovative solutions. Absolutely—the full range. Councils and their communities are encouraged to look at the full range of options that are available. When we look at not just coastal erosion, when we look, certainly, at the inundation threats that we are looking at over the next 20, 50, 100 years, they are substantial, and we are going to have to be looking at the full range of options to address those issues.

The CHAIR: Do you think the idea of having grant systems is the most effective way of getting finances to struggling councils, particularly regional and rural ones that need financial assistance, regardless of—where it's quite obvious, particularly about adaptation and future planning?

MICHELLE FLETCHER: I think it's not always quite obvious. I think what is important is having a strategic program, like the coastal management programs, that is developed in consultation with communities, with First Nations stakeholders and also other government agencies. I think having that program in place in the first instance is important because the more people you work with in this space the solution is always obvious to everyone, but it is always a different obvious solution. So I think having the sort of program we have, where it is the State Government working with councils and communities, is the right way to go. In terms of how they're funded into the future, it is probably something that will evolve. But at the moment I think the process we've got of working on the programs initially and then implementing that agreed strategic approach, rather than just looking isolated at "Well, this is how we will solve this problem now"—because I don't think that approach works.

The CHAIR: Okay. I suppose it is a broader question. I mean, the idea of councils know what they need to do, so just being able to actually deliver that money rather than these processes of applying et cetera—again, I'm thinking of some of these councils where we keep putting this pressure on, "be strategic, be strategic", particularly around adaptation, yet, let's face it, some councils are under so much pressure right now, particularly—Ms Dench is nodding—when you are exposed to something, say, like Lismore and some of those other really hard-hit councils. Really, is the answer not just to be giving these councils the money and getting on with the work?

KEITH BAXTER: This is what the office has been doing in conjunction with the Commonwealth Government and Resilience NSW. So the \$1 million of immediate recovery assistance money that went out to all disaster-affected councils from the February and July floods was \$1 million into council's bank account. Councils then got told how they could acquit the funding. They then gave us a program of works. So we didn't make them do a grant application. We provided a streamlined process to do that. We're working with State government agencies. I know, for example, my colleagues in regional New South Wales and in their flood programs areas are doing a lot of work to hold councils' hands during the grant application process to identify the right projects and things to work with them on the grant application, so that it does take the load off, especially our regional councils where the capacity and the capability for doing a business case or a grand application might be lesser.

In terms of your broader question about the strategic challenge and the shift in mindset, for want of a better term, I think that's a key underlying theme in the flood inquiry—is it's clear with the disaster adaption plans and some of the proposals that the Government has accepted, or accepted in principle, with the recommendations, there will be required to be a shift in mindset and that will require resources to be devoted to that. I know Resilience NSW is doing a number of programs working with the joint organisations at a regional level to see how they can help build emergency management and response and recovery capability. I think we're still learning, as we all do in this space, and I think that's an important part of our role—is to help State Government agencies and facilitate the State Government agencies understanding the challenges that councils are facing in a recovery environment and being able to move to the different mindset of thinking that is apparent is necessary.

The CHAIR: Thank you. On waste—sorry, and please, it is a great relief to hear the experience of what's going on and, obviously, your interaction and view of that, clearly, is taking on board that a shift—I mean, we need a seismic shift don't we, really?

KEITH BAXTER: And there are some significant challenges that we're facing. I know, for example, there's a cross-government working group being led by our colleagues at EPA on riverbank restoration because of the challenges out of the Hawkesbury, and then that will flow through to other riverbanks. So there are significant challenges.

The CHAIR: Yes, I was going to say because it's so broad and holistic. It's from housing to rivers, and the whole thing right now is just so impacted, and really when you look at what is required, it all comes down to money and capacity and the idea of getting too caught up in processes, and processes to apply and apply. At the moment there is just a drastic need to just get this happening and out on the ground in the most escalated way we've ever seen.

ALLY DENCH: And the challenge with that is making sure we do it in such a way that dollars, public funds, are accountable, are acquitted appropriately and transparently delivered as well. That's the challenge with the new mindset and the new way in which we have to deliver the funding.

The CHAIR: On that point, waste, there seems to be so much good, strong local knowledge and capacities in various local government areas with their waste facilities and their waste understanding. What are we doing to assist councils to invest and transition into full circular waste, the full circular economy, and those

waste opportunities? There's a massive concern about the waste levy being taken to the State from the local government. I understand that, yes, there has been benefits around that. Are we looking at ways to return back to councils to help them better develop these real circular economies?

ALLY DENCH: My understanding is the EPA—we've been working on some cross-collaboration committees—are looking very much at that and how it was supporting councils.

KEITH BAXTER: That's a matter for the Minister for Environment—

Mrs WENDY TUCKERMAN: But it is extremely important, and can I say obviously we have a strategy in regards to waste and having that circular economy, and councils play a really important part in that and they are doing some really great things on the ground. I know certainly some of the councils in my electorate are really kicking some goals in regards to waste. We need to continue to support that and that's a part of continuing to advocate that we have those grant streams that are assisting council to best practice in regards to waste and—

The CHAIR: The mayor of Kyogle, wonderful mayor—sorry, the ex-mayor now. She has been so vocal about how her rural council is just absolutely incapable of moving forward because 90 per cent of the waste revenue goes to the State. She wasn't able to do what that council were literally wanting to do in terms of their waste stream in that local government area. It seems that some councils are really impacted by the State revenue system at the moment.

Mrs WENDY TUCKERMAN: Noted.

The CHAIR: Thank you.

The Hon. SHAYNE MALLARD: Paul Green used to raise that. It's a perennial issue raised. It was before your day.

The CHAIR: Of course it is. Are you able, in a position as the Minister, to be helping councils, and how are we doing this to help councils in terms of the housing and homelessness crisis that is being experienced all across New South Wales? What is the role of you, as Minister for Local Government, assisting those councils? Basically, they're on the front line of it, aren't they? They're the ones facing the homelessness crisis literally each day in their LGA. What are we doing?

Mrs WENDY TUCKERMAN: Obviously that's a matter for the planning Minister, and I understand obviously the crossover with my position and the planning Minister, and there's some great work going on with the planning Minister in regards to housing and identifying, particularly, areas like Crown land or vacant land where they can assist with councils putting forward housing proposals. I know they recently announced an acceleration fund to help with infrastructure in getting housing developments off the ground, and that sort of acceleration fund is very welcomed by councils to assist in putting that infrastructure in so those housing needs are met.

The CHAIR: You're probably aware of the Shoalhaven mayor, Councillor Findley, and the efforts that were made there to identify existing housing that is unoccupied and what we can do. Do you see a role for assisting councils to work on, rather than new housing or affordable or social housing, actually immediate responses and whether there's something that the Office of Local Government could be doing to assist their councils to be going through a similar process—that is identifying whether there are vacant houses and what can be done to help landlords come on board to get people into houses where we know there are empty houses and homelessness?

Mrs WENDY TUCKERMAN: I'm happy to defer to the secretary. He obviously is in charge of the whole—

The Hon. MARK PEARSON: Like a squatters Act.

The CHAIR: A sophisticated squatters process is what Mr Pearson is suggesting.

MICHAEL CASSEL: Thanks, Minister. The vacant housing question is one that's a very interesting one and how you encourage people to bring those properties to market. For example, is it a serviceman that has been posted somewhere else that has got a vacant house? Do they want to have somebody else live in their house? Is it a holiday house and it's visited every weekend but through the week you're saying it should be rented? There's a bit of a challenge in that space for government to get too involved in people's day-to-day lives I think. From a housing perspective, the Government has announced, I think, the largest housing package that has ever been announced—over \$2.9 billion—and I'd probably be more happy to go into that with the planning and housing Ministers.

The CHAIR: Sure. I think where this is coming from and the pressure on me to kind of pull this line of inquiry is that it's fine for us to suggest that there is an ideology that everyone is free to own things and do what

they choose with their property, and of course that's the paradigm we've laboured under for a long time, but it's government's responsibility when people are homeless for all sorts of reasons. They're not homeless because they deserve to be homeless. I think what I was putting out really is perhaps there is a role to assist councils and councillors that want to help their community and understand their rate base and their housing stock and what is available. Is there anything the Office of Local Government or the Minister for Local Government is willing to do, looking at that scenario that just happened in the Shoalhaven that has proved, apparently, an incredibly successful thing? But that was the initiative of one mayor, and whether or not there's something we can do—

The Hon. ROSE JACKSON: The mayor of Eurobodalla actually did it first.

Mrs WENDY TUCKERMAN: Yes, correct.

The CHAIR: There we go, sorry; I apologise. I wasn't aware—these two fabulous mayors of Shoalhaven and Eurobodalla for the record. Are we not taking leadership in the office and saying, "Hey, that's an incredible thing. That's helping homelessness. That's the Minister's responsibility and government's responsibility and can we now assist through our capacities, as being the local government Minister, other local governments across New South Wales?"

Mrs WENDY TUCKERMAN: I understand what you're talking about, and it's probably one of the hardest things in government because we all have silos, we all have our portfolios, and I guess a successful government is talking to each other to ensure that we're trying to get the best outcomes for our community.

The CHAIR: Fabulous.

Mrs WENDY TUCKERMAN: That's what we struggle with all the time and that's why we have plenty of meetings around how do we do that and achieve that. I guess my role is making sure that the local government sector is supported in any way it can to provide those services to the community. I'm always having discussions with the planning Minister, Crown lands Minister, water Minister, about how we better service the local government sector to be able to achieve that end, because at the end of the day it's about people and that's what we need to do. As a government, we have to make sure that we're working together to achieve those outcomes. I'll continue to do what I'm doing as a Minister to ensure that local government is being looked after, is being taken seriously, and I will continue to advocate on behalf of the sector.

The CHAIR: Thank you, Minister. They are all very wonderful words to hear.

Mrs WENDY TUCKERMAN: Actions are what is important; I certainly take that view. I am very upbeat about some of the great things that we have achieved already and what we can achieve in the future to support our communities.

The CHAIR: Terrific, and, as you know, it's our job to hold you to account for all of those things.

Mrs WENDY TUCKERMAN: Indeed, thank you.

The CHAIR: Thank you, Minister Tuckerman, for attending this hearing. We are finished with your questioning. The Government now has some time for questions.

The Hon. SHAYNE MALLARD: Fifteen minutes, but we'll give everyone an early mark.

The CHAIR: Thank you, so you're complete?

The Hon. SHAYNE MALLARD: Yes.

The CHAIR: On that, I thank you, Minister, very much.

Mrs WENDY TUCKERMAN: Ms Higginson, can I just make one last statement?

The CHAIR: You can.

Mrs WENDY TUCKERMAN: That is that it's very easy to criticise councils and what they do. I just want to say that I think the councils across New South Wales have been through a very trying time under exceptional circumstances. Even though we have councillors that perhaps are not doing what they should be, there are plenty of councillors that do the right thing and that serve our communities very well and I will continue to support the sector and the work they do, and I just want to acknowledge the work they do do in the community.

The CHAIR: Thank you.

The Hon. SHAYNE MALLARD: Hear, hear!

The Hon. SCOTT BARRETT: Hear, hear!

The CHAIR: We'll return at 2.00 p.m. for further questioning. Thank you, all.

(The Minister withdrew.)

(Luncheon adjournment)

The CHAIR: Thank you, everybody. We'll now recommence. There is the potential for another very wet season. I go back to some of the councils that have been really impacted and their capacity to deal with that. I think we've all been put on a bit of notice by the Bureau of Meteorology in terms of their long-term forecasting, and I am wondering whether the Office of Local Government has been contacted or is working with some of those councils about their infrastructure and their capacity to continue to deliver services. One of the obvious ones is Lismore; their sewerage system failed et cetera. I know there's the rebuild, but is that something on your radar?

MELANIE HAWYES: Thanks, Chair. Obviously, a number of government agencies are involved in recovery efforts, and we're certainly not the lead. We do play a role in providing that conduit to ensure that the voice of the sector is heard. My colleague Mr Baxter is a part of State emergency governance, and OLG is represented on that. There has been investment in the water and sewerage rebuild in the Lismore affected area. We're basically a part of a much bigger network looking at this, and a key role that we play is to ensure that the local government sector and the things that we hear from the sector are represented in those discussions. Mr Baxter, did you want to talk about the emergency governance?

KEITH BAXTER: Yes. We don't have a direct service delivery role with the councils, because we just don't have the staffing and things. Part of our role is to basically make sure that the issues are triaged, essentially, to the other State government agencies. For example, Public Works, I know, have been doing a lot of work up in Lismore and the Northern Rivers region; EPA, likewise, a lot of work with the waste. I know Transport have been doing a huge amount of work in regional roads and things, and we've been working with them. There are a range of challenges that are facing these councils in terms of housing for staff and in terms of getting qualified staff—engineers, surveyors and things. We're working with other State government agencies to explore solutions for how we can help councils.

In terms of your question on where these are going in the future, I think it's always a risk. I think that's the work where the emergency services network, for want of a better term—being SES as the lead agency and the various other parts of the process—need to work with and are working with councils through the local emergency management committees, the regional emergency management committees and the regional emergency management frameworks to start having those conversations. But it is a key challenge that I think we're all going to face with the weather outlook as it's coming.

The CHAIR: You raised the issue of staff and capacity. Is there an issue more broadly and widely than the Northern Rivers about trying to have planners and planning staff? Is that happening across the State?

ALLY DENCH: A shortage.

KEITH BAXTER: I believe there's an issue with planners; the secretary might want to talk about that further. Also, Ms Gibbs can talk to you about some of the work we're doing more generally about upskilling in workforce capability to work with councils, because engineers is another area where there's a key weakness—or not key weakness; a key shortage of staff.

MICHAEL CASSEL: Did you want me to add to that?

The CHAIR: Yes. I think there's a deep interest in what we are doing. There's clearly a pattern, or something is happening.

MICHAEL CASSEL: Yes. I want to be really clear. It's probably part of the planning portfolio. I'm happy to talk about it, but it's really—

The CHAIR: I understand that, but it is staff in local government.

MICHAEL CASSEL: I understand that, and Office of Local Government are there to support them and advocate for them. But most of the things that are being talked about as far as staffing at a local government level and how we assist in the planning area and planners in particular—a lot of that is controlled through the planning Minister. But I can say that there's a series of ways that we do work with local government through the cluster. One of them is providing planning assistance where councils have said to us they're understaffed; they're not able to attract staff; can the State become involved? There are two ways that we do that. One is through the flying squad—and I'll leave the detail of that for the Minister for Planning—and where things become council sponsored and State led, so rezonings or large bodies of planning work.

There are also some of the funding streams that they talked about earlier today where we're co-contributing to infrastructure to bring on housing supply et cetera. Across the cluster, there is a myriad of ways that we step in and assist. Lismore council is obviously one, Tweed, the Central Coast—there's a series that have

either asked for our assistance and received it or are in the process of receiving it. But just from other discussions, I know pretty much every council is struggling to get staff. But the Department of Planning is struggling to attract staff as well.

The CHAIR: I wonder if this is a reflection on our planning system.

MICHAEL CASSEL: I think it's more of a reflection on the extremely low unemployment levels—unprecedented low unemployment levels—and the opportunities for jobs everywhere. It's a profession that's sought after; I don't think people are turning their backs on it. I think they're times of major economic productivity.

The CHAIR: Can you elaborate? You were saying that it's actually a problem through every LGA, not just some. When I say "every LGA", it's not characteristic of just some; it could be anywhere. It's a general shortage, particularly in relation to the planning staff.

MICHAEL CASSEL: Liverpool, Sutherland Shire, Central Coast, Coffs Harbour—regions are a little bit different, but everyone that I've talked with is trying.

The CHAIR: How do you qualify when assistance is given through whichever scheme? Are there particular criteria to get Office of Local Government support or help, or is it just whatever is available and it's random?

MICHAEL CASSEL: No, the flying squad and the grant funding go through a process of assessment and allocation based on need and availability, because, as I said, we're short on staff in the Department of Planning as well. If we give out all our planners or we hand out all of the consultants that we use, all of a sudden we're not achieving what we need to achieve either, so it's a bit of a trade-off in that regard. It works through criteria, either through Office of Local Government advocating for particular councils or councils reaching out, given that a large percentage of councils' work is planning work as well.

The Hon. MARK BUTTIGIEG: Were any discussions had between the Minister and OLG people in general about the demerger process of Coota prior to the decision being made?

MELANIE HAWYES: Yes. Clearly, when the report came in from the boundaries commission we were a part of providing a factual analysis of that report, but that's essentially a normal part of the process. Beyond that, no—just general business in terms of, "The report's in, here's the boundaries commission's findings. Minister, here's the time frame in which you need to make a decision."

The Hon. ROSE JACKSON: Sorry, what was the analysis? A factor analysis?

MELANIE HAWYES: Simply summarising what the reports themselves say.

The Hon. ROSE JACKSON: So you didn't make a recommendation or anything?

MELANIE HAWYES: No.

The Hon. MARK BUTTIGIEG: What about plans or advice to previous local government Ministers regarding a process of demerging? Was any advice ever given to previous Ministers?

MELANIE HAWYES: I personally haven't provided any advice on previous processes. We simply dealt with the current framework, the boundary process and the factual analysis of the findings of those reports with the Minister to assist her in making a decision—no recommendations and no analysis of the past processes.

The Hon. MARK BUTTIGIEG: So a previous Minister never requested that analysis be done in the event that "We've got to demerge. What's the process? What's the plan?"

MELANIE HAWYES: I can't answer that. I've been the deputy secretary since February, so Minister Tuckerman is the only Minister I've worked with in this portfolio.

The Hon. ROSE JACKSON: Perhaps you could take on notice whether Ministers have been provided information in relation to what the process of a demerger would look like.

MELANIE HAWYES: Yes, we can do that.

The Hon. MARK BUTTIGIEG: In terms of the current Minister, there was a general discussion about "Here's the report. On balance, we think we should implement it." There was no sort of detailed plan or advice coming out of that?

MELANIE HAWYES: There was no "we think you should" at all. It was simply, "This is the process, these are the boundaries commission's, in this case, reports"—collating that for the Minister to make a decision.

The Hon. ROSE JACKSON: What about the potential consequences of decisions? If a demerger was to occur, "This is what that would look like, this is how it would work, this is how much money it would potentially cost and this is how much time it would take." What about that kind of analysis?

MELANIE HAWYES: The boundaries commission's report provides some indicative understanding of that. The true costs need to be determined now that the Minister has made a decision.

The Hon. ROSE JACKSON: How is that determination occurring?

MELANIE HAWYES: We'll need to work with the council—the proponent for the application—and start there.

The Hon. MARK BUTTIGIEG: Who is going to mediate any potential disputes arising out of the demerger between the two councils?

MELANIE HAWYES: Transitional arrangements haven't been determined yet. We simply have the report, the time frame and, as of quite recently, the Minister's decision.

The Hon. ROSE JACKSON: In terms of those transitional arrangements and in terms of who may eventually be appointed to play that role, what are the time frames on that? How long is it going to take to establish a process to work through the consequences of the decision?

MELANIE HAWYES: There isn't a set time frame. We have the decision, and we need to work from that.

The Hon. MARK BUTTIGIEG: Obviously, there will be a degree of trepidation on job security. Have there been any plans put in place to make people feel at ease about their job security, job guarantee and things like that?

MELANIE HAWYES: The decision is extremely recent. The boundaries commission points to strength of community feeling around this, and council is a part of the advocacy for this. We will need to work with council to understand if there is, in fact, trepidation in their work force. It hasn't been raised with me to date.

The Hon. MARK BUTTIGIEG: There's been no forethought that, clearly, this could be an issue if we are going to downsize workforces as part of this and we better get on top of this? There's been none of those discussions happen yet?

MELANIE HAWYES: Not at this point. As I say, it hasn't been raised with me that there are concerns within council. We have got the benefit of the boundaries report, as you have seen because it has been made public, and we will go from there in terms of ongoing discussion with council, now that we have the Minister's decision.

The Hon. ROSE JACKSON: Obviously, there are going to be costs associated with the demerger—

MELANIE HAWYES: We have the boundaries commission estimate, which was in the report, which was between 1.8 to 4.2, which is publicly on record. We will work with council to understand the full extent now that we have that decision to move forward.

The Hon. ROSE JACKSON: Is the Government willing to contribute funds? Is that on the table—that the Government might contribute funds towards that \$1.8 million to \$4.2 million?

MELANIE HAWYES: The Government is obliged to fund the actual cost of the demerger itself, yes.

The Hon. MARK BUTTIGIEG: In terms of the KPMG report that provided the architecture for the original merging policy back in 2016, has anyone inside OLG been privy to the full report?

MELANIE HAWYES: I personally haven't, and it is some time in the past, so I haven't read that report or been provided with that report. It is part of a past set of decisions.

The Hon. MARK BUTTIGIEG: It would seem somewhat strange, wouldn't it—surely, someone in OLG has read that KPMG report.

MELANIE HAWYES: I can't speak to that. I can take that on notice, but I personally haven't. It is a set of past decisions from some time ago. We work with the current framework, including the boundaries commission process that is set out for us.

The Hon. MARK BUTTIGIEG: The Minister, in this morning's round of questioning, refused to publish the full report. Can you shed any light as to why that would be the case, given that, I would imagine, most reasonable people would think it's in the public interest?

MELANIE HAWYES: No, I can't.

The Hon. ROSE JACKSON: Are the members of the Local Government Boundaries Commission paid for their work?

MELANIE HAWYES: I actually—

ALLY DENCH: There are sitting fees.

MELANIE HAWYES: There are sitting fees, yes. I don't know the amount. I can take that on notice, but there are sitting fees.

The Hon. ROSE JACKSON: That would be useful. So it's a certain amount per day of work for that. If you could take that on notice—

MELANIE HAWYES: Yes.

The Hon. ROSE JACKSON: —that would be useful. I obviously asked the Minister this morning about some time frames. Rightfully, I suppose, in terms of how long these processes take, there is no set time. Specifically then, in terms of the boundaries commission's work on Coota-Gundagai, how long did that process take from the start of that consideration to the recommendation? How long was that time frame?

MELANIE HAWYES: Do you have that to hand? We might need to take it on notice.

ALLY DENCH: We might need to take that on notice. I wouldn't want to mislead. We can get that.

The Hon. ROSE JACKSON: What preparation has the Office of Local Government done with the boundaries commission around the potential for a workload increase now that the Coota-Gundagai decision has been made? I don't think it's an unreasonable proposition that other councils may look at that and go, "That's what we want," and lean into the work that's required. Are you preparing for that potential outcome?

MELANIE HAWYES: There's a set process, and there's a commission that is established to do its work. If this does eventuate, the situation that you're describing—the hypothetical—then we will support the boundaries commission to ensure that they can do their work.

The Hon. ROSE JACKSON: On current settings, how many demerger proposal inquiries could the boundaries commission manage at the one time? What's their capacity, on current settings?

MELANIE HAWYES: I'm not sure that I can answer in those terms because it would depend on the complexity of the matter put in front of them, the quality of the information and the business cases that they receive. I don't think it's as straightforward a question and answer as that. It would depend on how many come in at the same time, the quality of those reports and any extra analysis that they feel they need to do.

The Hon. MARK BUTTIGIEG: I know you answered this previously, but I probably wasn't listening close enough: How long did the process take for the boundaries commission to determine the Cootamundra—

The Hon. ROSE JACKSON: They took it on notice.

ALLY DENCH: I can give you that answer—11 months.

The Hon. MARK BUTTIGIEG: Eleven months. Would it be fair to say, if it took almost a year to do one, that if we had a multiplicity that would be problematic in terms of time?

MELANIE HAWYES: We're in a set of hypotheticals. If we did experience that they were suddenly overwhelmed, we would, obviously, respond to that. It is hypothetical. This is the time they took for this one, and there are reasons. We don't know what the future holds yet.

The Hon. ROSE JACKSON: Did you have any more on that?

The Hon. MARK BUTTIGIEG: No.

The Hon. ROSE JACKSON: I might jump to some other budgetary questions. Perhaps it's relevant. I think there may be some councils that are about to be in touch. I wanted to ask a couple of questions about the budget. In the budget, there was \$80 million allocated for a fund to provide loans to councils when residents are unable to pay their rates due to flooding. Which LGAs does that fund apply to? Are all of them eligible for it?

MELANIE HAWYES: As part of the response to the floods, a range of funding was announced, as you have noted. This is to set up a loan facility for those councils that are unable to recoup their rates. We are guided by disaster declarations, and my colleague Mr Baxter can provide more depth on the criteria. We have been working with TCorp and others to establish this facility so that it's available going forward as councils find that they can't—

The Hon. ROSE JACKSON: So eligibility is based on disaster declaration? Once you have a disaster declaration you become eligible?

MELANIE HAWYES: Yes.

The Hon. ROSE JACKSON: Is there a cap per council? Once you get your disaster declaration and then you can access up to 10, 20, \$30 million. Is there any sort of limitation on that?

MELANIE HAWYES: Mr Baxter can elaborate, but it's to do with being able to demonstrate the inability to recoup their rates and hardship provisions.

The Hon. ROSE JACKSON: Yes, but as I said, is there any upper limit?

MELANIE HAWYES: No, there is no cap on that.

KEITH BAXTER: At this stage, part of the challenge with this is this is the first time we've gone down this path of moving down this area. As you may know, councils don't write off rates with hardship, they defer rates. So they enter into rates hardship plans and that's under the Local Government Act. What this facility is essentially doing is replacing the cash for councils. They get the hardship claims, they lose the cash for the rates for a couple of years and they get a loan to replace that. At this stage we don't really know what the level of demand is going to be and we don't know whether there will be excess caps. At this stage there is no cap on the loan.

The Hon. ROSE JACKSON: At this stage, yes. At this stage it is essentially a first come, first served basis thing?

KEITH BAXTER: We've got a process in place to monitor demand as it goes.

The Hon. ROSE JACKSON: And what is the application process currently?

KEITH BAXTER: The application process will be a relatively short-form application process but that will be subject to future government announcement.

The Hon. ROSE JACKSON: Have any applications been made so far?

MELANIE HAWYES: It hasn't been formally opened, so no.

The Hon. ROSE JACKSON: What was the \$80 million figure based on? How was that figure determined?

MELANIE HAWYES: I guess based on previous estimates in terms of previous disaster efforts, and with a view that if there was ever a need we would come back to government if it was determined that it was oversubscribed.

The Hon. ROSE JACKSON: That's obviously the question in relation to my earlier questions about potential high demand. There is an acknowledgment that there is a potential, particularly as it is currently uncapped, that that figure may be exceeded, and that in that circumstance you would anticipate approaching—

MELANIE HAWYES: Obviously we'll be monitoring how the rollout goes. I think it's important to note it's one element of a suite of supports that have been made available for flood-affected areas and communities. This is one fairly specific facility to assist councils to manage the difficult situations that they're in. We will obviously see how it tracks and we are working closely with colleges in Treasury and TCorp. Once we set it up, I guess we'll see what the demand is.

The Hon. ROSE JACKSON: There was also in the budget \$78 million as a sort of cost-of-living measure for pensioners. Is that capped per council or is it also just first come, first served?

MELANIE HAWYES: It's not part of flood relief.

The Hon. ROSE JACKSON: No, sorry, I had moved on. Apologies. Also in the budget there was another—

MELANIE HAWYES: Pensioner concession.

The Hon. ROSE JACKSON: Apologies, Ms Hawyes.

MELANIE HAWYES: I was just making sure I wasn't confusing—

The Hon. ROSE JACKSON: I had asked my questions in relation to the loan facility and this was another project, \$78 million for cost of living for pensioners, for rates and charges.

MELANIE HAWYES: This one is more to individuals rather than to councils.

The Hon. ROSE JACKSON: That's right, yes. But again my question was, is that capped per council? If many individuals in a certain local government area—is there any—

MELANIE HAWYES: No, it's an individual rebate per property. We can provide you that breakdown. Keith, you might want to provide the breakdown, but is it not capped in the sense that you are inquiring about.

ALLY DENCH: Did you want the breakdown?

The Hon. ROSE JACKSON: Yes, that would be useful.

ALLY DENCH: The pensioner concessions provide a maximum rebate of \$425 per property, which comprises of \$250 for ordinary rates and annual domestic waste changes; \$87.50 for annual water rates; and \$87.50 for annual sewerage rates.

The Hon. ROSE JACKSON: And eligibility is essentially you are a pensioner?

ALLY DENCH: Pensioner.

The Hon. ROSE JACKSON: Is there anything additional to that in terms of other eligibility in relation to hardship or it's just proof of pensioner status?

MELANIE HAWYES: It's your eligibility under the Commonwealth legislation around pensions and veteran entitlements.

The Hon. ROSE JACKSON: Again, any information on where that \$78 million figure came from? What was that based on? How was that figure determined?

MELANIE HAWYES: We might take that on notice because it's been in place for some time, so I don't have it to hand. If it's okay, we'd like to take that on notice.

The Hon. ROSE JACKSON: Let's go with the last financial year, the last budget year as this is what budget estimates is on. How many applications were made during that year?

MELANIE HAWYES: I don't have that to hand but can happily take that on notice and possibly find out while the we continue the discussion.

The Hon. ROSE JACKSON: It would be useful to know how many applications were made. If they were not all successful, how many were successful. So applications that were successful and possibly a breakdown per LGA as well, if you have that.

MELANIE HAWYES: The second part, the breakdown by LGA we'll have to take on notice because it will take a bit more analysis.

The Hon. ROSE JACKSON: I understand. I just thought I'd be up-front about the information that I was after so that you could have that altogether. That would be useful, thank you. I just want to ask a couple of questions about Our Coast, Our Future. Is that you, Ms Fletcher?

MICHELLE FLETCHER: Yes.

The Hon. ROSE JACKSON: What is the relationship between that \$22 million with the coastal estuaries fund?

MICHELLE FLETCHER: It's basically a top-up of that. Primarily grants and there is a little bit there for salary increases.

The Hon. ROSE JACKSON: The fund, the original figure that I have here, but you may correct me, I think was about \$72 million. Is that correct?

MICHELLE FLETCHER: Yes, I think that's the grants component of it, yes.

The Hon. ROSE JACKSON: Of that component, has that been fully exercised? Has all of that money been allocated?

MICHELLE FLETCHER: No, it hasn't. So my understanding, and I will correct this if I get something wrong, is that there is \$47.99 million that has gone out in terms of grants and there is further money that is either committed or is being rolled into this year's or next year's grant funding.

The Hon. ROSE JACKSON: With the money that has been, as you say, rolled out and the commitments that have been made but have not been rolled out, is that then fully allocating the fund that has been available or is there still—

MICHELLE FLETCHER: No, my understanding is—and, again, someone will correct me if I'm not right—there's still some that would be available through the implementation grants round that is open at the moment and there is still some that forms part of that.

The Hon. ROSE JACKSON: Just in relation to that, you're probably aware that in the original program, there were some issues in relation to the rollout and there was a report that was commissioned, Claudine Lyons Consulting, made all of these recommendations.

MICHELLE FLETCHER: Yes.

The Hon. ROSE JACKSON: Have they been fully implemented, such that you are confident the potential for similar issues have been resolved so that we don't have a repeat of councils struggling to access the fund?

MICHELLE FLETCHER: I am aware of the Claudine Lyons report. I am aware of the Government response to that and that we're working on implementing those. Is there a particular issue that you have because I can probably give you information on particular issues.

The Hon. ROSE JACKSON: No, it was not a specific issue. It was merely that there had clearly been an issue in relation to council accessing the funds, in that there were very few applications made, there were very few successful applications, hence the report and the work that was done and those recommendations.

MICHELLE FLETCHER: Yes.

The Hon. ROSE JACKSON: I suppose I'm just interested to know whether you feel as though those issues have been resolved and that councils are finding it easier to access that funding now. It clearly was a problem early on.

MICHELLE FLETCHER: Yes. I think we had a much higher rate of applications and funding go out last year. I think some of the changes in response to that—there was a change to the ratio of the State Government versus council, so it's now two to one as opposed to 50/50. I think that helped. We'd also kept in there some actions that were kind of no regrets. You didn't need to have a certified CZMP or CMP to access those. There was also raising of a couple of thresholds, where you would need a cost-benefit analysis or where you would need a coastal zone management plan. Yes, I think they have been addressed and I think the rate of applications we got last year spoke to that.

ALLY DENCH: If I could, I've got the figures for the boundaries commission. The chair is \$50,000 per annum. There are two sitting members, \$25,000 per annum each, and there is a department member who is not paid.

The Hon. ROSE JACKSON: Right. So it isn't a day fee; it's just—

ALLY DENCH: It's per annum.

The Hon. ROSE JACKSON: Okay. Thank you.

The CHAIR: Going back to code of conduct complaints and the Office of Local Government's work with that, if you had noticed an elevation of the amount of complaints made from a particular local government, is that something you would know and you would be aware of?

MELANIE HAWYES: The numbers are reported by councils. We look through annual reports, et cetera, and also receive intel through people talking to us, but it's reported.

The CHAIR: More after the event? I suppose what I'm trying to go to is if there was a local government that was experiencing a new amount and quite a volume of code of conduct complaints, is that something you would be alerted to or you would need to be proactively alerted to?

MELANIE HAWYES: A little of both. We also have council engagement officers who liaise with council, so we would, in all likelihood, find out through a complaint or through some of the dialogue that we have with councils and with LGNSW. If there was, as you're describing, a situation in which there was a marked increase, we would come to be made aware of that.

The CHAIR: Do you have system where you would respond? Or you have something that you would do, or is that a case by case—

MELANIE HAWYES: Again, it's both, because we look through reports where it's formally reported but we also have council engagement staff liaising with councils. We have relationships with LGNSW and with councils ourselves. In all likelihood we find out about things through a number of means, but there are formal mechanisms of reporting as well.

ALLY DENCH: I'm in frequent contact with a lot of the general managers and mayors. Getting out there and about—just talking. Again, that's the informal way in which we find out. It's about the relationships that we have in the sector, and being connected.

The CHAIR: Have you noticed an increase in code of conduct complaints coming from Lismore council in the last nine months?

MELANIE HAWYES: We do have the stats. My understanding is that there has been an increase, that's correct.

The CHAIR: Is that something you're responding to? Are you aware that, on 11 July, the mayor of Lismore was on the record on national TV suggesting that his whole council should be sacked and replaced with an autocratic administrator?

MELANIE HAWYES: I'm aware of those comments, yes.

The CHAIR: Do you think both those circumstances are of concern to the Office of Local Government?

MELANIE HAWYES: This might be a little bit of a combined effort to respond. We've made great efforts to support the mayor, individually, and the council, given the circumstances you acknowledged earlier in this discussion and the quite unique stresses that the council is facing and that the mayor himself is facing. We have been working with council, observed their business. They are conducting business. They are conducting the business of council.

The CHAIR: I don't mean to be rude, but when we say "council", that's a massive word. If we could just be a bit more specific, who are we actually working with? I hear the mayor.

MELANIE HAWYES: The council: the general manager, the mayor, councillors—we have liaison with councillors. We have observed council business. We are working with council, as you know, to help them, support them, build their road map for recovery. We're supporting them in a range of ways, and then with direct funding as well.

ALLY DENCH: And we have our council engagement managers, who are working directly, as well, with the general manager.

MELISSA GIBBS: There's also day-to-day guidance that the Office of Local Government would be providing to, say, the complaints coordinator. If they're getting an overwhelming number of complaints and they're just wanting some guidance on how to operate the procedures, they quite often would contact the Office of Local Government just to check in, make sure that they're ticking all the boxes and that they're not missing anything, or if there's anything technical that they need some guidance on. But the people who are actually processing the code of conduct complaints would likely be in regular contact with the Office of Local Government throughout the process. That's another way that we'd become aware of something going on, when we get an increased number of inquiries asking for technical guidance and assistance.

The CHAIR: Is there a point where you think that, if you've got this increase in complaints, you've got a mayor suggesting the councillors should be sacked—and, please, don't get me wrong, I know the mayor well. I know the mayor, and I understand his circumstances really, really well. Is there a point where, if it looked like the system was really struggling and people were complaining or really concerned about their own welfare and safety, and complaints were being leaked and put on social media and things like that—is there a point where you would intervene or you would offer for complaints to be dealt with by an external person or something? Is that possible?

MELANIE HAWYES: The question is, if you're looking to intervene in the operation of a democratically elected council, it's never something that's taken lightly. We're working with council to support them to continue business and continue making decisions in a pretty challenging set of circumstances. We are aware that there's been tensions between members of the council, but those thresholds at which you would intervene in a formal way have not been crossed.

The CHAIR: Okay. Is there a way of knowing what those thresholds are? Have you got that, in terms of your systems?

MELANIE HAWYES: There are legislative criteria and things that govern the Minister's ability to intervene in the business of an elected council. One of those thresholds is council has become dysfunctional and, to this point, Lismore council remains functional as a council. It's transacting its—

The CHAIR: I suppose I'm just talking about ring fencing the complaints process—not the function of council itself, but the code of conduct complaints system. You know, kind of portioning that off. If that seems to be overloaded, a bit dysfunctional or lacking trust and faith from the participants in the system, is that something—

MELANIE HAWYES: Sorry, within council, when they are dealing with their own—

The CHAIR: Yes. There's a complaint made, and there's an officer of the council who is the manager of that, and then we outsource that to the panel. But if those two steps, where the person responsible, the general manager or the panel, and if that is breaking down—so I'm not talking about the whole of council's functions—at what point might the Office of Local Government say, "Hey, we can step in," or, "We can be your complaints person for a period of time," and take that pressure off that council's function?

MELANIE HAWYES: I'm not aware that there's been an outreach of that specific nature. I don't think that's been brought to us as something that's occurring. But we would be open to discussing that, if council are experiencing that.

The CHAIR: That's not something that OLG has ever done, where the complaints process has fallen down? I know the reviews have been happening and, obviously, it's a far from perfect system. I realise that.

MELISSA GIBBS: I think I know what you're referring to, and I don't think we'd apply it in the case of Lismore. There is actually a process where OLG can deal with all code of conduct matters for a particular council if that council is experiencing a huge number of complaints. When I say that, the threshold has to be very high. I'm aware of what's going on in Lismore at the moment, and it hasn't reached that threshold. But there is, actually, technically a—

The CHAIR: Do we know what that threshold is? Is it five or 10?

MELISSA GIBBS: It would have to be a lot higher than what's occurring at Lismore. The one case that I'm familiar with, it was a case of something like 2,000 code of conduct complaints in a couple of months.

The CHAIR: Wow. Okay.

MELISSA GIBBS: There was clearly something going on there, and the council was physically not capable of dealing with that many complaints, so that was referred to the Office of Local Government. The Office of Local Government established that complaints system and dealt with that complaints system for the council. It was a particular set of circumstances that was totally extraordinary, and it's only in there for that purpose. It's not there to deal with a council that's dealing with an unusual number of code of conduct complaints.

The CHAIR: Thank you. So it's fair to say, though, that the OLG is aware of Lismore and doing everything it can at this point in time to assist.

ALLY DENCH: Definitely.

The CHAIR: I say it because, going back to that frontline issue, the stress right now is intense.

ALLY DENCH: It's unprecedented times up there. I just want to say it's pretty hard at the moment for the mayor as well, being a first-time mayor coming in—what he has experienced. He's done an amazing job as a leader up there with the council. There will be differences of opinion when it comes to how things need to be implemented. But I do see that they are working through that. There are regular welfare checks. I'm regularly in touch with the general manager and with the mayor. I have spoken a couple of times to a few of the other councillors too since going up there. We do, I do, that with a lot of councils as well—not just Lismore, but a lot of other councils—where I check in and "G'day, how are you going, how are things?" because we do know there are exceptional circumstances in this particular one.

The CHAIR: Just moving right along to something else, I am wondering whether it is still a live issue for the Office of Local Government and the other agencies around rating conservation lands. I know that there are rules around that and there are only certain properties with conservation covenants that avoid rates or are exempt from rates. Is that still a live issue with the Office of Local Government or is that something you look at or you're considering?

MELANIE HAWYES: Again, it's really primarily a planning and environment matter, if you're talking about the biodiversity conservation covenants. Is that your question?

The CHAIR: Yes, essentially I am, but I'm coming at it from—councillors are approached often about whether people managing their lands for conservation purposes can get exemptions.

MELANIE HAWYES: Yes.

The CHAIR: Is that something that the Office of Local Government is still in conversation about with the department of planning or the BCT or others?

MELANIE HAWYES: We would raise that. Ally and I each meet regularly with, for example, LGNSW, but we also meet with GMs and councils generally. It hasn't been raised in my time in the role as something that is front of mind for councils. But if there are circumstances, we'd be happy to refer that in and bring BCT and other colleagues to the table if that was a request that was made of us.

The CHAIR: In that regard, whether or not there's been any consideration for those council areas that have large amounts of public lands in reserve under the protected area network—whether it's national parks, BCT, however—and the local council is still dealing and managing for that landmass insofar as the edges and surrounds and roads and all of that sort of thing, but there's absolutely no rateable land or income, is that something that OLG has looked at as an issue to assist those council areas?

MELANIE HAWYES: Again, I think it's one of those matters where we are a conduit to other parts of government that have primary responsibility for those functions and for those statutes. It hasn't been raised with me in my capacity. I don't know if it has come up with you recently, Ally? But we would then take it to discussions with, in this case you've mentioned national parks, the EPA, the Biodiversity Conservation Trust.

ALLY DENCH: I'm very well aware of the issue you're talking about. In my previous position to being at OLG, I was at Wollondilly Shire Council of course. There are quite a lot of those fringe areas, and the management of that is certainly a very big issue. But exactly what my dep sec has said: We would be the conduit in OLG to raise those issues with other agencies on the management of those areas and to assist council in that way.

The CHAIR: I think it is. I think it's something that, in terms of the equity around rateable areas and landmass et cetera—

ALLY DENCH: Yes, areas.

The CHAIR: We've got some really struggling councils. But they're struggling for these fabulous reasons of having these amazing public assets in their LGAs.

ALLY DENCH: That's right.

The Hon. MARK BUTTIGIEG: There was an Auditor-General report on 22 June on the local government sector. Essentially, the report focused on financial statements. The report recommended that councils should be responsible for Rural Fire Service assets and equipment and, in layman's terms, I guess, putting it on their books and then depreciating the items. Are you able to explain to us the logic behind that decision?

MELANIE HAWYES: Thanks, Mr Buttigieg. It's been a source of debate, I guess, a live issue with the local government sector for some time. We understand feedback from your office as to the need to have those assets consistently reported. Our role has been to liaise in-between Treasury and the sector and the Audit Office, to work with councils so that we communicate the position around the assets and, in turn, provide feedback through to Treasury and the Audit Office from the sector. We have recently shared Treasury's position with Local Government NSW for the very reason you're asking: to understand the underpinning logic of the State's position.

The Hon. MARK BUTTIGIEG: Has Treasury come back to you with any analysis as to why that Auditor-General's report came out with that recommendation?

MELANIE HAWYES: Yes, we have that advice. It's been shared with the sector.

The Hon. MARK BUTTIGIEG: It's been shared with—

MELANIE HAWYES: Local Government NSW and the sector.

The Hon. MARK BUTTIGIEG: Can you elaborate on what that advice was?

MELANIE HAWYES: The Government position is that the assets are under the financial control of councils, they're vested in councils, and that they should be reported in councils' financial reports where the council forms the view that they are material assets.

The Hon. MARK BUTTIGIEG: What I'm trying to understand is the economic justification behind it. Let's go back a bit. As I understand it, the councils don't purchase these assets, do they?

MELANIE HAWYES: It's really a question for the Treasury about the economic underpinnings of that position. Our role is to communicate that to the sector.

The Hon. MARK BUTTIGIEG: But you just said you are in possession of that analysis.

MELANIE HAWYES: And that it has been shared with the sector, yes.

The Hon. MARK BUTTIGIEG: But you can't elaborate on what that analysis was?

MELANIE HAWYES: I don't think it's my place to, and I would want the benefit of having it in front of me to do that.

The Hon. MARK BUTTIGIEG: Okay, but the OLG must have formed an opinion, given your advocacy role and your stewardship role on behalf of councils, on the veracity of that analysis.

MELANIE HAWYES: No, we have insight into the sector's perspective and we feed that back.

The Hon. MARK BUTTIGIEG: Which is?

MELANIE HAWYES: The sector has expressed with us—LGNSW has expressed with us—that they don't agree. So we are currently brokering those discussions.

The Hon. MARK BUTTIGIEG: I would have thought if Treasury's come back or the Auditor-General's come back with an analysis saying, "This is why we think councils should put these assets back on their books," and you've read that, you're not in a position to tell me what view the OLG has come to? You're just kind of brokering competing interests between Local Government and Treasury, are you?

MELANIE HAWYES: We have shared Treasury's analysis and we have fed back the sector's perspectives, and we are assisting in brokering a way through.

The Hon. SHAYNE MALLARD: Is it the same with the SES?

MELANIE HAWYES: The SES has different operating legislation. Again, I'm not really qualified to speak to the detailed operations of other portfolios in my role here.

The Hon. SHAYNE MALLARD: But it's not on the books of the council. Councils are very involved in the SES; that's all. Sorry, Mark.

The Hon. MARK BUTTIGIEG: That's okay. Is that economic analysis something that you could produce to the Committee?

MELANIE HAWYES: It's been shared with LGNSW, so on notice we could provide that.

The Hon. MARK BUTTIGIEG: Okay, great. That would be good. As an OLG, are you generally supportive of the move to force councils that don't include those assets—some councils do actually include them on their books—to include them in their financial statements?

MELANIE HAWYES: It's not really our role. Our role in this case is to provide that information-education conduit and to work with the sector around implementing the policy of the day.

The Hon. MARK BUTTIGIEG: I just don't understand what the clearing house process is going to be because you've got all these councils, on one hand, saying, "No way, we're not going to do that because it's a depreciation cost to our books. We don't control the assets; we don't deploy them." On the other hand, you've got Treasury and the Auditor-General saying, "You've got to do it." How does it get resolved? You're the OLG, aren't you?

MICHAEL CASSEL: I think I should chime in here as the secretary. The Auditor-General is independent of government, as you know. That's her decision on what she writes or how she takes the accounts of local councils and assesses those. She's given clear instructions. Treasury, obviously, being inside government, have given their view. It's not the role of the Office of Local Government or the cluster to tell Treasury whether they're right or wrong. We're here to implement whole-of-government outcomes. So I think to try and tease out of us whether we think it's right or fair is not really appropriate.

MELANIE HAWYES: It's not our role.

The Hon. MARK BUTTIGIEG: You don't have a role in this. Is that what you're saying?

MICHAEL CASSEL: No, no. Of course we have a role in it, as Ms Hawyes has just outlined. But you're asking us for our personal opinion, which is not—

The Hon. MARK BUTTIGIEG: No. I'm not asking for your personal opinion, Mr Cassel. In your statutory role as secretary of a department, you're either going to take a position whereby you think your stakeholders—i.e., a multiplicity of councils—either have a valid argument as to whether or not to push back on Treasury or they don't. It's a fairly straightforward proposition. I don't understand the prevarication.

MICHAEL CASSEL: We're here to implement government policy. Government policy coming out of Treasury is they're to be included on the local government's balance sheet.

The Hon. MARK BUTTIGIEG: That's a straight answer. So the government policy is it goes on council's balance sheet and you're, basically, a conduit for that information, for councillors to suck it up.

MICHAEL CASSEL: I'd prefer you not to verbal me and throw that last bit in there, but we're here to implement government's policy.

The Hon. MARK BUTTIGIEG: Can I ask you the quantum of councils that have given you feedback on this and whether or not it's been negative or neutral or positive?

MICHAEL CASSEL: To me, none, but I'll pass over to Ms Hawyes.

MELANIE HAWYES: We've had feedback primarily from LGNSW, which is feeding back from their stakeholders in the sector. I don't have a specific quantum. As you know, some councils do report, not all. That's why the Auditor-General is interested in ensuring that there is consistency, because it hasn't been consistent. I'm aware that there is a level of objection from the sector. Part of our role is to communicate that back to Government.

The Hon. MARK BUTTIGIEG: Would it be fair to say that that level of objection is, on balance, overwhelming or in the majority?

MELANIE HAWYES: I don't have a quantifiable amount, but there is a strong level of opposition to the position. That's something that we have communicated directly with colleagues in Treasury.

The Hon. MARK BUTTIGIEG: Some councils, as you would be aware, have actually passed resolutions stating that they'll refuse to include those RFS assets on their books. Do you have a position on that defiance? From what I understood from the secretary's answer before, it's your job to gently say, "Well, sorry. This is Treasury's policy. You're going to have to wear it." Is that the position?

MELANIE HAWYES: The position is to—we liaise with the sector. We also have clear direction about government policy and a clear direction in terms of the Audit Office view, and we're seeking to implement that. If the sector wants to provide views back to Government, then that's a role we play in providing those back. We don't superimpose our own opinion on this particular matter.

The Hon. MARK BUTTIGIEG: I'll give you an example, a qualitative example of the sort of objections. There was a letter to our shadow Minister for local government, Greg Warren, from Lockhart Shire Council Mayor Greg Verdon, who says, "It was nonsensical to maintain that the lead combat agency, the RFS, does not control the assets required to fulfil this mandate." Is that like a fair enough, commonsense appraisal of the situation? You've got a combat agency which is purchasing, deploying, controlling an asset. Yet the local government sector is expected to have this equipment on their books, maintain it and depreciate it. You can understand the objection, can't you?

MELANIE HAWYES: Yes, of course we can understand it, but the Government position and the economic underpinnings of that, which have been shared with the sector, is that the assets are vested in councils and are, therefore, under the financial control of councils and they need to be reported in line with the relevant accounting standards.

The Hon. MARK BUTTIGIEG: Vested. That's like me saying to my 18-year-old son, "I'm going to buy you a house, son, but you can never sell it. You can't live in it. But I want you to maintain it and wear the depreciation costs."

The Hon. SHAYNE MALLARD: Madam Chair, I might do a point of order, a respectful one. You're really pursuing government policy. Perhaps should be directed—

The Hon. MARK BUTTIGIEG: Yes, I am, actually. Thank you.

The Hon. SHAYNE MALLARD: I know. But the officials are implementing government policy, and you're asking them to criticise the government policy, and they won't do that. You should have directed that at the Minister and perhaps put it on notice or, indeed, at Treasury because that seems to be where it came from. But it's not for them to be critical of the policy. They're being polite, but that's not really what you should be doing.

The Hon. MARK BUTTIGIEG: No. I understand. The position of the OLG is quite clear. You're a conduit of information telling your stakeholders what the position is and that they'll have to wear it. I get that.

The Hon. SHAYNE MALLARD: Didn't have to rule. It was a consensus point of order.

The CHAIR: Absolutely. We're moving on.

The Hon. MARK BUTTIGIEG: There was another reference in a local newspaper—the *Beagle Weekly*, actually—which pointed out the New South Wales Government's code of accounting practice and stated that that report says that it was up to councils whether they control any rural firefighting equipment. That makes it pretty clear that the recent direction to councils doesn't really hold any weight. That accounting code of practice—this is the New South Wales' own government accounting code of practice—states that it was up to councils as to whether or not they control any firefighting equipment. You can see the contradiction between that and what Treasury has said.

MELANIE HAWYES: Obviously, not to speak for the Auditor, but part of the findings in the report were about the need for a stocktake and her interest in pursuing a comprehensive stocktake. The accounting standards require that councils make an assessment of which of those assets are material and then report on those.

The Hon. MARK BUTTIGIEG: I can understand the asset register aspect of it. Let's actually find out what we've got, account for it, what state it's in, all the rest of it. But then, obviously, there's the cost impost associated with that. I think of the State Government funding proportions. If I've got my figures right, 74 per cent of the budget for the RFS, SES and Fire and Rescue NSW comes from consumer insurance premiums, roughly; about another 15 per cent directly from the State Government; and about 11 per cent from local councils. My point is this: If the economic analysis underpinning that shows that the 11 per cent that is funded from local councils is not enough to cover the maintenance and the depreciation of those assets, then the edict from Treasury is invalid, isn't it? On a fairness basis—

KEITH BAXTER: I think there are two issues you're conflating here. You're conflating the issue of the RFS trucks and the way the emergency services are funded. The emergency services are funded through the emergency services levy, which is what you're referencing. That's a broader issue. As we talked to the Chair earlier, there is a range of conversations going on with that. In terms of the RFS trucks, there is a series of conversations on. You are right. There is a degree of concern, but I think we've been clear on the position that we're playing.

MELANIE HAWYES: I think the thing with this is we're the messenger in the middle with this issue. We are implementing the policy of the day the best that we can.

The Hon. MARK BUTTIGIEG: I'll just tie up that line of questioning with a final sort of a position, if you like. Is the OLG prepared to play an advocacy role on behalf of those councils, given the potential unfairness that I just outlined, so that you're advocating on behalf of your stakeholders against the Treasury decision? Or are you not prepared to do that?

MELANIE HAWYES: I haven't made a comment about that. We wouldn't describe it in those terms.

MICHAEL CASSEL: I think I'll take that one. We will provide the feedback to the Minister. It's up to the Minister then on whether she wishes to pursue that with the Government. It's Government policy at this point in time that the assets be placed on the balance sheet to Local Government.

The Hon. MARK BUTTIGIEG: How detailed have these discussions been with Minister Tuckerman on that feedback from councils and the veracity of the Treasury analysis justifying the cost shifting?

MICHAEL CASSEL: What I'll say on that is Minister Tuckerman has been made aware of it. It's a question for her on how she's gone about discussing that with the Government.

The Hon. ROSE JACKSON: I might just ask some questions in relation to infrastructure. In 2013 the Office of Local Government carried out an infrastructure backlog review. That found that councils faced a combined estimated backlog of \$7.4 billion. I understand that number then came down to \$3.8 billion in 2019-20 but that we have not had an update since then. Do you have a more recent figure in terms of the infrastructure backlog faced by councils?

MELANIE HAWYES: It would be helpful to understand where you're drawing that figure from.

The Hon. ROSE JACKSON: The Local Government Infrastructure Audit. There was an audit report in 2013. That was updated on your council—in, as I said, 2019-20, so your figures from you.

MELANIE HAWYES: I might take that on notice.

The Hon. ROSE JACKSON: I'm just after the most recent figure that you have available. That would be useful.

MELANIE HAWYES: Can we take that on notice? Thanks.

The Hon. ROSE JACKSON: Assuming there is still a backlog, which I think is a fair assumption, what are the biggest drivers of that from your work with councils? What are the biggest barriers to reducing that backlog?

MELANIE HAWYES: Are you talking about housing infrastructure? What are you—

The Hon. ROSE JACKSON: My understanding is the infrastructure backlog was broader than that. I mean, it included a range of infrastructure that council was responsible for. Maybe it is housing. I guess that's what I'm getting at. Councils face this infrastructure backlog. We don't have the most recent—the most recent figure that we have is that it is still over \$3 billion. What are the main drivers for that and the main barriers to reducing it?

MICHAEL CASSEL: Can I just suggest maybe we take this on notice. You've told us where you got the information from. We want to check what the latest figures we have are and that'll obviously give us an insight into what's contained in those figures or what works are there. Because I think we're drifting into a territory where we're not giving factual answers, we're trying to hypothesise, because we don't have the information you have.

The Hon. ROSE JACKSON: Okay. Apologies—

MICHAEL CASSEL: Sorry, I'm not trying to be—

The Hon. ROSE JACKSON: As I said, I have these figures from government—from you. So these aren't external figures that I think I'm working on, but I understand your point. You're not across that. Again, you probably have to take this on notice, but this is the last question I'll ask on this considering that answer. My understanding is that the audit that was done in 2013 showed that northern coastal areas accounted for 30 per cent of the backlog at that point. That's obviously quite a large percentage of the overall statewide council infrastructure backlog just within the northern coastal councils. You might imagine that, as a result of the recent floods, that's gotten even worse. So I'm obviously interested to know what particular programs might be in place to try to assist with the specific resolution of the infrastructure backlog there that was already quite large.

MICHAEL CASSEL: I take the point. I'm sure over the last couple of years the backlog would possibly have got worse but I don't know whether that's because there's a lack of funds or whether it's because of a lack of ability to engage somebody to do the works, which both are obviously relevant in this situation. But we'll be happy to provide that on notice.

The Hon. ROSE JACKSON: Again, just potentially take it on notice—in 2019-20 the average backlog faced by regional councils was \$52 million, and the average backlog faced by metropolitan councils was \$28 million. So regional councils are just overall experiencing a much more substantial issue resolving their infrastructure backlog—again, any particular interventions that have been put in place to assist regional councils?

MICHAEL CASSEL: Given the broad nature of the regional councils, a lot of them do their own water infrastructure et cetera. It's obviously a different set of criteria. I'd rather get you back a considered answer rather than try and hypothesise here.

The Hon. ROSE JACKSON: That's fine, thank you. This may be one for Transport, but I'm going—

MICHAEL CASSEL: Yes, definitely will be.

The Hon. ROSE JACKSON: Nice try, Mr Cassel. The transfer of 15,000 kilometres of council roads back to the State Government—presumably that might assist with some of the infrastructure backlog. Where is that transfer up to?

KEITH BAXTER: That is a matter for Transport.

The Hon. ROSE JACKSON: Well predicted, Mr Cassel!

KEITH BAXTER: I think Minister Farraway.

The Hon. ROSE JACKSON: Yes, Minister Farraway. That's fine. I wanted to ask about the April 2022 announcement jointly between Minister Tuckerman and Minister Elliott: "Preparing our veterans for council careers". That announcement was that five councils had pledged their support to veteran employment. I just wondered if we could get some information about what that pledge involved.

MELANIE HAWYES: I might ask Melissa Gibbs to respond to that, because she was working on that piece.

MELISSA GIBBS: Yes, so the Office of Local Government has been working with the Office for Veterans Affairs in New South Wales to encourage councils who are facing skills shortages themselves to look to veterans as a potential source of potential employees. This was actually brought to us by the United Services

Union, who could see the excellent work being undertaken by the New South Wales Office for Veterans Affairs in the State Government public sector, which had a program to target something like 700 veterans. They managed to attract something like 2,000. So it was a huge success.

We worked closely with the Local Government NSW and the parties to the local government award to try to encourage councils to be more veteran friendly, if you like, in their recruitment—even things like, "We encourage veterans to apply to work at our council", "We value the service of veterans" and "We'd like to welcome veterans as a potential source of employees". We worked with Local Government NSW to do a similar thing that the public service did in New South Wales with Veterans Affairs, which is to look at the current—they call it a rank to grade guide. So it was if you're leaving the service and you're at this rank, you would be suitable to apply for positions that look like this in the public service capability framework.

We tried to apply that to the local government context, so that veterans leaving the service could say, "Well, look, I've reached this particular level. It'd be appropriate for me to apply for a position that looks like this in local government". There are five councils that have pledged their support to become more veteran friendly. You're going to ask me who they are and I can't remember, but I do remember that Lake Macquarie was one of them. Tweed Shire Council has also employed a number of veterans in a number of areas and we've showcased some of their activities. And I also—I'll stop there, because otherwise I might name councils that I'm not completely sure of, but I can certainly get you some further detail about that program and what it looks like and the success stories that it's had.

The Hon. ROSE JACKSON: Yes. So the pledge, when they pledge their support, that's perhaps including a line on a job description that says, "We welcome veterans to apply" or "We're a veteran-friendly employer", something like that?

MELISSA GIBBS: Yes, and they showcase veterans who have transitioned from the service into council, and there's case studies of how veterans have made that transition, some of the challenges that they've faced, some of the good news stories that they've had, and—

The Hon. ROSE JACKSON: And that's just on a website, presumably?

MELISSA GIBBS: Yes.

The Hon. MARK BUTTIGIEG: Are there quotas associated with the recruitment?

MELISSA GIBBS: No, it's really one of those areas where the unions, Local Government NSW, OLG, has been encouraging councils to go down this path. Obviously, we can't direct them or impose quotas. It's been more of a case of working collaboratively with councils to encourage them to do so.

The Hon. ROSE JACKSON: I mean, obviously you can't but perhaps—I guess the question was when they make the pledge perhaps part of making that pledge might be to commit to a target or a figure? But you're saying at the moment it doesn't involve that?

MELISSA GIBBS: Not that I'm aware of, but I would like to get further information on it, just to be 100 per cent sure that I'm not misleading you there.

ALLY DENCH: I'd like to acknowledge Campbelltown council, too.

MELISSA GIBBS: Was it Campbelltown?

ALLY DENCH: Yes, they're actually leading the way in this.

MELISSA GIBBS: I was almost going to mention them, but I—

ALLY DENCH: Yes, it was Campbelltown.

The Hon. ROSE JACKSON: So there's the five that we're just getting the detail of. There were five mentioned in the original April announcement, I guess also any additional councils that have pledged to be—

MELISSA GIBBS: I've just been advised that we're now at nine, so we're making good progress since April.

The Hon. ROSE JACKSON: Good. Excellent. I might jump to a question about—

The Hon. MARK BUTTIGIEG: Can I—

The Hon. ROSE JACKSON: Yes, you go.

The Hon. MARK BUTTIGIEG: While my colleague's doing that, can I ask you: Do we have a breakdown of how many veterans are employed in the sector?

MELISSA GIBBS: We don't have that data, Mr Buttigieg. We've encouraged councils to provide us with that information. They would know through their own equivalent of employees matter surveys, but we don't require them to report to us on that. It's something that we've been considering and we would like to talk to the local government sector in more detail about whether that would be helpful or just more burdensome for them.

The Hon. MARK BUTTIGIEG: So it's under active consideration in terms of that mandatory reporting regime, is it?

MELISSA GIBBS: It's something that we've been discussing, but I wouldn't say that it's under active consideration.

The Hon. MARK BUTTIGIEG: Okay.

MELISSA GIBBS: It's one of the things that we could do, but whether or not we'd—we'd need to explore it in further detail to see whether it's more of a red-tape burden for councils or whether the information that we gather would be worth the impost on councils.

The Hon. MARK BUTTIGIEG: Is there no historical data associated with veterans employed in the sector?

MELISSA GIBBS: Not that I'm aware of.

The Hon. MARK BUTTIGIEG: What about funding to assist the recruitment and employment? Have councils been given any assistance with that from the State?

MELISSA GIBBS: Not that I'm aware of.

The Hon. MARK BUTTIGIEG: What about mechanisms in place to monitor veterans who leave the local government workforce? I guess we've got the recruitment phase, but then when they leave is there any sort of oversight or care after they leave the local government sector?

MELISSA GIBBS: Not that I'm aware of.

The Hon. ROSE JACKSON: I might ask next, the Office for Local Government has historically, but rather sporadically, published time series data on its website—everything from operating performance ratios, gender makeup, the code of conduct complaints et cetera. The last financial year uploaded was 2019-20. I did wonder why it wasn't possible to upload that data more regularly?

MELANIE HAWYES: We're in the process of uploading. I totally acknowledge that it is older data. Karin?

KARIN BISHOP: Actually, no, the data for 2020-21 is now on the website.

The Hon. ROSE JACKSON: So 2020-21 is now there, is it?

KARIN BISHOP: It's now on the website, yes.

The Hon. ROSE JACKSON: That's good. Why is it taking so long, though, to have that data uploaded?

KARIN BISHOP: Well, the data is uploaded on the basis of the financial reports that are delivered by councils. Obviously, councils are required to report within three or four months of the end of the financial year. However, many councils do request extensions, and it can sometimes be quite some time before we do get those final reports in. Obviously, with COVID and floods and things, there has been an increase in councils requesting extensions, so it did take a little bit longer to get that data assembled this year.

The Hon. MARK BUTTIGIEG: When do you expect the 2021-22 one to come in then?

KARIN BISHOP: Well, councils haven't reported yet. They're not required to provide their—

The Hon. MARK BUTTIGIEG: No, but you said normally within three to four months. So we would be looking in November or—

KARIN BISHOP: Look, it's going to depend on when councils do report. At this stage, they're not required to report until the end of October, 31. So we won't know until then how many councils do actually report, how many request extensions and things like that. It can sometimes take a little bit longer, and we do prefer—because of the work involved in putting it in the tables and everything, we try and upload it in a single go rather than just doing it sporadically, piecemeal.

The Hon. ROSE JACKSON: In terms of, say, for example, the last reporting year—obviously, we're still in the period, as you say, for this one—what percentage of councils requested an extension?

KARIN BISHOP: For last year, I can give you those figures.

MELANIE HAWYES: I think it's also fair to say that we would expect a number of councils to seek extensions this year, given the situations that many councils have faced. We do recognise that councils might be focused on recovery rather than reporting at this point in time. So we are aware of that.

KARIN BISHOP: However, if you do want those figures for last year, 41 councils and JOs received extensions last year to submit their financial statements.

The Hon. ROSE JACKSON: Is there a standard period of extension? Does it vary from "We need an extra week" to "Can we have another six months?" How does that work?

KARIN BISHOP: Usually, it's a matter of months. So we will extend, say, until December. There were a number of councils—and I don't have it in front of me—that actually asked for two extensions and so some didn't report until around March this year.

The Hon. ROSE JACKSON: And those councils that are asking for extensions of that period of time, which are then, as you say, holding up the availability of time series data—I suppose that's not the end of the world, although it is quite annoying that that 2020-21 data was not available until over a year after that time period—how much are you engaging with them about how difficult they're finding it to submit what should be relatively standard reporting information?

MELANIE HAWYES: Yes, I mean, we do engage. It depends. There are different situations as to why a council might need more time and we have had—as this Committee is more than aware—rolling sequences of really difficult situations and challenges.

The Hon. ROSE JACKSON: Sure. If Hawkesbury and Lismore are asking, that's one thing. But I guess I'm saying, what about councils that it's potentially a red flag that some of their processes aren't where they need to be? What do you do about that, when it's not a council that has an obvious reason for a delay?

KARIN BISHOP: That's fine. We have a performance team that monitors councils and tracks councils. We are in constant contact with them as to how they're going, and also through the stakeholder engagement team we work together to identify councils that may be struggling and need some support. And, as you say, requesting extensions on financial data, often we'll reach out to GMs and CFOs, find out what the delay is caused by, whether they need any help, and identify if there is anything else that we can do to assist them to meet those deadlines.

The Hon. MARK BUTTIGIEG: In terms of accountability to the public, this is obviously critical data which allows stakeholders and the public to assess the performance of councils, and timeliness, I thought, would've been a key thing. It's one thing to have three or four months' grace after an FY ends, but shouldn't the OLG step in and say, "We need it, because it's important data"? It seems to me as though there is a fairly laissez-faire attitude towards the reporting. Would that be a fair statement?

MELANIE HAWYES: Yes, and it's also—we're not the only agencies that review councils' financial reports. We have the audit office process too. So, yes, it's fair to say if we saw red flags, as in—hypothetical—repeat offenders, we would be engaged and we would be talking to that council to understand why there were the delays.

The Hon. ROSE JACKSON: Just to be clear, say, for the purposes of last year, every council has now submitted that data. That's why you're able to have the time series data on the website. So you are at 100 per cent for 2020-21?

MELANIE HAWYES: I'd like to take that on notice, but I do note the Audit Office report has just finished doing their sweep of the councils and the current reporting period is coming up. I will take on notice if there's any councils that didn't make—

The Hon. ROSE JACKSON: As I said, I'm not talking about 2021-22, because I accept that the end of the standard reporting period is not over. I'm talking about last year, but, yes, that would be useful if you could take that on notice.

MELANIE HAWYES: Yes.

ALLY DENCH: If I could just let you know that, yes, all the 128 councils' reports are in.

The Hon. ROSE JACKSON: Okay, you are at 100 per cent.

The Hon. MARK BUTTIGIEG: For 2021, yes. There are 10 county councils throughout the State charged with varying tasks. What department from the OLG is tasked with monitoring the performance of county councils? By way of context, you might just explain to us what makes a county council as opposed to a normal

council. I know from my background in electricity that Ausgrid actually used to be called the Sydney County Council and in those days councils actually used to run electricity back in the day. But I'm just interested in that historical evolution. How do we get to county councils? What makes a county council as opposed to a council?

The CHAIR: The million dollar question.

MELISSA GIBBS: I can remember as a young girl paying the county council rates at Hurstville, mum taking us up and paying the county council. I'm that old. There are a number of special-purpose councils called county councils in New South Wales. There are 13 of them I think. Most of them are weeds authorities. They're very small. They provide a single-purpose function. You're correct, they're kind of a bit of an anomaly in the Local Government Act now because there's so few of them. Quite a number of them have been rolled up recently. But for all intents and purposes, they're treated as a council. They have the same regulatory regime. They're responsible and formed under the Local Government Act. They're required to report in the same way that councils report. In fact, I think the only parts of the Local Government Act that don't apply to them are the rating provisions because they're not able to rate properties. They don't have a property rating. For all intents and purposes, they're treated the same as a council.

The Hon. SHAYNE MALLARD: Did you say they're a weed authority?

MELISSA GIBBS: Weed, W-E-E-D—noxious weeds.

The CHAIR: And water in the north at Rous County Council.

MELISSA GIBBS: And water in Rous. In fact, Rous amalgamated their three counties to form one.

The Hon. SHAYNE MALLARD: They exist with local government over them still?

MELISSA GIBBS: They're comprised of members from the member councils. Depending on how many councils there are, the councils would nominate somebody to be their delegate or their member on the county council.

The Hon. MARK PEARSON: I'd just like to ask a question about a matter that was raised earlier. I'm just wondering, is there any data on houses or homes or places or dwellings that have not been occupied for a period of time? I'm just going back to this question as to whether it might be an avenue to go down for councils or any other authority to contact the owners of dwellings which haven't been occupied for periods of time to see whether that could be part of solving the housing problem. It's happened in other parts of the world, and I'm just wondering, has that data ever been gathered from councils about dwellings that haven't been occupied for X period of time?

MICHAEL CASSEL: The only data I know of—so I'll take the question on notice—occurs on census night, so that's why it's a topic of conversation at the moment because of so many homes being recorded as being unoccupied on the census night. I'm not sure council have a way, and they'd have to pick a date or a series of dates and say, "Was somebody living there or was somebody not living there?" A lot of the evidence, I understand, is anecdotal around that. Obviously our own assets, such as the Land and Housing Corporation—they can tell you how many homes are vacant through restoration or redevelopment or something of that nature but not private ownership as far as I know.

The Hon. MARK PEARSON: If you're willing to take it on notice—

MICHAEL CASSEL: But I will take it on notice—

The Hon. MARK PEARSON: Yes, I think it would be interesting because we could pursue it.

MICHAEL CASSEL: —because the Department of Planning may have some—I'm just, I guess, struggling to understand how that data would be collected.

The CHAIR: Essentially that was what Shoalhaven and Eurobodalla—that's how they approached it, and that was where—

MICHAEL CASSEL: From the census night?

The CHAIR: Yes, and that's where I was heading with that idea of, is that something OLG can be now communicating through the whole of New South Wales local government network relevant to homelessness?

The Hon. ROSE JACKSON: I think at the local government level they have access to information on non-residential ratepayers, so that is how they were able to target their contact. Sorry, that's not really a question.

MICHAEL CASSEL: Yes. Good answer.

The Hon. ROSE JACKSON: Isn't that right?

MICHAEL CASSEL: Good answer.

The CHAIR: Is that what happened? Are you aware? But I think where this is all pointing to is it is actually something very proactive that can be done, given the census night was not that long ago, and local governments actually do have access to data that could resolve an enormous government problem and societal problem—namely, homelessness.

The Hon. MARK PEARSON: Pop a public notice in the newspaper and you get a lot of information.

The CHAIR: Yes.

MICHAEL CASSEL: It was also topical when short-term letting was debated.

The CHAIR: Totally—definitely up in the Byron shire as well.

The Hon. SHAYNE MALLARD: There's also privacy issues.

The Hon. MARK BUTTIGIEG: Back on these county councils, is there a particular part of the OLG which is tasked with monitoring the performance of those county councils or is it just all part of the same set-up with the other councils?

MELISSA GIBBS: They're just treated as any other council.

The Hon. MARK BUTTIGIEG: Has the OLG done much work in the last 12 months with those county councils?

MELISSA GIBBS: Not with them as a specific cohort. I know that they often meet together and will often make representations to various Ministers and State Government agencies as a group because they have many things in common. I think we have had some interactions with them over the past year but not on any particular matter that I'm aware of.

The Hon. MARK BUTTIGIEG: Those OPR statistics, the information I have is that the latest ones are for, again, 2019-20, and for that financial year, four of the 10 county councils returned negative operational performance ratios. So there was Castlereagh Macquarie, which was negative 19.4 per cent. Do we know what the reason for that was?

MELANIE HAWYES: We'll take that on notice, if that's okay.

The Hon. MARK BUTTIGIEG: Do we know what their OPR was for 2020-21?

MELANIE HAWYES: I don't have that to hand; we'll take it on notice.

The Hon. MARK BUTTIGIEG: For the Committee's benefit, that particular county council, Castlereagh Macquarie, the OPR in FY18-19 was actually 13.9 per cent. So the swing from 13.9 per cent to negative 19.4 per cent—a 33.3 per cent difference in one financial year—I would've thought that that would've raised a red flag. Shouldn't it have?

MELANIE HAWYES: We'll take on notice if you're describing there's been a deterioration, but the county councils are not a council in the sense of providing the suite of services that a council that—you're thinking a major council in that sense. They're a unique subset under our legislation. But we'll take on notice questions as to what is deteriorating.

The Hon. MARK BUTTIGIEG: But, nevertheless, the OPR would still be indicative of—

MELANIE HAWYES: Yes, absolutely.

The Hon. MARK BUTTIGIEG: Are you aware that at the same council with that decline in the OPR, the GM's salary went from \$27,375 to \$69,927—so a 155 per cent increase in the same year that the OPR declined?

MELANIE HAWYES: No, I'm not aware of this one, but we'll take on notice questions around this particular county council.

The Hon. MARK BUTTIGIEG: Okay, so no information on the GM's salary for financial year 2021-22?

MELANIE HAWYES: I don't have that to hand; I'll take it on notice.

The Hon. MARK BUTTIGIEG: That particular council relied on grants and contributions for almost 90 per cent of its revenue, which probably makes sense given what you've told us about their compositions. But is it a concern that such a large pay rise would have been afforded to the GM, given they're getting all their money from grants?

MELANIE HAWYES: I'm not in a position to make a comment as to whether it would be a concern or not. I'll take on notice your comments, observations, facts and statistics that you might want to provide to me about the position of that county council.

The Hon. MARK BUTTIGIEG: That same council spent 22 per cent of total expenditure on governance and administration. The next closest were New England Tablelands and Rous Water, which spent 4 per cent of total expenditure on government administration. I'm just a bit concerned that the oversight body, the OLG, has no idea about these sorts of stats coming out of a county council and then a concomitant increase in the GM's pay. I would have thought that that was the sort of thing that the OLG were privy to and aware of, and perhaps would have acted on.

MELANIE HAWYES: It is a weeds authority, and I'll take on notice comments and questions about its financial performance. We don't have that data to hand to answer today.

The Hon. MARK BUTTIGIEG: What about the Upper Hunter county, which was another one that experienced a significant shift? The OPR, or operational performance ratio—which as we've said is a key indicator of financial performance—went from 21 per cent to negative 2 per cent from 2018-19 to 2019-20. Is there no oversight or intel on that?

MELANIE HAWYES: We'll need to take it on notice, because these are weed authorities primarily. We'll take that on notice, thank you.

The Hon. MARK BUTTIGIEG: An unfortunate name—it seems to be how they're viewed.

The Hon. ROSE JACKSON: I have a couple of follow-up questions about the support for newly elected councillors. Some of this information was discussed this morning. Do you have a figure for how many first-time councillors were elected at the recent local government elections?

MELANIE HAWYES: We have a rough percentage that there was approximately a 50 per cent turnover. I'd need to take on notice how many were first-time elected officials.

The Hon. ROSE JACKSON: Yes, potentially some of them had been on councils before and come back.

MELANIE HAWYES: Potentially, yes. I don't think we have that figure with us today.

The Hon. ROSE JACKSON: Even if that's a ballpark figure, obviously that's quite high, particularly considering the situation that we've seen in Central Coast and the information that was provided to the ICAC about councillors not knowing what to do or where to go if they had concerns about misconduct on councils. I have a couple more questions about the support for those people. There is mandatory training, and we are aware that all but 11 councils have completed the mandatory training. Is that correct?

MELANIE HAWYES: Yes, they've reported to us that they've done their induction.

The Hon. ROSE JACKSON: Sorry, excuse me, mandatory induction?

MELANIE HAWYES: Yes.

The Hon. ROSE JACKSON: There's a handbook; was that distributed to every councillor directly?

MELANIE HAWYES: We might tag team on this one, but we've issued guidelines on the requirements of the new training provisions—because they are new, in terms of their—

The Hon. ROSE JACKSON: So you've issued those guidelines to councils?

MELANIE HAWYES: Yes. We've already been through a proactive onboarding that we sponsored. We have regular newsletters where we can communicate out to the sector anything and everything in terms of additional guidance, support et cetera. But the comprehensive guidelines on the requirements of the new training have gone out. It goes through what they're required to undertake on a range of topics, which goes to your question, about roles, responsibilities, ethical obligations, how to run meetings effectively, financial processes and practices, planning and reporting, and councils' operational business—so a range of things.

We have been engaged directly, and we also, through regularly liaising with LGNSW and other peaks, talk about how that training is going and any feedback. We'll be looking at this over the next few months because it is a new introduction, which I think will be well received and really helpful for the sector. As we said, we did informal checks, if you will, at this point before the reports come in as to how they're going and whether they're picking it up. The feedback is that that is happening.

The Hon. ROSE JACKSON: Were those informal checks to individual councillors or just to councils?

MELANIE HAWYES: Through the GMs.

ALLY DENCH: It's actually the GMs' responsibility to make sure that the induction training is done, and that they've got professional development plans in place too.

The Hon. ROSE JACKSON: Yes, and that's good. But because it is the responsibility of the general manager and they're also running a council, one of the concerns would be that these things are perhaps not their priority and that the information is just not getting through to the individuals on the council—particularly when it comes to things like holding staff to account, which was an issue in Central Coast. If it is the responsibility of the staff to train the councillors about how to ask them tough questions, maybe that information isn't communicated as clearly as it might be. Do you do any work to check in with individual councillors about whether they're receiving the information that we might want them to receive?

MELANIE HAWYES: The answer to that is yes, and we do these proactive newsletters and circulars to councils regularly.

The Hon. ROSE JACKSON: And so they're going to individual councillor inboxes?

MELANIE HAWYES: Yes. I have no doubt that training and capacity will be a strong feature of the misconduct review, because there is always room to improve and this is an area where new requirements are coming in and being picked up—no doubt at all that that will become a feature in terms of feedback from the sector about additional training they might find helpful and valuable. It's always going to be a pretty live discussion about the training you need to do a complex role as an elected official. But so far we've rolled out the new provisions, we're getting good feedback that it's being picked up and we've also hosted induction workshops with councillors so that they are across some of these new requirements.

The Hon. MARK BUTTIGIEG: Can I just put something to you along that line of questioning, because it sort of ties in with the questioning from this morning. In the modern era, you've got this multiplicity of information coming in via email and bits of paper and all the rest of it. Let's be honest; we all filter out information other than what we think is absolutely pertinent to the task at hand. I put it to you that a lot of those councillors would just ignore that. Unless there's a more rigorous, punitive regime, you're simply not going to reform councillors' behaviour. The training is good, because I think that's a psychological shift in culture and the way people think. But how mature are the discussions at OLG about tightening up the recourse—the punitive action to pull badly behaving councillors into line?

MELANIE HAWYES: Yes, and that's a completely fair question—how much it does actually penetrate into real life, into people's consciousness et cetera—which we can't completely be accountable for. We are accountable for putting the information out—putting the frameworks, the guidelines and the communication out. In terms of whether or not it's a live discussion, absolutely, through the misconduct review. That will look at what is an appropriate suite of sanctions in a contemporary framework.

The Hon. ROSE JACKSON: And so that will include, for example, refusal to attend mandatory training. All bar 11 councils have offered the training at this stage, but part of the issue may well be that that we don't know whether all of the councillors attended it. I'm not sure if sanctions are currently available for people who just decide that that's not important in their day and skip it. Is that the case currently?

MELISSA GIBBS: The current requirement is that general managers must provide induction training for councillors, refresher training for returning councillors and a specialist program for the mayor. At the very minimum, that should include topics such as councillors' roles and responsibilities, working together effectively, their ethical and behavioural obligations, decision-making and meeting practice, integrated planning and reporting, financial processes and practices, and key areas of councils' operations including strategic land use.

The Hon. ROSE JACKSON: As I said, I know that that is available. There is a requirement for the general manager to provide it. Is there not a requirement for the councillor to attend it?

ALLY DENCH: Councils are then required to report publicly on councillors and the mayor's participation in training—

The Hon. ROSE JACKSON: So that's the sanction publicly?

ALLY DENCH: —in their annual reports.

MELISSA GIBBS: It's public naming and shaming.

MELANIE HAWYES: I think that's an important element of our accountability to—

ALLY DENCH: The community.

MELANIE HAWYES: —the community, as well as through to—

The Hon. ROSE JACKSON: It's okay if that's the answer. The answer is that they're required to provide it, councillors are required to attend it and, if they don't, they're named as failing to do that.

The Hon. SHAYNE MALLARD: The *Sunday Telegraph* will get them.

The Hon. ROSE JACKSON: That framework is under consideration, presumably?

MELISSA GIBBS: Yes, that's in place now.

The Hon. ROSE JACKSON: The misconduct review is also considering those issues?

MELANIE HAWYES: This is in place now, but I have no doubt at all that the misconduct review will look at training capability and all aspects of that, as well.

The Hon. ROSE JACKSON: Just to go back, in a way, to what I was getting at before—and to my colleague's questions as well—we have this situation where people are keen to represent their community and be on councils. They get there and, suddenly, there's a wall of information, all of the bulletins coming at them, the training and all of that. Some of that information is absolutely essential. Some if it is good and important but perhaps less "this is a huge deal". Is it included in that communication or the engagement through the councils themselves, trying to make sure that the core business is prioritised in terms of what's actually sinking in?

MELANIE HAWYES: We do issue regular circulars. I hear what you're saying, that maybe not everyone picks them up in their inbox. We did the induction training. One of the areas we'd like to explore going forward is to be able to make more web-based training available to councils. We will take feedback as to the current provisions, because they're new, and how they're being received. This may very well be an area that continues to grow.

ALLY DENCH: One thing that we have done with the "Hit the Ground Running" training sessions—they are recorded sessions and they are available on the website for councillors to go back and review. It is there as a resource already, those 12 training sessions.

The Hon. ROSE JACKSON: I am open to the idea that it's about making it available, but it is also the responsibility of the councillors themselves to take their responsibilities seriously.

ALLY DENCH: Yes, it's a two-way street.

The Hon. ROSE JACKSON: You're trying to get that balance between, "Look, if you're going to put your name forward, you have to take your responsibilities seriously". The naming and shaming, to be honest, is part of that. We see these examples where councillors claim that they didn't know the questions to ask or they didn't know what to do. I'm just trying to tease out what we can do to specifically communicate to them that core information—if you suspect corrupt conduct when the budget is being presented. What you're saying is that is included in the circulars that you're doing?

MELANIE HAWYES: What we're saying is we provide a framework, some guidelines and materials and regular communication. Obviously councillors must and should be liaising with their GM and staff too. There are multiple avenues for that sort of discourse and for them to access information and resources. We're one of them.

The Hon. MARK BUTTIGIEG: I will just point out a pertinent example to tie this up. Former Canada Bay councillor Mirjana Cestar told the Sidoti ICAC inquiry that she was not sure who to report a concerning meeting with Mr Sidoti in 2016 to. Ms Cestar told the inquiry she would have been more inclined to report Mr Sidoti's conduct, which could have avoided the whole shemozzle, if she had been provided with guidance about where and who to report it to. That's concerning, isn't it?

MELANIE HAWYES: Corruption and integrity agencies do advertise how you can make complaints as well. I'm not going to comment on a particular person who I don't know, and I don't know their motivation in making that comment. But there are well-known pathways as to how report corrupt conduct in this State.

The Hon. ROSE JACKSON: That's right. But part of it is that councillors have conversations, and they don't necessarily want to pick up the phone to ICAC. Everyone gets that is a massive escalation. Just being clear to them that, "Here is what you should do, here is who you should call in the first instance." Is it the general manager? Is it someone else? Is there a probity officer at council? Your answer is that information is provided to councillors?

MELANIE HAWYES: Yes, and our website directs people as well.

The Hon. ROSE JACKSON: The last question I want to ask on this is, has there been any consideration given to randomised, in a way, spot checks on individual councillors to get a bit of a sense of what they understand their obligations are? I understand there are thousands of these people across the State, so I appreciate the communication is through the general manager. But there might be some value in a randomised check-in with councillors—What would you do in these circumstances? What do you understand your obligations are?—to get a sense of where people are up to in terms of their knowledge base. Is that something that is being considered?

MELANIE HAWYES: It is. I think it's a really good point about being proactive. We are shifting to a more proactive approach. We are about to commence, exactly as you've said, a random spot check on non-disclosures. This will be the start of a much more proactive approach, but the critical thing is that dialogue with councillors.

The Hon. SHAYNE MALLARD: That's it.

The Hon. ROSE JACKSON: I'm being hurried up by my colleagues. Thank you.

The Hon. SHAYNE MALLARD: We had an agreement.

The CHAIR: Thank you, Government officers, for your attendance today. The Committee secretariat will be in touch in the near future regarding any questions on notice and any supplementary questions, of which I think there may be some. Thank you very much, everybody. That concludes this part of the hearing.

(The witnesses withdrew.)

The Committee proceeded to deliberate.