

PORTFOLIO COMMITTEE NO. 8 - CUSTOMER SERVICE

Tuesday 2 September 2025

Examination of proposed expenditure for the portfolio area

LOCAL GOVERNMENT

UNCORRECTED

The Committee met at 9:15

MEMBERS

The Hon. Emma Hurst (Chair)
Ms Abigail Boyd
The Hon. Mark Buttigieg
Dr Amanda Cohn (Deputy Chair)
The Hon. Anthony D'Adam
The Hon. Mark Latham
The Hon. Aileen MacDonald
The Hon. Nichole Overall
The Hon. Peter Primrose
The Hon. Chris Rath

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

The CHAIR: Welcome to the second hearing of Portfolio Committee No. 8 - Customer Service for the inquiry into budget estimates 2025-2026. 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 and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Emma Hurst, and I am the Chair of the Committee. I welcome Minister Hoenig and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Local Government.

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

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

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

Ms JENNIFER HICKEY, Executive Director, Sector Performance, Office of Local Government, affirmed and examined

Ms TINA BALDOCK, Acting Executive Director, Sector Development, Office of Local Government, affirmed and examined

Ms RACHEL CONNELL, Deputy Secretary, Agriculture and Biosecurity, Department of Primary Industries and Regional Development, affirmed and examined

Mr PETER DAY, Executive Director, Strategy and Regulatory Policy, Agriculture and Biosecurity, Department of Primary Industries and Regional Development, affirmed and examined

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

Mr RON HOENIG: Good morning.

The CHAIR: I wanted to ask some questions in regard to the Pet Registry. Are you aware of any issues regarding the rollout of the NSW Pet Registry?

Mr RON HOENIG: Yes, they have required considerably more funds because the amount that they estimated requiring was underestimated.

The CHAIR: So you've been briefed on both the significant delays and the cost blowout of the project?

Mr RON HOENIG: Yes.

The CHAIR: I'd like to read from an email from within the Office of Local Government that I've sighted about this issue of the Pet Registry upgrade. The email states, "An extremely ill-advised executive decision brought about the cessation of the project in August 2024. This decision was unfortunately made as a result of negligent and ignorant advice from", and it names a former staff member; I won't mention their name. The email continues, "and DIO that led to a waste of around 25 per cent of the remaining project capital budget, along with bringing about the health and safety impacts on the helpline team due to the four-month delay introduced to the project timeline." What's your reaction to that specific email and those comments?

Mr RON HOENIG: I haven't seen that email or heard of the contents of the email. This project was commenced before I was the Minister, by the former Government. I know that the next steps require the allocation of funds, and there has been some discussion within government as to whether or not those funds should be allocated because of whether the allocation would be productive or not. That's a matter that the Government will have to discuss. There are frequent submissions from various government departments, all of whom want money to put even more money into computer programs that don't work. So it would not come as a surprise, I suppose, to members of this Committee that there's some other computer program within the public sector that's struggling, like the Planning Portal.

KIERSTEN FISHBURN: It's a lot better now, Minister.

Mr RON HOENIG: That's better? It was never better when I used it. I'm concerned, though. If you let me have a copy of that email, I'll chase it down, because it's obviously a lot more serious than I thought it was.

The CHAIR: I might actually read another quote as well, which I have permission to share with you. It states, "The current work order is for \$3.46 million for less functionality than the \$2.44 million work order and will not be delivered until January 2025. The recent decision that has led to a four-month slip in delivery time frames and additional one million spend for a reduced-functionality work order was based on a completely misinformed position." My understanding is that a lot of the delays that have been occurring in the rollout of this registry have significantly increased the expenditure—so much that they therefore are spending more but actually getting less functionality for the Pet Registry. It's now in a position where it's become a bit of a mess. There are a

lot of functions that were promised from the original Pet Registry prior to you taking government, but since then it's just been this rolling project with failure after failure. What will your next steps be?

Mr RON HOENIG: I don't know. I'd like to have a look to see what you have. I don't know who is actually doing it. I understood it had been outsourced to—

KIERSTEN FISHBURN: It's the Department of Customer Service.

Mr RON HOENIG: It's the Department of Customer Service, not within the Office of Local Government.

The CHAIR: These emails are coming from within the Office of Local Government, who obviously has responsibility for the Pet Registry, but then it's being built elsewhere, is my understanding.

Mr RON HOENIG: Yes, it's being built outside. When I became Minister for Local Government, the Office of Local Government had the grand sum of 45 people. It had been under-resourced for a long period of time, so they wouldn't have had the capacity to put something like that together.

The CHAIR: My understanding is that the \$21 million or so that's been allocated to the Pet Registry has now been exhausted. Is that correct?

Mr RON HOENIG: I think that's my memory. Maybe Mr Whitworth could—

BRETT WHITWORTH: That's not quite correct. We still are using some of that money. We have redirected that for the delivery of the puppy farm component, so the breeder identification number. To be fair, I don't quite know whether you were given accurate information with that last quote, because that relates to the current work order, I suspect, which is all about the breeder identification.

The CHAIR: No, sorry, it was either about the CAR or it was about—I'll get back to you, but it wasn't about the current change into the puppy farm stuff.

BRETT WHITWORTH: I'm aware that you would like to talk to the Minister and I don't want to take up his time, but I'm quite happy and, in fact, quite eager to go through the pretty significant challenges we have had with the Pet Registry this afternoon, and the pretty significant work that we have had to do to address some fairly major flaws identified through an assurance process and health check that led to major changes to the governance arrangements.

The CHAIR: Minister, if you are aware of this, now that the rest of any funding has moved towards implementing the puppy farm legislation—the section of that Pet Registry—what will happen with the functionality of all the other aspects that people are still waiting for, including portals for vets, portals for councils, portals for rehoming organisations and enforcement agencies?

Mr RON HOENIG: Mr Whitworth?

BRETT WHITWORTH: That continues to be something that we will put propositions to Government about, in terms of getting funding for that. You're very correct: We don't have those portals for vets, councils, rehoming organisations or enforcement agencies. That was always what we've called stage two. We talk about stage one being the delivery of the registry itself and the ability to link to the Service NSW account—so that's Link My Pet. Then we talk about stage puppy farm, which is about the breeder identification numbers and the link to the ability to have people register litters on the Pet Registry. And then the second stage would be those portals to provide access. They are quite critical, but the Pet Registry functions now without those portals; it just doesn't deliver the full functionality that we had hoped.

The CHAIR: Minister, did you put in any budget bids or campaign or put in submissions to the Treasurer in regard to trying to get more money for the Pet Registry in the last budget round?

Mr RON HOENIG: It was contained, I think, in a departmental submission. From my recollection, anyway—it was, wasn't it?

KIERSTEN FISHBURN: Yes.

The CHAIR: So you had requested more money. And was any of that money—

Mr RON HOENIG: We didn't get any, did we?

KIERSTEN FISHBURN: No.

BRETT WHITWORTH: No.

The CHAIR: The money wasn't allocated?

Mr RON HOENIG: No.

The CHAIR: Minister, when did you first hear about the significant issues in regard to rolling out the Pet Registry?

Mr RON HOENIG: Probably at the time or shortly before the time I adopted the departmental submission in respect of funding.

The CHAIR: Sorry, say that again.

Mr RON HOENIG: Shortly before the submission went to the Government in relation to the funding of it.

The CHAIR: So that was the first that you heard about some of the problems with the Pet Registry?

Mr RON HOENIG: Look, I've been a bit troubled with this Pet Registry—not just its functionality, but the data that's going in it—because they're just taking the old data and they're just bringing it into the new registry. I don't know that there is another way, but there are going to be all these dogs and cats that may or may not be dead or may or may not be registered in the new registry. The theory is that over time, after a period of time, dogs won't live anymore but, as you know, cats can live for a long period of time. You've got to take a decade or 15 years before it's accurate. I've been a bit troubled by the registry but I don't have another solution.

The CHAIR: Mr Whitworth, when did you first become aware of the issues regarding the delays and the cost blowouts?

Mr RON HOENIG: The delays in—?

The CHAIR: The Pet Registry. Sorry, the question was to Mr Whitworth.

BRETT WHITWORTH: I was aware when we went to—it was probably around April or May 2024. When the business case was resolved in January 2023, it had identified that by July 2024 we would have full functionality, but we didn't. It was also around that time that I had discovered that we hadn't been able to deliver on the portals. The more that I went into it, including getting a health check, an assurance check through the digital restart and ICT processes of the Government, I realised that the agile programming environment—that our project managers, both in the Office of Local Government and in the Department of Customer Service, had failed to deliver in terms of time frame and budget and that was blowing out, and so we weren't going to be able to deliver.

I won't tell you my emotions at the time, but I was pretty annoyed. I had people telling me that I was wrong, yet I still hadn't been able to deliver a project. I had people telling me that we needed to change—that we should just stay the course and that the Government would give us more money. I knew that the Government would struggle to give us more money. It has been a really challenging process. Working with the Department of Customer Service and working with my colleague deputy secretary from the Department of Customer Service, who has responsibility for that area of delivery, we totally revamped the governance arrangements for the project around the end of 2024.

Dr AMANDA COHN: Good morning, Minister. I want to ask you about the recent Supreme Court judgement regarding Councillor Darley at the City of Parramatta, which I imagine you would be aware of.

Mr RON HOENIG: Yes. Well, I'm aware of the judgement. I haven't had a chance to read it thoroughly, but I'm aware of the judgement and I'm aware of the reporting of it.

Dr AMANDA COHN: More specifically, in the judgement, the censure of Councillor Darley was quashed. Do you think that this is an isolated issue or is this part of a systemic issue of councillors being penalised when they speak out against a majority decision of a council?

Mr RON HOENIG: I'm extremely annoyed, if the newspaper coverage of the facts of the matter is accurate, because it is another example where this cottage industry of code of conduct examiners has ignored the implied freedom of political communication that all people are entitled to as well as councillors. I don't see these code of conduct examiners' reports as a matter of course. The ones that I've seen over time are either people who have sought my advice—my legal advice, because that's the only basis they can show it to me—where I've drafted responses and invited the attention of code of conduct examiners to their right of freedom of political communication, and those rights have been completely ignored by the code of conduct examiners, and quite reprehensibly so.

I'm aware of other examples where council officers have tried to intimidate councillors from asking for a traffic study at a location. I'm aware of other instances where other councillors have spoken to the media. The confusion seems to result from inconsistency between the words of the compliance document and the implied freedom of political communication. What was released earlier this year, as an effort to try to stop it, is a guideline from the Office of Local Government effectively telling councils that whatever words may or may not appear in

any regulation or code of conduct that are inconsistent with someone's right to freedom of political communication are invalid, to try to put a stop to this.

The other matter I'm gravely concerned about in relation to the newspaper report of Councillor Darley is not the fact that—I'm concerned that, firstly, she had to spend, reportedly, \$80,000 of her money in relation to a censure. Most councils cop it behind closed doors, and that's why that's going to stop. But the other thing is that the poor conduct of certain council officers to effect a particular result—I think the assertion is that they weren't satisfied with some sort of draft. If that's the case, that's improper. Anyway, I'll have a look at the judgement, but it seems to me that the council is going to have to pay Councillor Darley's costs. It seems to me that she's also owed an apology as well. The most disappointing exercise—

Dr AMANDA COHN: I wanted to ask a follow-up question. Regarding the same case, my understanding is that there was an additional issue at the City of Parramatta where the councillors were given incomplete advice. They were debating the recommendations of the report without actually having access to that report in its entirety.

Mr RON HOENIG: I think that's the justification that Acting Justice Schmidt used under the procedural fairness guidelines. You know the way council operates as well as I do. Whether they had the extra one or had they not had the extra one, they probably would've—I don't know this, but the way that some of these councils operate is, if they're going to fix someone up, they fix them up or they don't. They would have known the factual circumstances. If this be true—if the report's true—she shared a report from a newspaper on a Facebook page. If those are the facts of the matter, the fact that they spent so much money with the code of conduct examiner over a code of conduct complaint is pretty poor.

Dr AMANDA COHN: I think this is a really important case in terms of its implications for the sector more broadly. I'm specifically trying to come back to this issue of councillors being asked to make decisions on potentially incomplete information, because this isn't isolated. In your view, for example, if a councillor or general manager has obtained a report—whether it's a conduct report or whether it's legal advice—should councillors actually have access to that full information when they are making a decision?

Mr RON HOENIG: Councillors are entitled to whatever information they need to have to make their decisions. Withholding material from councillors who are entitled to it is not appropriate. I'm going to try to address some of these issues in the last of the integrity compliance documents that I've got, to try to stop this. I think they're isolated incidents, but I don't like to make rules just because there is a handful of problems. But we do have to have rules to stop democratically elected people not having access to material they need for the purposes of making decisions on behalf of their community.

Dr AMANDA COHN: To assure you, I'm asking these questions because some of these things are not isolated issues, and not all councillors have the courage and the determination that Councillor Darley did in taking this all the way to the Supreme Court.

Mr RON HOENIG: Dr Cohn, I just say that we happen to see the problem ones but, as you move through the sector on a far broader scale, refreshingly the percentages become smaller compared to the total sector.

Dr AMANDA COHN: I know you made an announcement just yesterday about misconduct proceedings going to the Land and Environment Court. You've already mentioned in one of your earlier answers the significant costs associated with court proceedings. Some councillors are remunerated as low as \$10,000 a year. Most councillors are on less than \$50,000 a year. Sometimes complaints of misconduct can be vexatious. What are you proposing will be in place to ensure sufficient access to representation and procedural fairness for councillors caught up in court processes?

Mr RON HOENIG: The purpose of the bill that will shortly be introduced is to deal with matters of relatively serious misconduct. At the moment, as you would know, there is a convoluted legislative regime that virtually prevents the OLG from acting quickly without going through a myriad of processes, including procedural fairness—or their fear of procedural fairness—at every corner of the decision-making process. For matters of relatively serious misconduct, I'm proposing legislation that will remove all of that from the Local Government Act processes and create a new process that will enable a Minister, the OLG, a statutory authority, including ICAC, and a third party individual with leave, like the Protection of the Environment Operations Act, to commence proceedings in the Land and Environment Court to seek disqualification or, if serious enough, suspension, fines and restitution of stuff that they might have stolen or misappropriated. The court will also have the power to immediately suspend somebody pending a hearing of the matter.

The hearing of the matter will be relatively prompt so that if you've got, for example, an issue like a councillor from down in southern New South Wales, you could make an application to the court reasonably quickly to have that person suspended, and you could have the matter determined in a few months. The reason I selected that court is, firstly, the Land and Environment Court is a superior court and a court of record. If you

are talking about disqualification of democratically elected councillors, it needs to be done by a superior court of record, not a tribunal. Thirdly, the Land and Environment Court has considerable experience in dealing with local government litigation. It is the normal court under the Local Government Act that does it. It doesn't just do planning; it does administrative law matters for local government. Fourthly, the chief judge of the court was prepared to take the work, agreed to take the work and agreed to be able to do it expeditiously.

For the matters that aren't of a serious nature—and what also could be serious is not just behaviour but also pecuniary interest breaches, for which regulations are currently being worked on that are similar to the ones that are going to apply to members of Parliament. They could be pecuniary interest breaches that require disqualification. When they occur, proceedings can just be commenced. The ones that are relatively minor can be dealt with through a different mechanism. I'm hoping that, arising from the code of meeting practice, the code of conduct and the pecuniary interest regulations, the recurrence of 2,000 weaponised complaints a year will no longer exist. That's the plan, anyway.

The Hon. CHRIS RATH: Good morning, Minister, and thank you to all the officials as well for appearing today. Minister, when did you first commit to fund Bayside Council to upgrade the L'Estrange Park playground in your electorate?

Mr RON HOENIG: I think I've been campaigning for that council to upgrade that playground since about 2021.

The Hon. CHRIS RATH: As part of the Local Small Commitments Allocation program, was this something that you committed to before or after the election?

Mr RON HOENIG: No, I've been campaigning for that for several years. You're pretty good at stalking my Facebook page. You'll probably see some photos with me down in that playground with all the problems down there, and me complaining about fixing it up. I'm happy to talk to you about it, but do you want to use your time for something that relates to something about my function as the member for Heffron? I'll talk to you about those things all day as well.

The Hon. CHRIS RATH: I saw that there was something on your Facebook from 14 October 2023.

Mr RON HOENIG: Presenting the cheque.

The Hon. CHRIS RATH: The big novelty cheque down at L'Estrange Park.

Mr RON HOENIG: But if you go back to 2021 and 2023—I'll show it to you now, if you like. You'll just have to do a search of L'Estrange Park.

The Hon. CHRIS RATH: I know you've been fighting for it for some time, but when did you first announce it as part of the Local Small Commitments Allocation program?

Mr RON HOENIG: As soon as I got told that we had \$400,000 that we could promise—before the election.

The Hon. CHRIS RATH: Before the election?

Mr RON HOENIG: Yes.

The Hon. CHRIS RATH: Minister, it's a little bit strange because, through documents that we have been able to get through SO 52, what we've seen—and I've got these documents here that I can provide to you—is that before the election and all the way up until as late as 14 June 2023 there was no record of any commitment to the L'Estrange Park playground upgrade. It was merely that New South Wales Labor would deliver up to \$400,000 to local councils across the electorate towards upgrades to playgrounds and parks. Why is there a difference between what you're saying and what the documents say?

Mr RON HOENIG: I don't know what's in the documents. I can only tell you what I've been doing for a couple of years. I've been jumping up and down about that. By having \$400,000 to do it, I could maybe speed up the process.

The Hon. CHRIS RATH: Who did you tell then during the election campaign that you were going to allocate \$400,000 to the L'Estrange Park playground?

Mr RON HOENIG: I don't know if I would have said \$400,000. But you could be sure that every door I knocked on in Mascot, I told them that if I was elected they were going to get money to fix up the playground across the road. You don't think I'd say no to a playground that's a shambles and I'd been campaigning for for two years and not use it in an election campaign, do you?

The Hon. CHRIS RATH: Sure, but you never announced it until 14 October 2023. That's after the election. Is that right? You didn't make an announcement during the election campaign.

Mr RON HOENIG: I didn't have it available to me until after the election. The quid pro quo was we had to win the election.

The Hon. CHRIS RATH: Yes. But the program is such that you needed to make commitments before the election, to be funded after the election. What I'm asking you is why—and I'll provide these documents to you, Minister. I've made copies of each for you to look at. There's 12 copies there. There should be one for everyone. Essentially what the documents show is that, before the election, there was no commitment made in the electorate of Heffron. Meaning, the \$400,000 was supposed to be allocated amongst the four local councils in your electorate. That was before, all the way up until 14 June 2023. But after that time, on 28 July 2023, all of a sudden the spreadsheet has changed where the full amount of \$400,000 is to be allocated to one park in one council area, rather than be distributed amongst the four councils in your electorate. Do you have any explanation for that?

Mr RON HOENIG: I don't know whose document this is, so I can't even accept the premise of that document. All I can tell you is that out of my four councils that encompass my electorate, and of all the playgrounds of the four councils that encompass my electorate, the only shambles was L'Estrange Park. It was in a dreadful position. It was right next to a park where kids are playing soccer, basketball. Parents were complaining if you went down there, it made you sick. I had been on about this one playground for several years. What occurred afterwards—it's the only playground that I had been on about and, as a result of winning the election, I had \$400,000 to contribute to the council about the issue I'd been pursuing for some years.

The Hon. CHRIS RATH: These things need to be announced and committed to before the election, not after the election. That's part of the grant guidelines. If a project wasn't announced during the election, it's supposed to be that the funds—the \$400,000 is to be allocated amongst the councils, based on population inside your electorate. In your electorate, for instance, Bayside is supposed to get \$124,000.

Mr RON HOENIG: I'm not giving \$400,000 to the City of Sydney that just spent five or six million on Turruwul Park. They don't need the money. Randwick Council just spent a fortune on Kensington Oval and renewing their playground equipment. They don't need the money. The ones that I can't get any work out of is Bayside Council, with a park that needed the money. I was told I had \$400,000 I could promise. I'd been running this issue for two years and I am so grateful, and so are the people of Mascot, for inducing the council to at least fix up what was a disgraceful shambles. If you want to say that they shouldn't have got the \$400,000 and that playground fixed up, you say it, and I'm happy to tell them what your views are.

The Hon. CHRIS RATH: I'm not saying that it's not a project of merit. What I'm saying is that the election commitment, if you didn't make one within the electorate of Heffron, is \$196,000 was supposed to go to Sydney, \$48,000 to Randwick, \$32,000 to the Inner West, and \$124,000 to Bayside. You decided to give all of the \$400,000 to Bayside after the election because you viewed that \$400,000 as a grant that you could allocate post-election. Is that true?

Mr RON HOENIG: No. I promised that we'd fix up L'Estrange Park because I was told that we could make a commitment for a project—

The Hon. CHRIS RATH: Who told you that, Minister?

Mr RON HOENIG: —and I did it.

The Hon. CHRIS RATH: Who told you that?

Mr RON HOENIG: I don't know. It was part of the Labor Party campaign; they told 93 candidates.

The Hon. CHRIS RATH: After the election, who told you that you could allocate that \$400,000 as you see fit?

Mr RON HOENIG: I don't know. It came out of whoever was managing the grants.

The Hon. CHRIS RATH: Was it Cherie Burton?

Mr RON HOENIG: Whether it was her or somebody else in the office, I don't know. My office was asked for details of the election promise that I made.

The Hon. CHRIS RATH: They were in contact with your office?

Mr RON HOENIG: My electorate office.

The Hon. CHRIS RATH: Then you informed them that, during the campaign, you had made a commitment to L'Estrange Park?

Mr RON HOENIG: My electoral office would have told them what the commitment was.

The Hon. CHRIS RATH: All of the documents leading up to 14 June state that it was to be allocated evenly amongst the councils. Then it was changed. That was clearly a post-election thing. So, Minister, will you offer an apology to the people of the City of Sydney for short-changing them \$196,000?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: You just think that you can change the amount of funding allocated post-election, which isn't in accordance with the grant guidelines?

Mr RON HOENIG: I'm prepared to have you telling the people of Mascot that they shouldn't have had L'Estrange Park fixed up, because that's effectively what you're doing.

The Hon. CHRIS RATH: So it's okay if you break the guidelines?

Mr RON HOENIG: At the end of the day, how is this relevant to the local government portfolio?

The Hon. CHRIS RATH: It's money that you gave to Bayside Council as part of the Local Small Commitments Allocation. The reality is, your justification today says, "It's okay that City of Sydney was short-changed \$196,000. I gave all the money to Bayside because it's a meritorious project." Doesn't matter if you broke the grant guidelines. You were happy just to give the money to Bayside because it was your favourite project.

Mr RON HOENIG: I didn't know that it broke any grant guidelines. My view is that I promised that I'd fund \$400,000. You know that I had been campaigning on a particular issue. You know it's the only park that I was campaigning on, and there was a \$400,000 commitment to be allocated to promises that were made in the electorate. I won the election and the \$400,000 was paid.

The Hon. CHRIS RATH: Moving on to another Bayside-related matter: Minister, did you ever discuss the 2024 Labor pre-selection of Bill Saravinovski for Bayside Council with Brett Whitworth?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: You didn't?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: You have no recollection?

Mr RON HOENIG: No. The answer is no.

The Hon. CHRIS RATH: Minister, in Mr Whitworth's citizen's right of reply to the Legislative Council he said:

While the issues of then Councillor Saravinovski's potential pre-selection, the timing of the hearings and any public knowledge of the proceedings, were raised with me by Minister Hoenig, we were both clear it was not a matter that I was going to engage in as the decision-maker under the *Local Government Act 1993*.

Who's lying, Minister? You or Mr Brett Whitworth?

Mr RON HOENIG: I reject the premise of the question. I didn't discuss that with him.

The Hon. CHRIS RATH: So he's lying in his right of reply to the Legislative Council?

Mr RON HOENIG: Don't put words in my mouth. I didn't discuss Bayside Council preselection with him.

The Hon. CHRIS RATH: Have you ever declared a conflict of interest when you've been dealing with the Saravinovski matter?

Mr RON HOENIG: I just want to say this about the Saravinovski matter: As you know, there is the sub judice convention. That matter is before the court. There are the non-publication orders by NCAT, and there are secrecy provisions of ICAC. Let me tell you what I think I can tell you so I don't infringe any of those orders. As the Committee would be aware from previous discussions on this topic and also the testimony from Chief Commissioner Hatzistergos—

The Hon. MARK LATHAM: Point of order: The question was about whether the Minister has declared a conflict of interest, not giving us a recital of different legal matters unrelated to the question that has been asked. Can the Minister answer the question?

The CHAIR: I will leave that to the member asking the question.

The Hon. CHRIS RATH: For the clarity of the Committee, I'm not asking about the matter that's being pursued by the DPP and potential matters regarding Mr Saravinovski's testimony to ICAC and whether that was truthful or not. What I'm asking is whether you, Minister, have ever declared a conflict of interest regarding the Bayside matter. It's completely separate to the current legal proceedings.

Mr RON HOENIG: I'll answer the question this way. If you're asking me, do I have a conflict in anything I may have done in relation to the Bayside matter, the answer would be no. Any conflict I may have had has been managed as I am required to manage it.

The Hon. CHRIS RATH: Has been declared—

Mr RON HOENIG: Has been managed in the way in which I'm required to manage it.

The Hon. CHRIS RATH: Did you talk to anyone about the ICAC investigation regarding Mr Saravinovski after you found out about it?

Mr RON HOENIG: Just let me tell you what I can tell you. Then if there's anything I can tell you after that, you'll at least get some idea of what I can answer and what I can't answer. That's why I'm being very particular—because I can't infringe orders. Otherwise you'll just get no answers, so I'd rather just tell you what I can tell you and then, if there's anything flowing from that, you can ask. You know from the evidence given by the chief commissioner in estimates recently that I am limited in what I can discuss in relation to this matter. The secrecy provisions of the ICAC Act as well as the non-disclosure orders made by NCAT in its judgement in relation to proceedings concerning Councillor Saravinovski remain. I understand that the Legislative Council was informed of the commission's general concerns in relation to the sensitivity and confidentiality of matters via a letter from the solicitor to the commission, Philippa Hook, to Steven Reynolds, Clerk of the Parliaments, New South Wales Legislative Council, on 21 May 2025.

I reference a public document available by ICAC dated 14 August 2025, which states, "The ICAC examined an allegation that, from about 2016, then Bayside city council Councillor Bill Saravinovski and others inappropriately or partially shared or disclosed confidential information to property developers in breach of their duties as public officials. It was also alleged that from about August 2017 Mr Saravinovski exercised his official functions by supporting an unsolicited development proposal by a property developer. Operation Aspen did not proceed to a public inquiry and public report. The matter concerning Mr Saravinovski's conduct was referred on 14 December 2022 to the Office of Local Government under section 53 of the Independent Commission Against Corruption Act. Further, on 29 August advice of the Director of Public Prosecutions was sought in relation to possible criminal prosecutions pursuant to section 14 (1) of the ICAC Act." The document then provides what the commission then did.

That material that was disclosed on the ICAC website was not as fulsomely conveyed to me by Mr Whitworth, who told me sometime in 2024—I think in the latter part of the year—that he had received some material from the Independent Commission Against Corruption relating to two councillors from two councils that effectively alleged what was encapsulated in what I had read, and that they had received that material. They had received it the year before. He told me what the nature of the material was. Nothing much had happened with it, and I said to him, effectively, "You've got to get on with this. You can't just sit on it." I suggested to him that he brief external counsel with criminal experience, because that counsel would have the ability to be able to lead evidence in relation to the nature of that material, the nature of which I can't disclose. That was the end of it, as far as I was concerned, until the following year when the matter was listed. It appeared in the list for NCAT. That's during 2025, I think.

KIERSTEN FISHBURN: It was 2024.

Mr RON HOENIG: Anyway, it appeared in the list in 2024. It was then public that there were disciplinary proceedings. I advised the local member. I advised local party officials that the proceedings were in the list. Shortly thereafter NCAT made non-publication orders and non-disclosure orders, and I then didn't discuss it with anybody in relation to it until after the hearing, when I became aware of further details.

The Hon. CHRIS RATH: So you find out about the ICAC investigation?

Mr RON HOENIG: No, I find out about material from ICAC that had been received in the Office of Local Government for the purpose of disciplinary proceedings against several councillors from several councils.

The Hon. CHRIS RATH: And you're putting together at this time—this is in the lead-up to the 2024 local government election

Mr RON HOENIG: No, this is well before. This is more than a year before that.

The Hon. CHRIS RATH: Yes, well before the 2024 election, but in your own electorate, when the Labor Party is trying to put together its council team for the 2024 election, surely this is a consideration—a factor—when you're assisting the local Labor team putting the council ticket together. Surely this is on your mind when you're putting that ticket together. Surely you spoke to people about—

Mr RON HOENIG: No.

The Hon. CHRIS RATH: You didn't speak to anyone about it?

Mr RON HOENIG: No, I told the local members when it was public, when it appeared in the list at NCAT—

The Hon. CHRIS RATH: Right at the end?

Mr RON HOENIG: —that they should know about those matters because they may not want to be photographed with a person or something of that nature. The Labor Party should know there are disciplinary proceedings taken against a councillor that's before NCAT. They were told that, but after that there was no discussion. That councillor doesn't represent any part of my electorate or anything of that nature. He's from that Rockdale side.

The Hon. CHRIS RATH: But he was the mayor.

Mr RON HOENIG: Not at the time, he wasn't.

The CHAIR: Order!

The Hon. MARK LATHAM: Thank you, Minister, and thank you to the witnesses. Minister, you mentioned you spoke to a Labor Party official about Saravinovski. Who was that official?

Mr RON HOENIG: I just can't remember. It would have been either a Labor Party organiser or somebody employed in the party office.

The Hon. MARK LATHAM: It's a pretty important matter in your electorate. You're telling us you can't remember who you spoke to.

Mr RON HOENIG: It's not really my electorate, but it's adjacent to my electorate. It's one of the four councils in my electorate.

The Hon. MARK LATHAM: You said that you declared some kind of interest about the Saravinovski matter and it was managed. Who did you declare the interest to?

Mr RON HOENIG: I manage any conflict of interest I have in accordance with my requirements.

The Hon. MARK LATHAM: Who did you declare it to?

Mr RON HOENIG: I manage my conflicts in accordance with my requirements.

The Hon. MARK LATHAM: You declared it to yourself. Is that what you're telling us?

Mr RON HOENIG: I manage my conflicts, as I'm required to, in accordance with my requirements.

The Hon. MARK LATHAM: Aren't your requirements to declare it to either the head of the Office of Local Government or the secretary of the department?

Mr RON HOENIG: Whatever my conflicts are, I have declared to the secretary. I have done that.

The Hon. MARK LATHAM: Then how did you manage it? What was the nature of that conflict you declared to Ms Fishburn?

Mr RON HOENIG: That my wife works at Bayside Council.

The Hon. MARK LATHAM: That's it? Not that you'd known Saravinovski for over 30 years as a Labor councillor?

Mr RON HOENIG: No. I've known you for more than 30 years, Mr Latham, and I probably know you better.

The Hon. MARK LATHAM: That's not relevant.

Mr RON HOENIG: But why is that a conflict?

The Hon. MARK LATHAM: That's totally irrelevant.

Mr RON HOENIG: Yes, but why is it a conflict?

The Hon. MARK LATHAM: You're dealing with someone you've known as a Labor colleague for over 30 years. I'm not in any matter on your desk.

Mr RON HOENIG: No, Mr Latham.

The Hon. MARK LATHAM: So it was just relating to your wife?

Mr RON HOENIG: No, Mr Latham, he hasn't been a Labor colleague of mine for 30 years. He's been a Labor councillor of an adjoining council for over a lengthy period of time.

The Hon. MARK LATHAM: Previously at estimates you said that. So it was just relating to your wife.

Mr RON HOENIG: Yes.

The Hon. MARK LATHAM: What's the conflict concerning her at Bayside.

Mr RON HOENIG: Just the fact that she works there.

The Hon. MARK LATHAM: So there's really not much to manage then in the nature of what you declared.

Mr RON HOENIG: No, but it's something that you'd need to advise the head of the department about it and the Premier about.

The Hon. MARK LATHAM: It's on paper with Ms Fishburn, yes?

KIERSTEN FISHBURN: We don't hold the conflicts of interest for Ministers, but a Minister would make that known to me.

The Hon. MARK LATHAM: But concerning Saravinovski himself, you didn't declare anything?

Mr RON HOENIG: Declare what? The fact that I know him?

The Hon. MARK LATHAM: I think you dealt with him in the past and he's been a mayor covering your electorate.

Mr RON HOENIG: Yes. I think that's well known.

The Hon. MARK LATHAM: But it's not declared. When we were last here at estimates, I had an outstanding question that Mr Whitworth took on notice that has been the subject of a fair bit of debate in the upper House. I asked Mr Whitworth did you, as the Minister, mention the Labor preselections and the forthcoming election to which Mr Whitworth at the time replied, "I would have to go back and try to recollect," and he took the question on notice. Minister, what involvement did you have in producing the answer that was subsequently given to this Committee on the parliamentary record?

Mr RON HOENIG: What, that Mr Whitworth gave you?

The Hon. MARK LATHAM: I'm asking about the involvement you had in the answer that came back, saying the matter was listed at NCAT in April 2024, which wasn't an answer to the question I'd asked.

Mr RON HOENIG: I think there may well have been a reply drafted for me.

The Hon. MARK LATHAM: By whom?

Mr RON HOENIG: Staff, or whether it came via the OLG. I don't know, but it's true.

The Hon. MARK LATHAM: What's true?

Mr RON HOENIG: What you've just read out. If that would be the date it was before NCAT, then that would be the date.

The Hon. MARK LATHAM: I asked a question that Mr Whitworth took on notice. Did Mr Whitworth have an opportunity to draft his own reply in his own words to the question that he took on notice?

Mr RON HOENIG: I don't know. Are you talking about an answer I've given, or an answer Mr Whitworth—

The Hon. MARK LATHAM: It's the answer that came back to this Committee and you know the matter I'm talking about. Did Mr Whitworth have an opportunity, in his own words, to draft the answer to the matter he took on notice?

Mr RON HOENIG: Any answer that Mr Whitworth would give that he would take on notice would come from him without being vetted by me, if that's what you're asking.

The Hon. MARK LATHAM: Your evidence is that it's Mr Whitworth, in his own words? On his own initiative he's forwarded an answer that said that the matter was listed by NCAT in April 2024.

Mr RON HOENIG: I don't know what answer you're talking about, but if it's an answer from me, it's come from me, whether it's been drafted from someone else. If it's come from Mr Whitworth, he would have done it himself.

The Hon. MARK LATHAM: What's your recollection of the status of that? Some Ministers say that they take over all the answers that come on notice to a Committee like this. The question was did you, as the Minister, mention the forthcoming Labor preselection and the forthcoming election? Mr Whitworth replied, "I would have to go back and try to recollect," and he took the question on notice. The answer then came back to us officially—it was a non-answer—that it was listed at NCAT in April 2024, which wasn't what I was asking. Where did that answer come from?

Mr RON HOENIG: I don't know. If we're talking about sometime in 2023, I couldn't see on what basis any of those issues would have been even relevant to a discussion.

The Hon. MARK LATHAM: That's not the question I'm asking. I'm asking where—on the parliamentary record—the answer came from and how it was provided to this Committee.

Mr RON HOENIG: I don't know.

The Hon. MARK LATHAM: You don't know?

Mr RON HOENIG: If it's got my name on it, I could tell you; I would adopt it as coming from me. But if it hasn't got my name on it, I don't know.

The Hon. MARK LATHAM: It was a non-answer. Then subsequently, on questions directed to you on notice, through your representative in the upper House, questions 3522 and 3720, I was seeking the answer that Mr Whitworth hadn't given, whether it's from him or you, out of budget estimates. Who provided those answers to the upper House?

Mr RON HOENIG: They usually come via me, if we're talking about the same thing. They usually come via me, but they usually come drafted from the OLG.

The Hon. MARK LATHAM: What conversation did you have with Mr Whitworth about the nature of those non-answers?

Mr RON HOENIG: None.

The Hon. MARK LATHAM: None?

Mr RON HOENIG: None.

KIERSTEN FISHBURN: Would it be useful if I clarified the department's practice in relation to questions on notice?

The Hon. MARK LATHAM: Yes, it would be.

KIERSTEN FISHBURN: When we receive a question on notice into the department on behalf of one of our Ministers, the general practice in the department is that the subject area experts provide some information back to my parliamentary and government services team. All of the drafts then come through my office and are signed off by myself. They are then forwarded to the Ministers' offices. At that point, I can't tell you what occurs.

The Hon. MARK LATHAM: After budget estimates, on the matter that was taken on notice, what input did Mr Whitworth have, Ms Fishburn, to the answer that he took on notice?

KIERSTEN FISHBURN: I couldn't answer that question. I don't know. I've just told you the process.

The Hon. MARK LATHAM: Can you take that on notice and go and find out, because it's a frustrating mystery.

KIERSTEN FISHBURN: I'm happy to take that on notice, but the process would be that information is provided by the subject matter experts. That comes to my parliamentary and government services team.

The Hon. MARK LATHAM: Are you assuming it was Mr Whitworth, who is the subject matter expert, given that he took it on notice?

KIERSTEN FISHBURN: I simply don't know.

The Hon. MARK LATHAM: Can you check that, please, and let the Committee know?

KIERSTEN FISHBURN: I can check that, yes.

The Hon. MARK LATHAM: In the substance of it, when did you first find out that Mr Whitworth was furnishing a citizen's right of reply to the upper House?

Mr RON HOENIG: After he's done it.

The Hon. MARK LATHAM: You had no prior knowledge or discussion with him about the contents?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: How do you explain what looks like a de facto answer to the question that hadn't been answered three times arising from the 28 February estimates, concerning whether or not you'd raised Labor preselections? Mr Whitworth, on the parliamentary record now, as tabled in our Chamber, said:

While the issues of then Councillor Saravinovski's potential pre-selection, the timing of the hearings and any public knowledge of the proceedings, were raised with me by Minister Hoenig ...

How do you explain the fact that you're denying something that your head of the Office of Local Government has furnished to the Parliament as a matter of fact?

Mr RON HOENIG: I can't because I would not have even had those discussions with Mr Whitworth.

The Hon. MARK LATHAM: Mr Whitworth says you raised with him the question of Labor preselection for Saravinovski, which would have been judged as an abuse of ministerial office. When did you do that?

Mr RON HOENIG: To my recollection, I never did. I effectively never discussed the issue with anyone at all until after the hearing.

The Hon. MARK LATHAM: How do you explain that the head of your Office of Local Government has told us on the parliamentary record you in fact did do that?

Mr RON HOENIG: I can't.

The Hon. MARK LATHAM: Have you had discussions with Mr Whitworth about that particular matter?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: You never had a discussion with him about answering the question out of the last budget estimates?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: How did that answer arrive?

Mr RON HOENIG: I don't know. You'll have to ask him.

The Hon. MARK LATHAM: You've got no knowledge at all—that's your evidence—of how the non-answer arrived for the matter Mr Whitworth took on notice from the 28 February budget estimates?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: Are you embarrassed by this?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: Have you got full confidence in Mr Whitworth, given he's told us something you're saying didn't happen?

Mr RON HOENIG: I have the highest regard for Mr Whitworth. He is an experienced, 30-year public servant and award-winning public servant. I'm terribly grateful to the previous Government for having left him to me. I find, really, the allegations that are made against him to be pretty contemptible, Mr Latham. Attack me, if you like—

The Hon. MARK LATHAM: I am.

Mr RON HOENIG: I'm paid for it, but not him.

The Hon. MARK LATHAM: I'm trying to get answers from you. If Mr Whitworth has that character reference, you'd believe he's telling the truth in his citizen's right of reply?

Mr RON HOENIG: I can't comment on somebody else's evidence or their recollection. I can only tell you what's on mine.

The Hon. MARK LATHAM: Have you found that, as a public servant serving you, Mr Whitworth always tells the truth?

Mr RON HOENIG: I've got the greatest confidence in Mr Whitworth.

The Hon. MARK LATHAM: Why, then, would he be saying something that you're denying?

Mr RON HOENIG: You'll have to ask him.

The CHAIR: Dr Cohn.

Dr AMANDA COHN: I'd like to come to the Local Government (General) Amendment (Tendering) Regulation. I understand since that came into effect, there have been a number of meetings between interested stakeholders and the Office of Local Government with discussion of some potential amendments to that regulation.

Mr RON HOENIG: Yes.

Dr AMANDA COHN: Where's that work up to?

Mr RON HOENIG: Mr Whitworth, where are we up to with that?

BRETT WHITWORTH: We are still finalising some of the last bits of engagement with some of those stakeholders. We have commenced the process of instructing Parliamentary Counsel for the regulation, and we hope that it will be gazetted shortly.

Dr AMANDA COHN: Can you provide us any more accuracy than "shortly"? Days, weeks, months?

BRETT WHITWORTH: Hopefully less than months, but you will appreciate Parliamentary Counsel has had a number of significant challenges on its plate when Parliament sits, and we have had a number of bills put in front of it as well. It has been a bit of a challenge to pin down some of the more challenging details associated with the industrial relations component of the provisions.

Dr AMANDA COHN: Thank you for the update, and I look forward to seeing those amendments. Minister, I want to ask you about delegations of authority by councils to senior staff, and particularly to general managers and CEOs. Notwithstanding that there's obviously huge variability in budgets and operational plans for councils, and it probably wouldn't be appropriate for the City of Sydney and Greater Hume Council to have the same delegation to their general managers, do you see a role for yourself or the Office of Local Government in providing guidance about what an appropriate limit on delegations of authority should be?

Mr RON HOENIG: I've not thought about that before but I think it's a worthwhile suggestion, because part of the local government culture that I'm seeking to change is to actually empower councillors to take greater control and responsibility for their decision-making roles. I don't like to tell councillors what to do or what they should delegate or what they don't, so I'm not sure. But I'll give that some thought, because you've obviously got some experience that councils have given too much delegation and that's causing a lack of transparency in decision-making, so—

Dr AMANDA COHN: Thank you, I appreciate your willingness to consider the matter. If I could put a couple of examples to you that have been brought to my attention—

Mr RON HOENIG: Please.

Dr AMANDA COHN: I understand that the delegation at Central Coast Council is double the delegation at the City of Sydney council.

KIERSTEN FISHBURN: Financial delegation?

Dr AMANDA COHN: Yes. To be clear, yes, this is financial delegation, where there actually is a dollar value.

KIERSTEN FISHBURN: Sorry, just for clarification.

Dr AMANDA COHN: Thank you for checking. This is in terms of the council engaging in tenders or contracts et cetera. Central Coast Council has got a limit of \$10 million, which I understand is lawful but for some people doesn't pass the pub test. City of Sydney, for example, has a delegation of \$5 million.

Mr RON HOENIG: I'll have a look at it and give it some consideration. I understand the point. You can't ensure accountability, because you delegate the authority but you don't delegate the responsibility. The fact is, if you can't see it, you're still responsible for what you can't see. I'm pretty conscious of—one of the things that I've started to notice, particularly with those large amalgamated councils, is that the council meeting folders are

becoming huge. Apart from anything else, they're having a lot of material buried away in voluminous material. It's not quite bad as a Cabinet agenda, but it's getting that way. They're also meeting monthly. They're not having committee meetings, as they used to have, so that they could distil their matters in committees before councils. I'm hoping the changes through the code of meeting practice might—it'll require greater time from the councils, but I'm hoping that might break everything down a bit. I'll have a look at that; I think it's a good suggestion.

Dr AMANDA COHN: I appreciate your consideration of the matter of the financial delegations. You've segued into the code of meeting practice and I had a number of questions about that anyway. Specifically to the question of pre-meeting briefing sessions—and you certainly have the enthusiastic support of The Greens in banning the closed-door, confidential briefing sessions where that's not under the terms set out by the Local Government Act. I'm aware that it's the practice of some councils to have a pre-meeting briefing session for councillors which includes, for example, presentations from relevant council staff about design options for a building or presenting results of community consultation et cetera. That can be done in a public forum in the council chamber or webcasted. Is it your intention, with the new code, to also ban pre-meeting briefing sessions where those are actually available and accessible to the public?

Mr RON HOENIG: There are some reasons for that apart from transparency. That is that councillors can have the same setup by formally having a committee meeting of the council. Councillors' only lawful authority is when they collectively sit, either as a council meeting or as a committee meeting—the collective function. That's when they have their statutory power and their responsibility and, more importantly, when the councillors actually have control of their proceedings and can actually determine—for example, under sections 10A, 10B, 10C et cetera—whether or not matters are confidential and the press and public should be excluded for sensitive matters. Absent that process, there is no power that I can think of that makes those documents confidential or sensitive just because you say it is, unless the statutory processes are followed.

If you keep councillors doing what they're legally required to do, collectively determining their process—they don't all have to be on a committee; they can divide themselves up, if they like, into different committees—then you have them performing the functions that they're elected to perform. If they want to go away for a weekend and have some presentation about future planning workshops or something of that nature, that's fine. But this issue of corralling the councillors before a meeting and house-training them to make a decision when they walk in the meeting—it started in Albury, would you believe, about 14 years ago as a mechanism to avoid public scrutiny, and it just mushroomed from Albury as a convenient—

Dr AMANDA COHN: I'm delighted you brought up Albury, because it was in my term of council that we made those briefings public, including webcasting.

Mr RON HOENIG: The mayor never told me that it was at your instigation, but he certainly told me that they'd changed it and made it public. But I want it done by councillors that are lawfully sitting collectively as councillors, where they have the authority to make decisions and to control their proceedings, rather than—the other issue is, too, that council staff are easily influenced by views of councillors because, effectively, they work for them. Sticking, say, town planners behind closed doors with individual councillors who might have a view about a rezoning shouldn't occur behind closed doors. They should be public.

Dr AMANDA COHN: There's absolutely no disagreement from me on that point, Minister. I suppose what I'm getting to is, if the councillors wanted to receive information and have a discussion in advance of having to make a decision, for example, because the subject matter's complex or lengthy and they might only have three days with a business paper, could they then, under your new code, invite staff to make such a presentation to a committee meeting for discussion and questioning without a decision?

Mr RON HOENIG: The council can, at any time, resolve itself into a committee of the whole, for example, and the benefit of doing that is that you don't have to stand up when you speak and you can speak multiple times. It's not unusual for a council, even in my time, to resolve itself into a committee of the whole so it can carefully examine something. You don't need to call it at a separate time.

The Hon. CHRIS RATH: Minister, we'll go back to Bayside. Upon hearing that Mr Saravinovski was under investigation by ICAC, did you mention this to former councillor Jo Jansyn?

Mr RON HOENIG: I didn't know that Councillor Saravinovski was under investigation by ICAC. I knew he had been, from the nature of the material that Mr Whitworth had told me that the OLG had received.

The Hon. CHRIS RATH: Did you mention that to Jo Jansyn?

Mr RON HOENIG: I don't think I mentioned it to her, but she worked in my office at the time. She may well have been aware of that—well, she may well have been aware of what was occurring, like other members of staff were.

The Hon. CHRIS RATH: How would she have been aware?

Mr RON HOENIG: Because your staff are aware of what goes on in your office.

The Hon. CHRIS RATH: Did she overhear it or something?

Mr RON HOENIG: Whether she did or whether she—what was occurring was not something that was withheld from staff. You just expect confidentiality, that's all.

The Hon. CHRIS RATH: Is it your understanding that Jo Jansyn then informed Labor headquarters that Mr Saravinovski had a matter currently being looked at by ICAC?

Mr RON HOENIG: I don't know about—I would have been disappointed. If she knew and if she told anyone, I would be quite disappointed.

The Hon. CHRIS RATH: Did you talk to David Dobson at all about the nature of the ICAC matter into Mr Saravinovski?

Mr RON HOENIG: I don't know which Labor Party official I told that proceedings were before NCAT.

The Hon. CHRIS RATH: What about ICAC?

Mr RON HOENIG: No, I would have said matters are before NCAT—disciplinary proceedings have been commenced before NCAT. After that, I didn't discuss it with anyone, really, because of the non-publication orders.

The Hon. CHRIS RATH: You don't remember who you had that conversation with at Labor head office?

Mr RON HOENIG: No, I don't. I just wanted to discharge the obligation and I told them.

The Hon. CHRIS RATH: Did you talk to the Premier at all about this matter?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Did you talk to Minister Kamper?

Mr RON HOENIG: He was one of the local members I told.

The Hon. CHRIS RATH: Did any of the conversations you had regarding either NCAT or ICAC involve dumping Mr Saravinovski from the Labor ticket at the 2024 council election?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Did you discuss it at all with other Labor candidates at the time?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Ed McDougall, Soraya Kassim or Joe Awada?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Did you ever talk to Mr Saravinovski about it?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Did you talk to the general manager of Bayside Council about it?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: When were you first made aware that Mr Saravinovski was going to be dumped from the Labor ticket for Bayside Council?

Mr RON HOENIG: I was never made aware that he was dumped. I was made aware that his son was taking his place.

The Hon. CHRIS RATH: Do you remember when?

Mr RON HOENIG: No. They were all shortly before the local government election, I think.

The Hon. CHRIS RATH: Do you remember who told you or how you were made aware?

Mr RON HOENIG: Yes, it was a Labor Party circular.

The Hon. CHRIS RATH: Do you sit on Labor's admin committee—

Mr RON HOENIG: I do.

The Hon. CHRIS RATH: —as the Premier's representative?

Mr RON HOENIG: Yes.

The Hon. CHRIS RATH: Did this matter come to the admin committee?

Mr RON HOENIG: What came to the admin committee were the results of the nominations of candidates—

The Hon. CHRIS RATH: Like the final ticket.

Mr RON HOENIG: —for endorsements of all the councils come to the admin committee.

The Hon. CHRIS RATH: The final ticket to endorse, essentially.

Mr RON HOENIG: Yes.

The Hon. CHRIS RATH: Did you declare a conflict of interest when it came up?

Mr RON HOENIG: No. Why?

The Hon. CHRIS RATH: Because you're the Minister for Local Government. You had intimate knowledge about what was going on regarding ICAC and NCAT, and the ticket that was put forward had Mr Saravinovski dumped from it. It's also your own council.

Mr RON HOENIG: It's one of four councils. There are some 50 councillors who represent my electorate. I know them all. There would be about 52 or 53 Labor Party candidates who are vying for preselection for various councils in my electorate. The names come up on a sheet as to who happen to be the candidates or not on an administrative committee list. What's the problem?

The Hon. CHRIS RATH: You're the Minister for Local Government.

Mr RON HOENIG: So?

The Hon. CHRIS RATH: You have governance capability for all of the councils across the State.

Mr RON HOENIG: Yes.

The Hon. CHRIS RATH: A ticket comes forward that you had in-depth knowledge about—the reasons why certain people were no longer on that ticket—and you didn't think it was a good idea to declare that you're potentially conflicted in that regard, given the relationships that you had and given that, as you said before, your wife works on the council. You have all of these relationships, and you didn't even think it was a good idea to declare a conflict.

Mr RON HOENIG: I don't accept the premise of your question, really.

The Hon. CHRIS RATH: What do you think is the threshold for declaring a conflict, whether it be at Cabinet, at the Labor admin committee or in decision-making? It seems that whether you have decision-making powers and extensive relationships doesn't reach that threshold to you.

Mr RON HOENIG: In any event, those are matters for the ALP, not for this Committee.

The Hon. CHRIS RATH: Yes, Minister, but the issue is that you are the Minister for Local Government. You also sit as the Premier's rep on the admin committee. Does the information that you receive as Minister for Local Government influence the decisions that you make on the admin committee?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Do you ever report any issues regarding your portfolio as a Cabinet Minister to the Labor admin committee?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Minister, are you aware, or what is your understanding, of what happened to the previous proposal for the Boulevard car park in Brighton Le Sands, which was awarded to Boulevard Oasis Pty Ltd?

Mr RON HOENIG: I knew nothing about it at all until after the NCAT hearing—absolutely nothing about it until after the NCAT hearing, and I can't say any more than that.

The Hon. CHRIS RATH: Were you aware that the current general manager was aware that the proponent was the brother of sitting councillor Tarek Ibrahim?

Mr RON HOENIG: Because of the variety of secrecy provisions—non-publication orders—I cannot either confirm or deny anything you're asking me about that.

The Hon. CHRIS RATH: Fair enough. Minister, would you consider a 20 per cent increase in ministerial office expenses in 2024-25 a good use of taxpayer funds?

Mr RON HOENIG: Yes.

The Hon. CHRIS RATH: You've got a government at the moment that's slashing public servants, reducing cost-of-living support and cancelling projects across the board, but you think it's a good idea to increase your own staff and expense budget by 20 per cent.

Mr RON HOENIG: I don't know. You could probably go and ask all of those councils that I've been visiting on the road or who want to meet with me or want me to visit and ask them whether or not they appreciated me going or whether they would prefer me to cut back on expenses, sit there in Sydney and not go and examine their problems in rural and regional New South Wales.

The Hon. CHRIS RATH: Was any of the budget used for developing social media content?

Mr RON HOENIG: Were some of the staff utilised to assist me in social media content? The answer would be yes.

The Hon. CHRIS RATH: Have you ever used a private jet since you became a Minister?

Mr RON HOENIG: A private jet? Is that like chartering a plane?

The Hon. CHRIS RATH: Yes.

Mr RON HOENIG: Yes, I think the Community Cabinet went to Broken Hill and we all went on a chartered plane. I'm not doing that again because it cost three times as much to go on that thing out of my budget.

The Hon. CHRIS RATH: Is that the only time that you've used a private jet since becoming the Minister?

Mr RON HOENIG: Yes.

The Hon. CHRIS RATH: How many ministerial staff are currently local government councillors?

Mr RON HOENIG: None. It is none, isn't it?

KIERSTEN FISHBURN: In your office? No.

Mr RON HOENIG: I haven't got any.

The Hon. CHRIS RATH: No, across the ministerial staffing pool.

Mr RON HOENIG: None.

The Hon. CHRIS RATH: No ministerial staff across all of the ministerial offices are—

Mr RON HOENIG: In all the ministerial, I wouldn't know. I can only tell you who's on my staff.

The Hon. CHRIS RATH: None on your staff. But there are councillors that work for the Minns Government in ministerial staffing positions?

Mr RON HOENIG: I imagine so. I know one of my mayors—

The Hon. CHRIS RATH: Your local mayor.

Mr RON HOENIG: Two of my local mayors are ministerial staffers. Is it two? Who are the others? The other one is Clover Moore. I think three might be working in the political process. Two might work for State ministerial staffers.

The Hon. CHRIS RATH: Are you confident that they've all declared conflicts of interest when matters have arisen?

Mr RON HOENIG: I don't know. They all do pretty good jobs so I would be surprised if they didn't.

The Hon. CHRIS RATH: Why did the Minns Government reverse the previous Coalition Government's directive of not employing councillors as ministerial staffers due to inevitable conflicts of interest arising?

Mr RON HOENIG: I can't answer that question. You'd probably have to ask whoever made the decision. I'm facing this difficulty, actually, within the local government sector itself over conflicts of interest, whereby so concerned are councillors, they're almost in paralysis from making decisions because they happen to know somebody or they've gone to some football presentation and maybe they could have a conflict of interest. I think

you can create paralysis by that. Effectively, these conflicts are to avoid corruption or undue or improper influence. Just because you know somebody, that doesn't create a conflict in itself. Otherwise, you'd never be able to make any decision. That's the sort of paralysis in some parts, particularly rural New South Wales, that's occurring with some of the councillors.

The Hon. CHRIS RATH: But say you're a ministerial staffer advising the Minister on a policy area and an issue comes up before the Minister about, say, funding in a particular council area that you happen to be the councillor for. Surely that's a conflict?

Mr RON HOENIG: If you regard that as a conflict then you manage it, don't you?

The Hon. CHRIS RATH: How should that be managed?

Mr RON HOENIG: You would declare it and remove yourself from the decision-making process, if you were publicly perceived to be getting a benefit from it. Sometimes you just declare it, just so the people know that you know somebody. Otherwise, you create paralysis. If I were to declare—I was in local government for 30 years before I got elected here. As I'm moving around the State, I'm catching up with people. There are 1,276 councillors and I probably know about 500 of them. Just because you know somebody, it doesn't mean that there's a conflict.

The Hon. CHRIS RATH: Was your advice sought when the decision was made to allow Ministers to employ councillors?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Was the Office of Local Government's advice sought?

Mr RON HOENIG: I don't know.

BRETT WHITWORTH: No.

KIERSTEN FISHBURN: It's not a question for the Office of Local Government.

The Hon. CHRIS RATH: It was a decision presumably made by the Premier or the Premier's office?

Mr RON HOENIG: I don't know. You would have to ask them.

The Hon. CHRIS RATH: In terms of meetings, you've said you met with lots of councils across the State. How many councils have you met with?

Mr RON HOENIG: I'll tell you. I've got a list. Albury; Armidale; Ballina, two times; Balranald; Bathurst; Bayside; Bega Valley; Bellingen; Blacktown; Bogan, two times; Bourke, two times; Brewarrina, two times; Broken Hill, four times; Burwood, three times; Byron; Campbelltown; Canada Bay; Canterbury-Bankstown; Central Darling, six times; Central Coast; Cessnock, two times—

The Hon. CHRIS RATH: Minister, over what period is this?

Mr RON HOENIG: —Newcastle, two times; City of Parramatta; City of Sydney, four times; Clarence Valley, two times; Cobar, two times; Coffs Harbour; Cootamundra-Gundagai, four times; Eurobodalla, two times; Edward River; Federation, four; Goldenfields Water County Council; Glen Innes, two times; Gunnedah; Greater Hume; Gwydir; Goulburn; Inverell; Hay; Hunters Hill; Kyogle; Kempsey; Lachlan; Lake Macquarie; Lane Cove, two times; Lismore, two times; Liverpool Plains; Lockhart; Maitland; Mid Coast; Moree Plains, two times; Murray, two times; Narromine; North Sydney, two times; Penrith; Port Macquarie; Randwick, five times; Richmond Valley, two times—

The Hon. CHRIS RATH: Minister, over what time period is this?

Mr RON HOENIG: Two years. I've got more. Rous County Council—

The Hon. CHRIS RATH: Minister, maybe you could table that since—

Mr RON HOENIG: No, I think you should hear them all so everybody can hear it. Singleton; Silverton Village; Snowy Valley, four times; Strathfield; Temora, four times; Tenterfield, two times; Tweed, three times; Upper Hunter, three times; Upper Lachlan, two times; Uralla; Wagga Wagga; Walgett; Walcha; Warren, two times; Warrumbungle; Waverley; Wentworth, two times; Wingecarribee; Wollondilly; and Yass Valley. That's 80 councils.

The Hon. CHRIS RATH: Minister, did you personally draft the changes to the local government code of conduct yourself?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: You obviously sought advice from OLG.

Mr RON HOENIG: No. The code of conduct is not just a code of conduct. There are a number of parts to it. Do you want me to tell you what those parts are?

The Hon. CHRIS RATH: No, that's okay, Minister. What I would like to know is, with the Land and Environment Court—which is now part of the new process—what is the threshold to make a claim before the Land and Environment Court? Obviously, as you said, it's a superior court. I think you've said in the media release that it is matters regarding misconduct. But what is that threshold? I assume it's quite a high threshold to go to the Land and Environment Court?

Mr RON HOENIG: No, I've actually provided for a public interest test. Because it is a superior court and its rulings will be law, I've given the court a pretty broad public interest test. If you want to seek disqualification, suspension, fine, restitution, those would be the orders that you would seek, and the test that the court would apply would be a public interest test.

The Hon. CHRIS RATH: As an example, on 30 July two councillors at Cumberland council got into a screaming match that went viral. You're probably aware of that particular incident. Firstly, are you aware of it? Secondly, is that the kind of thing that would go to the Land and Environment Court, or does that not meet the threshold under the test that you've set?

Mr RON HOENIG: I would think that under the new code of meeting practice, the matter wouldn't have gone that far.

The Hon. CHRIS RATH: Because the mayor would've booted the councillor out?

Mr RON HOENIG: Yes, and the mayor would have known to sit the councillor down immediately as soon as he said something that he shouldn't have said. It's part of that culture change—nip all that behaviour in the bud via the code of meeting practice.

The Hon. CHRIS RATH: Isn't there a risk, though, that you could clog up the Land and Environment Court with personal disputes between councillors? Shouldn't the court be focused on more important matters?

Mr RON HOENIG: I've talked to the chief judge about that. I don't think so, because it's like the Protection of the Environment Operations Act. You would need to get leave, if you were not a statutory authority or a Minister commencing proceedings, so the court would be able to filter that out. That prevents the vexatious litigation. There will be another mechanism for minor matters, and that's the suggestion Mr Whitworth had, which requires legislation, which will be a privilege committee of former experienced or current mayors that sit there to deal with the relatively minor matters.

The CHAIR: We now move to questions from the Government.

The Hon. PETER PRIMROSE: There is only one. Minister, are there any matters on which you wish to elucidate?

Mr RON HOENIG: Maybe just for the Committee to have some understanding about the code of conduct process. Everybody uses the code of conduct like it's a single-type bible that is solvable. The process is a multi-stepped process—firstly, to prevent people from ignoring the right of political communication, by doing a guideline. Secondly, there is the Land and Environment Court process, so there is a mechanism whereby, effectively, the Government can take poor behaviour and get people out of local government to preserve it without going through the convoluted process.

Then there is the code of meeting practice. It's a bit like going back to the future, like the old Ordinance No. 1 and old Local Government (Meetings) Regulation, whereby the mayor will take control of the council meetings and whereby their proceedings will be transparent, and removing the general manager from the political processes of the council meeting to try to have the general manager removed from getting involved in the political processes. Then there are the pecuniary interest provisions, which I've extracted for the bulk of that to go into a regulation, which will be similar to the constitutional regulations—it will be modelled on the constitutional regulations—which shortly will be regulated.

The delay in respect of that has been that the privileges committee of each House has had a different view as to what should be in that regulation, as did the Chief Commissioner of ICAC. The two privileges committees and ICAC have come to an accommodation. The Government has come to an accommodation, so now we'll be able to regulate on that basis. I think the only dispute is that the Legislative Council and the Legislative Assembly have different views about private disclosures, because you're going to need to have private disclosures. But, anyway, the regulation is ready. That regulation will do what Ms Mihailuk asked us to do, and that is to have

overseas property ownership required to be declared. We'll also pierce trusts, so you won't be able to hide beneficial ownership behind trusts.

And then there is the code of conduct, which is hopefully a slimmed-down version, which will be divided into two. One is for staff, rather than having one for staff and councillors. They're now sitting on my desk, waiting for me to get to them. They've been drafted by the OLG. I've just got to go through that carefully because I don't want to hamstring councillors with micromanagement of words. I'm just trying to get it simple. These are generational changes. It won't happen again for some decades. I just want to make sure I get it right. The reason I need to go through it pretty finely is that they had these rules that restrict certain things of mayors and councils in the previous code, but it also restricted administrators. When you had a council sacked and the administrator goes in, the administrator goes in, you think, with executive authority to clean the place up. But he or she actually doesn't have that authority because the code restricts the authority of the general manager. If the general manager is the problem, then the administrator just can't get to the cause of the problem.

The last piece of the jigsaw puzzle is actually sitting on my desk, and I just haven't had time to get to it. Hopefully they will all be in place by 1 January. That's the ambition. But the time has not been wasted because, as you can see from all those people I've met, the Government can regulate and it can legislate but it requires a cultural change, and you've got to take them with you. I'm not saying anything different now than I was 2½ years ago. Two and a half years ago they were complaining about everything I said. Now, I've pretty well taken them on this journey, and so I think it's going to have a pretty dramatic increase. I've just got to be careful, because I can't prepare rules just for four or five councillors that misbehave, when there are 1,276. I think that will at least fix that issue up, which has been a major source of frustration, I think, to everybody.

Dr AMANDA COHN: If there are no further questions from the Government, we will break for morning tea. We will be back at 11.15 a.m.

(Short adjournment)

The CHAIR: Welcome back. We will start with further questions from the crossbench.

Dr AMANDA COHN: Minister, submissions to the Companion Animals Act review discussion paper have closed. The last update on the OLG website was that the Government's now analysing the submissions and formulating the next steps of the review. Do you have an update on that work?

Mr RON HOENIG: Mr Whitworth, what's that up to?

BRETT WHITWORTH: We have been compiling the submissions, reviewing them and going through the normal process so that we can prepare to put them on the website. We also have a draft submissions report that has been prepared, which we hope to release shortly. As I've been saying to the team, now that a number of the inquiries have come and reported, including the cat containment inquiry, we're very much point at the point of trying to pull together the key themes, the reforms and the next steps of action.

Dr AMANDA COHN: Can I just clarify part of your answer there? Is it your intention to publish the submissions that you receive to the discussion paper?

BRETT WHITWORTH: Yes.

Mr RON HOENIG: Quicker than the last lot in relation to the code of conduct, I can tell you, Dr Cohn.

Dr AMANDA COHN: The 2025 cost-shifting report from Local Government NSW made a number of important findings, but one of them was a relatively significant increase in the net costs of managing companion animals. There is obviously really significant community interest in the ability of councils to appropriately discharge their responsibilities in this space. How are you supporting local councils to manage the increasing costs of this work?

Mr RON HOENIG: I think, ultimately, you'll probably have to wait for the Government's decision in respect of the Companion Animals Act and the POCTA Act, which can, hopefully, be done in parallel with each other because there is a number of policy decisions that have to be made along the way, and they're all going to be interrelated, and they're all quite difficult to land on.

Dr AMANDA COHN: So if a council's struggling financially to meet its current obligations, it has to wait for the review of the legislation for financial support?

Mr RON HOENIG: In this area? You're talking about financial support for pounds? Is that what you're talking about? They've got an obligation to provide pounds. They're given back about—of the \$8.5 million that's taken for pet registration fees, they get back about \$6.5 million of it. Pounds are their responsibility but, as you

know from the pounds inquiry, they're at capacity. The Government outsources its POCTAA responsibilities, which are not my portfolio responsibilities, if the pounds aren't managed in accordance with animal welfare standards. Councils don't want to take any more into their pounds because otherwise they might infringe those standards. There's just so much work that has got to be done in this space. I'm struggling with a variety of solutions. I'm conscious of the problems, but I'm struggling with the solutions.

Dr AMANDA COHN: I want to come back briefly to City of Parramatta Council, which we touched on this morning. It has also been reported that City of Parramatta Council spent over \$4 million in payouts to staff over about a three-year period, including nondisclosure agreements with staff who were terminated. What access should councillors have to those sorts of arrangements? When you're looking at costs like \$4 million, surely councillors should have access to that kind of information in terms of their strategic planning for the organisation.

Mr RON HOENIG: Without singling out Parramatta—because, ultimately, the councillors have the authority to force the production of whatever they want to force production of, in my view. Where the code, which is given regulatory force, prevents that from happening, that's one of the matters I want to ensure are fixed. There has been a culture—this is part of the changes, and that's why they're taking so long—whereby, somehow or other, councillors are being marginalised to think that all these things are all just determined by the general manager. Some of them have given themselves a self-appointed title of chief executive officer, where the Act only provides for general managers. I've got to redress that balance, but I've got to work out a way to address that balance that enables proper scrutiny but is not open to abuse. I don't want to single out Parramatta, but I want to say generally the point you're making is well founded.

Dr AMANDA COHN: It's not my intention to single out Parramatta either, but it's a timely example of much broader issues.

Mr RON HOENIG: No, you're using it as an example, but I don't want to be seen, as the Minister for Local Government, singling out Parramatta in respect of something that I think is a cultural issue.

Dr AMANDA COHN: Sure. While we're on senior staff, section 333 of the Act, which relates to the review of the organisational structure of the council—when it says that the council must review and redetermine the organisation's structure within 12 months after ordinary election of the council, is it your understanding that that refers to the councillors, as in the governing body, or the council as the organisation run by the general manager?

Mr RON HOENIG: No, the councillors as the governing body. They determine the structure. Brett has got a different view, but that's never been my view since 1993. My view will prevail and, if it doesn't prevail, I'll seek to amend the law to ensure that it does.

Dr AMANDA COHN: Thank you. That's a helpful clarification. We were talking earlier this morning about councillors having access to complete information in making decisions. You indicated that withholding material from decision-makers isn't appropriate, and I agree with you. I'm aware of a number of instances where mayors and general managers have been able to access advice through either the Office of Local Government or Local Government NSW, but councillors are then not given that advice or not given the opportunity to seek their own advice. Would you consider extending that kind of information or informal advice to all councillors?

Mr RON HOENIG: I happened to have sent to me—probably by somebody who was making a complaint—this detailed opinion given to them by an obviously very smart employee of the Office of Local Government: a two-page, single-spaced email about what the solution to a particular issue was. I'm always on Mr Whitworth's back about getting stuff back quicker. He doesn't say it to my face, but he probably complains to Ms Fishburn that I've got unreasonable demands in terms of the speed of things getting done. I'm not comfortable with utilising the resources of the Office of Local Government to provide the type of advice that I saw to whoever got the provision of that advice.

Local councils are members of Local Government NSW, whose function it should be to provide them with that level of advice. It's a different story altogether if it's a regulator function: if it's a function of the regulator, say, to approve something or to monitor something, maybe financial. It might be permission to borrow against reserves. It might be that to do something may be said to be unlawful in terms of achieving an objective, and the OLG are the regulator. It's a different thing to be providing detailed advice on how to chair a meeting or how to deal with a problem councillor or that sort of thing. I'm not sure that's their function. I've not applied my mind to a whole range of what they might be doing, but I think some of that stuff should be going to Local Government NSW.

Dr AMANDA COHN: In the instances where that advice has been provided or does exist, and it's been given to a mayor or to a general manager, is it your view that all councillors should have access to that advice if it relates to a decision they're being asked to make?

Mr RON HOENIG: If it's a relevant issue that is needed for the decision-making process of the governing body then they should have it. You'll probably see that I've incorporated in the code of meeting practice a requirement that if a councillor wants specific information prior to a meeting that that information given prior to a meeting is available to everybody. I think that's just the way that councils should generally operate.

The CHAIR: Minister, in the last round I was asking you about the Pet Registry. I know people were talking about the fact that the funding for the Pet Registry has now gone to complete the work that needs to be done in regard to the puppy farming legislation. Are you aware that the Office of Local Government has been trying to get funding from DPIRD to ensure that work can be completed. At this point, I did ask yesterday in the budget estimates for Agriculture, and I was told that DPIRD are providing some money but it's unknown how much or when that will come. I know that's been causing the Office of Local Government a lot of stress because they're having to try to find the funding for this aspect of the puppy farm bill. Are you aware of this, and what's happening now to support the Office of Local Government while this funding hasn't come through?

Mr RON HOENIG: Ms Fishburn has been working on that, so she can give you some information.

KIERSTEN FISHBURN: There have been discussions ongoing with DPIRD about a contribution to this particular work. I've discussed it with my counterpart, the secretary of DPIRD, and we are just working out the final logistics of it. There is no dispute. It's absolutely fine.

The CHAIR: Minister, have you spoken to Minister Moriarty about this at all?

Mr RON HOENIG: I don't recall that I have. I have spoken to her about—no, I don't think so. Not this issue.

The CHAIR: If this issue isn't resolved in the next few weeks or so, is that something that you're willing to do?

Mr RON HOENIG: Yes.

KIERSTEN FISHBURN: It will be resolved in the next few weeks. I can assure you of that.

The CHAIR: Thank you, Ms Fishburn. I appreciate that.

RACHEL CONNELL: I can confirm from our end as well that's the case.

The CHAIR: Minister, last week I tagged you in an Instagram video posted by *The Real Housewives* and *Bondi Vet* star Dr Kate Adams. In the video, Dr Kate Adams talks about the fact that yet another stray cat has been dumped outside of her vet clinic. She indicates that she called the council pound who refused to take the cat. She called every rescue organisation. She was told that they are all completely full. This left her in the absolutely awful situation that many vets are faced with, where they have to deal with the emotional burden of euthanising a healthy cat or releasing the cat into the wild, not knowing what will happen to the cat or what will happen to wildlife. This is happening to vets every single day. These are very small businesses. Even where they euthanised that cat, obviously it cost the business money as well as the emotional burden. The cat overpopulation crisis is not really the responsibility of vets and small business owners, as I'm sure you would agree. Minister, what is your response to Dr Kate Adams and to every other vet out there who is dealing with this heartbreaking situation every single day?

Mr RON HOENIG: Thank you for the tag. I haven't actually seen it. According to the Pet Registry, there's 1½ million dogs registered and half a million cats. I don't think half a million bears any semblance to the number of cats that are actually out there. Whilst I would like to be in a situation whereby we have sufficient pounds and we have sufficient rehoming organisations—have I announced that funding yet for the rehoming?

BRETT WHITWORTH: Not yet.

KIERSTEN FISHBURN: Not quite.

The CHAIR: You are more than welcome to do it now.

Mr RON HOENIG: Those rehoming organisations are just remarkably successful. They are rehoming something like 70 per cent. If you tell somebody who doesn't know anything about this space, they wouldn't believe that they are being so successful. There are so many decisions that have got to be made in this space in relation to cats. You chaired the committee on cat containment, and I read what you published today in your op ed. Funding is needed at some point for a desexing scheme for what some call community cats and others call feral cats. Simply catching them and euthanising them is not necessarily a solution either. Funding is needed for a coordinated approach in respect of pounds, in relation to enforcement, in relation to how much revenue you can derive through registration. What level of regulation do you apply? If you apply certain levels of regulation, is there a cost; and, therefore, does the cost of that regulation and registration become a deterrent to low

socio-economic sections of the community who want the benefit of pets? I just think it's a very complex area that I don't have a solution for.

The CHAIR: I totally appreciate that it's a very complex situation, but my question to you is what is the Government doing right now to support these vets that are at the forefront of having to deal with the homeless cat crisis that we have got in New South Wales? At the moment, obviously there is no quick, easy solution. But they want to make sure that action is happening so that they can see an end to this at some point. I just wanted to get from you an answer for those vets. What is the Government doing right now to urgently begin to address this situation?

Mr RON HOENIG: I don't want to use this terminology to put you off, because I very much value your advocacy in this space. Without your advocacy, we wouldn't have achieved what we have achieved. I concede that. The trendy buzzword is "whole-of-government approach". That's often used to push something away. I'm not pushing you away, but I am saying to you that I'm conscious of it. I'd like to make interrelated decision-making processes in line with the POCTA legislation and the Companion Animals Act and come to a resolution about what sort of registration fee we apply. I'd like to be convinced that a community education campaign where funding is going does actually work, or whether it doesn't work. I'm told it does, but it may well be the only option because no-one sees another option. I can just tell you that I get it. I see the problem. I don't have an immediate solution. I know everything is incremental, but just ask the vet to be patient. I get it. I just don't have an immediate solution. I can't even—I'm not sure what to do with cat containment.

The CHAIR: Minister, with that comment about asking the vet to be patient, what do you think the vet in this situation should be doing right now? If the council won't come and pick up stray cats, if they can't rehome those cats because the rehoming facilities are all full, if they don't want to euthanise that cat because of the emotional burden, what do they do in these situations?

Mr RON HOENIG: With the Companion Animals Act review, the current Companion Animals Act—which hasn't been looked at for 20 years—doesn't apply to dogs. So if a dog is running around the streets, there can be possession. With the Companion Animals Act, there would be an expectation, I'd imagine, from the community—and not an unreasonable one—that the same would apply to cats as well, that they would be seized wandering around streets. I haven't got a finalised view, but I just think that's probably reasonable. That means that there are going to be more cats picked up and taken to pounds. The problem is going to be exacerbated. If the council is picking up the pets, it's bound to take them to a pound, isn't it, because it's picking up the cats.

The CHAIR: Have you heard, Minister, that the RSPCA are now also refusing to take stray cats, and have you heard any feedback about any additional burden on council pounds since? I know some pounds do take cats and some don't. Have you heard about additional burden on these council pounds that do take cats since the RSPCA has announced—

Mr RON HOENIG: I don't know whether the burdens are specifically in respect of that but, as you know from the pounds inquiry, the pounds have been significantly burdened since after COVID.

The CHAIR: Opposition?

The Hon. CHRIS RATH: Point of order: Chair, I was wondering if we could have a very short deliberative? I'm sorry to do this, but there's an issue I think we need to discuss very briefly. I'm happy for it to come out of our time.

The CHAIR: That's fine. We are just going to have to go into a short deliberative. Could I ask everyone to clear the room, and the secretariat will contact people when we're back on.

(Short adjournment)

The Hon. NICHOLE OVERALL: Minister, quite fortuitously perhaps, I'd like to go to the newly released code of meeting practice for a bit more of an in-depth chat about that. I will be as professional as I always am. It is good to see that it is—particularly in circumstances that we've witnessed here this morning—but even the ICAC commissioner has stated his clear concerns about the fact that it has taken 2½ years to be done. Why was he so concerned about the delay?

Mr RON HOENIG: I suppose that's something you'd have to ask him, not me.

The Hon. NICHOLE OVERALL: He hasn't expressed to you—

Mr RON HOENIG: I can't speak for him. I just want to say this: When I became the Minister, the OLG had 45 people in its office. An Auditor-General's report was the first thing presented to me, saying that the organisation was not capable of doing or discharging anything and there had been substantial failings. That's what

I inherited. When I go back and look, it had been like that for more than a decade. What I worked out was that, when my predecessors were supposed to do something, they didn't have the staff that were able to do it so they would just get a consultant's report. That would be how they would manage to do anything.

The Hon. NICHOLE OVERALL: So you've increased the staffing levels of the OLG?

Mr RON HOENIG: Yes, substantially.

The Hon. NICHOLE OVERALL: What numbers are you looking at now? You said 45.

Mr RON HOENIG: At the moment? I'll tell you exactly what they are at the moment. Including parliamentary and government services, they have got 101 employees.

The Hon. NICHOLE OVERALL: And that's up from 45?

Mr RON HOENIG: It's an increase of 31 employees compared to one year earlier. Once all positions are filled under that new structure, they will have 129 staff members.

The Hon. NICHOLE OVERALL: That's great—more resourcing for the Office of Local Government.

Mr RON HOENIG: What I'm saying to you is I was able to get \$9 million from the Treasury in the first year to try to add capacity to the Office of Local Government. It was given to me conditionally upon the Greater Sydney planning commission going, but very few people would take positions for one year's worth of funding. The following budget I got \$37.2 million from Treasury for funding for a three-year period, and Mr Whitworth and Ms Fishburn have been restructuring the department and the office and have been equipping themselves.

The Hon. NICHOLE OVERALL: I get it. That's great.

Mr RON HOENIG: The only reason I'm telling you that is that, when it has taken longer than I wanted it to take, it was an internal capacity issue that we were building.

The Hon. NICHOLE OVERALL: So it wasn't that it was sitting on your desk, Minister. It was the internal capacity to deal with it and provide what was required?

Mr RON HOENIG: And, as I said before the break, what you refer to as a code of conduct—there are a number of other steps.

The Hon. NICHOLE OVERALL: I'm aware of how it works.

Mr RON HOENIG: But I've separated all those things.

The Hon. NICHOLE OVERALL: I got that from your previous answers, thank you. There is quite a lot that I want to get through with you, so if we could move along. In relation to your proposed reform for the Land and Environment Court and the suggestion it is a superior court, isn't it already under immense pressure in dealing with all of the other important matters brought before it?

Mr RON HOENIG: Ms Overall, I can say this to you now because he's not in the room. You'd be more comfortable. I can tell you that the OLG proceeded under this convoluted process with Thaler as quickly as the Act allowed it to be.

The Hon. NICHOLE OVERALL: I do understand, Minister.

Mr RON HOENIG: I'm prefacing that.

The Hon. NICHOLE OVERALL: I appreciate that.

Mr RON HOENIG: I also want to tell you that I used my power under the Act to request a departmental report, because the Minister has no involvement in code of conduct complaints. The departmental report I requested—because I was authorised to do it—was completed and given to me, and that was the first time, other than media reports, that I saw the extent and seriousness of those issues that have been concerning you and a number of others. If this bill had have been able to be available to me, I would have—because the bill enables the Minister to do this—commenced proceedings in the Land and Environment Court. I would have sought the immediate suspension of Thaler for what he has been doing, and I would have sought his disqualification. So I would have had him out six or eight months before all this happened.

The Hon. NICHOLE OVERALL: I do appreciate the work and the attention that you've paid to it.

Mr RON HOENIG: That's one example. There are other examples that I'm not permitted to talk about, but there are other examples where people have no business being in local government and should be at least removed immediately but where the system does not allow it to occur. You're only talking about a very small number.

The Hon. NICHOLE OVERALL: I know that it is a small number of very problematic cases, as you have pointed out, but you've also pointed out the number of code of conduct complaints that are continually being received and escalating. I am pleased to hear that defined description you gave—that you, as the Minister, are then able to provide that direction to the Land and Environment Court to have the things potentially looked at more quickly. My question to you, though, comes down to the level of resourcing and the burden that the Land and Environment Court is already under. You talked previously about attending to these matters—expeditiously is the word you used. How can you guarantee that in circumstances like we've just seen and the ones that you've been presenting about will be dealt with expeditiously, given the volume of the backlog for LEC?

Mr RON HOENIG: Because, firstly, the legislation I'm proposing doesn't occur in a vacuum. I've consulted with the Chief Judge of the Land and Environment Court.

The Hon. NICHOLE OVERALL: Is the chief judge able to give a guarantee in that regard, though, Minister? What's the prioritisation going to be?

Mr RON HOENIG: If you're a litigator, you know that you can make urgent applications to the court, or you can make interim applications to the court and the court's available to hear it. That's why they have duty judges.

The Hon. NICHOLE OVERALL: But, again, this is about the prioritisation process, so it's going to step through all of that. Doesn't it—not necessarily expedite matters but it could be bogged down in more bureaucracy, if you're trying to prove an urgent matter.

Mr RON HOENIG: Put it this way: If the Thaler matter was brought to my attention—I mention that because it's one you know about—and I had the material, I would be instituting proceedings. I would be instructing the council, and I wouldn't have to work through a convoluted bureaucratic process to get it done.

The Hon. NICHOLE OVERALL: Coming back to that, the convoluted process when it comes to the bureaucracy, isn't that embedded in the existing legislation? Why haven't you looked at altering the existing legislation directly, rather abrogating responsibility? It essentially looks like you're passing the circumstances onto someone else to be dealing with it—in this case, the Land and Environment Court.

Mr RON HOENIG: I've given you my mode of reasoning for selecting that court. Of course, I've spoken to the chief judge and the Attorney General. They say they've got capacity and are prepared to do it, firstly. If they had kicked up a stink, I would never have got their agreement and I would have had to look for some other judicial mechanism.

The Hon. NICHOLE OVERALL: What will be the measure of success, Minister?

Mr RON HOENIG: This enables, quickly, if Parliament approves it, for there to be just that process. Instead of having to go through a myriad of steps and procedural fairness issues, and all that sort of stuff which the department always gets concerned about—the courts are procedural fairness, so you just cut that process out. That means I can deal with the serious matters. I can get them out. You've also got issues where people are operating when there might be evidence of corruption. NCAT's not an appropriate jurisdiction. With Thaler, for example—because no-one's here, I'll tell you—

KIERSTEN FISHBURN: It is still being broadcast.

Mr RON HOENIG: Okay. I asked NCAT for an expedited and urgent hearing, and they said no.

The Hon. NICHOLE OVERALL: You're suggesting that the Land and Environment Court would look at that differently?

Mr RON HOENIG: Yes. As I indicated when I read the departmental report and understood the seriousness of it—the health impacts on people et cetera—people come to government for protection when circumstances like that exist. We can't have a legislative regime that basically doesn't enable the Government to act quickly in circumstances that it needs to.

The Hon. NICHOLE OVERALL: I agree. I think there are questions around how that will be measured and what you will deem a level of success in this new model, but what I want to get to more pointedly is that it's well known that the funding of the court already isn't keeping pace with demand. Will the Labor Government apportion more funding—I understand the funding is through the Department of Communities and Justice—for them to fulfil this new and additional role?

Mr RON HOENIG: Courts do what the law requires them to do. They've agreed to do it. They've been consulted on the legislation.

The Hon. NICHOLE OVERALL: But if it needs to be more timely and better resourced, Minister—clearly, there's only been one new judge appointed. When does that take effect?

Mr RON HOENIG: Parliament's got to approve the legislation first.

The Hon. NICHOLE OVERALL: I'm sorry, the appointment of the new judge.

Mr RON HOENIG: You'd need to ask the Attorney General that. I can do no more than what I have done so that we can have a mechanism.

The Hon. NICHOLE OVERALL: Will you advocate for additional funding as well to ensure that this new process that you're putting forward can function effectively as you foresee it?

Mr RON HOENIG: I'm responsible for making sure that this process, if approved by Parliament, functions effectively. If it doesn't function effectively, I'll be accountable to Parliament for it not doing so. I'm not responsible, though, for funding of the judiciary. You'd need to speak to both the Treasurer and the Attorney General.

The Hon. NICHOLE OVERALL: And DCJ, and you are giving them additional responsibilities and roles in this. I would expect that you would be advocating on their behalf to ensure they are adequately resourced in order to deal with it effectively on what those measurements are. I'm sorry, Minister, I don't mean to rush you on that, but I do have other questions that I want to get to. You also talk about strengthening the power of mayors. What if the mayors are behaving badly? What's the process for that?

Mr RON HOENIG: The process is that the councils can dissent from the mayor's ruling because, ultimately, it will become a matter for the council.

The Hon. NICHOLE OVERALL: You would still require a majority for that to occur?

Mr RON HOENIG: It would require a motion of dissent from the mayor's ruling.

The Hon. NICHOLE OVERALL: That would be supported by a majority.

Mr RON HOENIG: Yes. The mayor makes a ruling. We've got a situation where a culture is coming in of councils being intimidated. Many of the mayors aren't experienced. If mayors and councillors left a number of years ago, they don't know that the council can empower the mayor to throw someone out. They don't know how to deal with unruly councils.

The Hon. NICHOLE OVERALL: But if you still have a majority in a council, Minister, the power imbalance remains, regardless. They may move dissent, but if it's the mayor behaving badly it doesn't necessarily mean that it's going to take effect. Of the 49 recommendations from the Kellar report, which I raised with you during the last budget estimates under our former Government, one of the recommendations was the establishment of a commission. I've heard you earlier discuss a privilege committee. Have you ever given consideration to the appointment of a local government commissioner for better oversight and more effective outcomes?

Mr RON HOENIG: No. The reason I've adopted Mr Whitworth's view is this—

The Hon. NICHOLE OVERALL: This is Mr Whitworth's initiative?

Mr RON HOENIG: Mr Whitworth's view is about having eminent or former mayors making these decisions. This became quite apparent to me as I was drafting the code of meeting practice. People write these rules, as brilliant as they might be, but they've never seen an angry man; they've never chaired a council meeting; they've never been on a council; they've never had to deal with a public gallery; they've never had to deal with constituents. With the best will in the world, unless people have experience in doing that—

The Hon. NICHOLE OVERALL: But a local government commissioner could be appointed as someone with experience in such things.

Mr RON HOENIG: Yes, but one person—I don't like one person. People have their prejudices. I'd rather have those things dealt with by a number of eminent people, so I get a cross-section of people from both rural and regional areas as well as Sydney making those decisions. I just prefer that because then I get a combination of experience.

The Hon. NICHOLE OVERALL: You've acknowledged openly that councils are struggling structurally, with public confidence and financially. Where's your response to the local government financial sustainability review?

Mr RON HOENIG: The Government has responded to the financial sustainability review.

The Hon. NICHOLE OVERALL: And your response to it?

Mr RON HOENIG: You would have noticed that the Government has adhered to a decision-making process about retaining IPART for both oversight of rate increases. The response also is that where councils assert—so you've got to remember, the review came at an approximate time to when we'd already changed the rate peg system. It's more forward looking, it's population based, there's a range and there's pass-through for ESL, so they're really happy with the current rate-peg methodology. These recommendations overlapped a time when they didn't quite understand the position that they were in, which they do now.

For councils who wish to make an application—and this is what the Government response is—for an increase in their rate take, as distinct from special projects, then they're also going to have to satisfy IPART as to an expenditure review so that their rate base and their expenditure efficiencies justify a potential increase. If they want an SRV for the purposes of specific projects, then that becomes a separate application to IPART as well.

The Hon. NICHOLE OVERALL: So we do have councils that are continuing to at least give consideration to special rate variations?

Mr RON HOENIG: Yes.

The Hon. NICHOLE OVERALL: So, again, you talked earlier about the speed of needing to attend to these things in a more timely manner. When can we expect a resolution?

Mr RON HOENIG: Because coupled with those things is also a change in the councils' financial systems. I think I've talked to you before about—because I talk ad nauseam about it—the councils' financial systems, which are completely opaque to councillors, to the public and, I suggest, to OLG. Councils have no idea where their money's going under the current financial systems. They are required to prepare depreciation schedules for non-realizable assets.

The Hon. NICHOLE OVERALL: Where are most councils at with their audits?

Mr RON HOENIG: When I first started talking about making those changes, I looked like I had two heads on. But, over a period of time, now I've got the Auditor-General agreeing with me and I've got all of the State local government Ministers agreeing with me. Now the Federal Treasurer's written to the Australian Accounting Standards Board and said that local government accounting systems are not fit for purpose in local government in Australia. So there are things moving. I'd like to go back to—that's why I've got that expert panel recommended for appointment.

The Hon. NICHOLE OVERALL: Just to wrap—my time is done—at this point in time, you can't tell us when?

Mr RON HOENIG: No. I can tell you the other codes—1 January is the working date.

The Hon. NICHOLE OVERALL: Yes, the other code. I'm aware.

The CHAIR: Before I throw to Mr Latham, a reminder that the hearing is still being publicly broadcast.

The Hon. MARK LATHAM: Thanks, Chair. Minister, just a point of confusion from earlier on in your evidence, if you can help the Committee with the conflicting accounts between you and Mr Whitworth. Do you acknowledge that if Mr Whitworth had been allowed to respond in his own words to the matter he took on notice on 28 February—that is, whether or not you, as Minister, raised the Saravinovski preselection—he would've answered with the words he's given the Legislative Council in his right of reply? That is, the answer was yes and you did raise with him the Saravinovski preselection?

Mr RON HOENIG: I can't answer any of that because I don't have any of that in front of me. I can only tell you—and I've only told you—what my recollection is of the conversation I've had with him. As a matter of chronology, the knowledge that I had beyond that very broad information that I was given the year before—that additional knowledge that I got that I couldn't talk about—happened after the local government elections.

The Hon. MARK LATHAM: That's not the issue I'm raising with you. That's immaterial.

Mr RON HOENIG: I just thought I'd draw your attention to the chronology.

The Hon. MARK LATHAM: Minister, can you explain to the Committee why Mr Whitworth didn't get to provide an answer in his own words to that question?

Mr RON HOENIG: I've never put words in Mr Whitworth's mouth.

The Hon. MARK LATHAM: Who wrote the words that we're talking about?

Mr RON HOENIG: I don't know.

The Hon. MARK LATHAM: You don't know?

Mr RON HOENIG: I don't know.

The Hon. MARK LATHAM: You forwarded them to this Committee through our secretariat.

Mr RON HOENIG: Anything that came from me would've been drafted for me.

The Hon. MARK LATHAM: That's your evidence. You don't know. Do you accept that, through this lengthy process involving several questions on the *Notice Paper* since 28 February, Mr Whitworth's been frustrated, he hasn't been able to answer in his own words and he supplied the citizens' right of reply as a way of getting the truth—his truth—on the parliamentary record?

Mr RON HOENIG: I can't answer for somebody else.

The Hon. MARK LATHAM: Do you accept that if this Committee and the Parliament were to view Mr Whitworth's answer on page 5 of his citizen's right of reply as truthful and accurate, it would represent a misuse of your ministerial office?

Mr RON HOENIG: I don't accept the premise of the question.

The Hon. MARK LATHAM: The premise being that it's accurate?

Mr RON HOENIG: I haven't read it. I don't know what's in it, other than generally what's in it.

The Hon. MARK LATHAM: You haven't read his citizen's right of reply?

Mr RON HOENIG: No, not in detail.

The Hon. MARK LATHAM: Why would that be?

Mr RON HOENIG: Because it's not my—

The Hon. MARK LATHAM: He's putting evidence before the Parliament you've misused your ministerial office to involve yourself in a Labor Party preselection scam that's a complete abuse of your power. Why wouldn't you have read that?

Mr RON HOENIG: Mr Latham, I reject the premise of your question. If it contains an assertion, then it is a categorical denial.

The Hon. MARK LATHAM: Minister, you declared a partial interest about the Saravinovski matter because of your wife working at Bayside Council. Why didn't you do the same at the ALP administrative committee when it considered the Bayside preselection ticket when you were there as the Premier's representative, therefore representing the Government in your ministerial capacity?

Mr RON HOENIG: I reject the premise of the question.

The Hon. MARK LATHAM: What's that? You weren't there as the Premier's representative?

Mr RON HOENIG: I reject the premise of the question. It contains factual matters that aren't correct.

The Hon. MARK LATHAM: What are they?

Mr RON HOENIG: Nearly all of it.

The Hon. MARK LATHAM: Did you declare an interest at the administrative committee representing the Government as you authorised the Saravinovski—

Mr RON HOENIG: That's a matter for the AL—

The Hon. MARK LATHAM: —"Bill out, Chris in" ticket for the Bayside Council election?

Mr RON HOENIG: I reject the premise of the question, and, in any event, whatever occurs at the ALP is a matter for them, not a matter for you.

The Hon. MARK LATHAM: No, it's a matter for your ministerial responsibility.

Mr RON HOENIG: I don't see—

The Hon. MARK LATHAM: You declared an interest to the department secretary; you'd carry that interest forward in all roles, wouldn't you, ethically?

Mr RON HOENIG: No, I reject the premise of that question.

The Hon. MARK LATHAM: Minister, are you familiar with section 5 of the ministerial code of conduct?

Mr RON HOENIG: I would've been. What does it say?

The Hon. MARK LATHAM: It says that, in the words of ICAC, a Minister can't manipulate the words and advice of a public serve to suit his own interests.

Mr RON HOENIG: If that's what it says, I accept from you that's what it says.

The Hon. MARK LATHAM: Do you feel like you've done that with regard to Mr Whitworth?

Mr RON HOENIG: I comply with all my obligations under the ministerial code.

The Hon. MARK LATHAM: At estimates on 20 August, Steve Kamper said you might've advised him of the Saravinovski issues prior to the listing of NCAT in April 2024. What's your recollection?

Mr RON HOENIG: My knowledge is that it was already listed when I advised him.

The Hon. MARK LATHAM: So you're thinking Steve Kamper's recollection is incorrect? That it might've been before?

Mr RON HOENIG: I can't speak for him, but I know that it was listed because I saw the listing of it when I advised the local members and party officials.

The Hon. MARK LATHAM: Minister, do you accept the clear evidence that this has been about a Labor Party preselection, and ultimately State preselection, issue in the Rockdale area? That if Mr Kamper, with his health problems doesn't run again in 2027, what's been engineered here is the political execution of Saravinovski to get Ed McDougall in as the mayor and the heir apparent in Rockdale?

Mr RON HOENIG: I can give you a categorical assurance that that is incorrect.

The Hon. MARK LATHAM: When did you first discuss with Kamper or McDougall that McDougall would be the next man?

Mr RON HOENIG: I never did.

The Hon. MARK LATHAM: Why then did you take away the preselection numbers for Jo Jansyn in her ward preselection, putting the voters in favour of Ms Kassim—again aiding the fact that McDougall would have the caucus numbers to become mayor?

Mr RON HOENIG: I didn't participate in any Labor preselection for that ward.

The Hon. MARK LATHAM: You didn't advise a single person of how they should vote?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: You stayed right out of it.

Mr RON HOENIG: I stayed right out of it.

The Hon. MARK LATHAM: When did you become aware of the DPP advice to charge Bill Saravinovski regarding an allegation of "misleading" in his ICAC compulsory examination?

Mr RON HOENIG: When I saw it on their website.

The Hon. MARK LATHAM: This was very close to the local government election, and it wasn't a consideration within the Office of Local Government.

Mr RON HOENIG: No. It's only just gone on the website.

The Hon. MARK LATHAM: We heard from Commissioner Hatzistergos recently. Did you order the Office of Local Government to refer all media inquiries regarding Saravinovski to your ministerial office so they could draft the replies?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: How did that happen?

Mr RON HOENIG: I have no idea.

The Hon. MARK LATHAM: Do you feel like you're in charge of media in your office—

Mr RON HOENIG: I beg your pardon?

The Hon. MARK LATHAM: —and would know that they're drafting replies about Saravinovski for the Office of Local Government? Do you feel like you're in charge as Minister or are you just passing through?

Mr RON HOENIG: I reject the premise of the question. You need to tell me precisely what you're talking about, Mr Latham, because if there's something I can tell you—

The Hon. MARK LATHAM: Your ministerial media staff were drafting responses about Saravinovski for the Office of Local Government to use in response to media inquiries.

Mr RON HOENIG: What type of media inquiries?

The Hon. MARK LATHAM: Any inquiry about Saravinovski. That seemed to be the standard procedure, but you are saying you were unaware that this was happening?

Mr RON HOENIG: Nobody knew about the Saravinovski matter other than for the time it appeared in the list—and then there were non-publication orders—and the following year when NCAT delivered a judgement. So until NCAT delivered a judgement, nobody would have known anything about it, which would have been 2025.

The Hon. MARK LATHAM: There was a fair bit of publicity—a series of articles by Elizabeth Pike at *The Daily Telegraph*. They weren't exactly accurate or on the scent that we've uncovered here at this Committee, but there were media inquiries that went through to the Office of Local Government. Were you aware of those?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: And you're not aware of your media staff ever playing a role in drafting those replies?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: Minister, do you look back now and believe that you should have declared a very clear conflict of interest in having any involvement in the Saravinovski matter—to accelerate it, to advise a criminal barrister when Mr Whitworth did the opposite, to give advice about the mystery third matter and to have your media office involved?

Mr RON HOENIG: Because you've got a whole range of factual scenarios in there, most of which aren't correct, I reject the premise of the question.

The Hon. MARK LATHAM: Given that you advised for a criminal barrister and, instead, OLG ended up with Mr Cobb-Clark, who has never run a criminal case in his life—he is an admin barrister—why do you think that happened?

Mr RON HOENIG: As a result of your forensic knowledge, because I didn't know that. They clearly ignored the advice I gave them, didn't they?

The Hon. MARK LATHAM: Why do you think they did that?

Mr RON HOENIG: You might ask them that, because I don't know that.

The Hon. MARK LATHAM: I put to you, Minister, that you were constantly trying to exaggerate the nature of the Saravinovski matters before you as part of this attempt to get rid of him as mayor and put in Ed McDougall for future State preselection purposes. How do you respond to that?

Mr RON HOENIG: I say to you, Mr Latham, that you should, as the chief commissioner told you in evidence last week, be patient. You should wait for the papers to be produced when they've finished their work, and then all will be revealed and you can use your forensic abilities to be able to examine it, which I'd probably find helpful.

The Hon. MARK LATHAM: With all due respect to you, Minister, I've been very patient since 28 February, waiting for Mr Whitworth to furnish a response to the Parliament—in his own words, accurately—about what you've done behind the scenes. I've been very patient indeed. I put to you, Minister, the point that your head of the Office of Local Government had to take the unprecedented step of furnishing a citizen's right of reply to get past your obstruction and your involvement to give us the truth. So I reject, to you, that I've been impatient in any shape or form. Quite frankly, Minister, you should be ashamed of what you've done.

Mr RON HOENIG: I reject the premise of your question, Mr Latham.

The Hon. MARK LATHAM: It wasn't a question; I'm letting you know what I think.

Mr RON HOENIG: As usual, those things are just false.

The CHAIR: Order!

Dr AMANDA COHN: Minister, I would like to turn to the issue of financial sustainability in the local government sector. I know that the Government has made a number of commitments in its response to the upper House inquiry into this. My first question is about the cost of council elections. Have you given consideration to independent oversight of the NSW Electoral Commission charges to councils?

Mr RON HOENIG: I've had some private discussions with the former shadow Minister for Local Government in respect to the elections bill that may provide a solution to that. I don't know whether or not the Opposition will want to continue to have the same discussions since there's been a change, but one of the reasons that I proposed to introduce the bill—that I've second-read in the Legislative Assembly—is that I'm conscious of election costs. You would also be aware—I'm advised that, as a result of some changes, the Electoral Commissioner picks up the administrative costs, which they say are 55 per cent of the costs, so I'm told.

I've also tried to make some practical changes in that legislation that would reduce costs, make sure that councils are consulted on the location of polling booths, stop multiple polling booths and restrict pre-poll booths, all of which just increase the costs for councils and are not a cost to the Electoral Commissioner. I think I've gone as far—also, where there's a proportional representation ballot, to ensure you haven't got to go for four years. You can just take somebody off the ticket if they get elected as part of a group or they're a member of a registered political party. That should reduce the burden. Like I said, I've got another idea that might achieve that objective. I'm just not in a position to discuss that openly now. I will speak to Mr Rath to see whether he wants to still have that discussion that I've had with Mrs Tuckerman and whether he is interested in it. That might be something that will help.

Dr AMANDA COHN: Your proposed reforms to improve the cost of elections are a matter for a closed-door discussion with the shadow Minister but not the sector that is interested in the answer to that question?

Mr RON HOENIG: I've been trying to effect these local government reforms on a bipartisan basis because I've been in the sector for a long period of time before I got elected to Parliament. I know that partisan responses are corrosive. So I've been trying to effect bipartisan changes and a bipartisan response, and I think that's been really well welcomed by the sector itself. I appreciate your constructive input, Dr Cohn, but at the end of the day, The Greens will never be the government of New South Wales.

Dr AMANDA COHN: I don't think you'll get any disagreement from the crossbench about the importance of collaboration with other parties and the government but, in response to a question that I've asked you on the public record in a public hearing, your answer is that you'll discuss it in a closed-door meeting with the shadow Minister.

Mr RON HOENIG: Because I need the support of the Opposition to achieve something that I don't want to publicly disclose at this particular point in time. As soon as I'm in a position to tell you, Dr Cohn, I'll tell you. But there's no point telling you early and then, as a result of that, I end up not being able to achieve what I want to achieve, even if they then subsequently agree.

Dr AMANDA COHN: It's got nothing to do with me. It's the people who are interested in this issue who are watching these proceedings.

Mr RON HOENIG: I have their best interests at heart. I accept that they have been overcharged, if I could use that conservative word, over a long period of time. It probably prompted, in 2011 and 2012, the taking away from the Electoral Commissioner the running of elections to private providers, which turned out to be pretty unsuccessful because the Parliament had to keep making changes from that. That was done on the back of councils being charged a huge amount of money for the running of elections.

Dr AMANDA COHN: I also wanted to ask about the Financial Assistance Grants, which are, of course, a matter for the Federal Government. The sector has been advocating loudly about the need to increase those grants back up to 1 per cent of Commonwealth taxation revenue for a number of years. What action have you taken to lobby your Federal colleagues for that change?

Mr RON HOENIG: Together with all the Ministers for local government, we've been pressing the Commonwealth Government about that, and there was a House of Representatives committee inquiry into increasing the take of the Financial Assistance Grants. As you'd appreciate, the New South Wales Government's not all that happy with the Federal Government in a number of respects, let alone us being ripped off on the GST. But, in this, all the States aren't uniform because we're the ones that are ripped off the worst. But in respect of Financial Assistance Grants, there is a unanimity of views of the local government Ministers.

Dr AMANDA COHN: In the context of that House of Representatives inquiry, did you make any direct representation to those members or to the Federal—

Mr RON HOENIG: I've certainly spoken to the Federal local government Minister in relation to it. As you know, in these things you haven't only got to get the Minister on side; dealing with Treasury is not the easiest hurdle to overcome.

Dr AMANDA COHN: Coming back to things that are within your control, one of the Government commitments from the inquiry was to undertake an audit of statutory fees and charges and user fees to align them, where appropriate, with reasonable service costs. Where's that audit up to?

Mr RON HOENIG: I don't know. I'll ask Mr Whitworth that.

BRETT WHITWORTH: We were going to commence that with the guidance of the expert advisory panel. We've commenced a very preliminary sort of overview of which fees and charges we need to be talking about. But the approach of the Government's response to the financial sustainability inquiry is that we have the expert advisory panel to drive a lot of the policy and provide a lot of perspectives and strategic advice on the policy issues.

Dr AMANDA COHN: Understood. A number of those proposed initiatives are quite complex, and I'll come to the comprehensive spending review process a bit later. I suppose I'm focusing on this one—the audit of statutory fees and charges—because it's relatively straightforward and I was a member of the committee that conducted the inquiry. We received quite a comprehensive list of fees that councils believed were an issue through submissions to that inquiry. We listed a number of them in the report. What's being done with that work that the committee has already done to identify the fees that need some attention?

BRETT WHITWORTH: Sorry, that's a question for me?

Dr AMANDA COHN: Yes.

BRETT WHITWORTH: As I said, we wanted to use the expert advisory panel to drive the policy perspective. You're right: We know the fees and charges. The two examples that people regularly use are DA fees and the stormwater charge, so that's not a surprise. Understanding what the policy rationale for the stormwater charge is, for example, and working out what the right policy response is for the DA fees—that's why we wanted the expert advisory panel to help guide that strategic advice that we provide to the Government in terms of how those will be changed. Some of them will require legislation. Some of them will require regulation.

Dr AMANDA COHN: Minister, there's also the proposal for the Government to prepare legislation and regulatory changes to allow the review of council income and expenditure through a comprehensive spending review process. Certainly that proposal has some merit; I'm not intending to criticise it wholesale. A review like that, how will you ensure that it can be advisory and not override the priorities of elected councillors on behalf of their communities?

Mr RON HOENIG: It can only be advisory. If you can make their expenditure transparent to councillors—and I've been trying to convey this to general managers and senior council officers—so that elected councillors can make the decision, you'll be surprised at how good they are collectively at making those decisions. They shouldn't fear them making it. I've been through that process of cutting rates and having to go through that process. As I've moved through the State talking to various councils and councillors, some of these rural and regional councils have got nothing. They're operating on a shoestring. They know where every cent goes. If you make the information available to them, you can trust them to get it right. In any event, they're entitled to be wrong, aren't they, because they're elected. But you've got to have material. I suspect that a lot of the financial sustainability problems—not all, but some of them—relate to the inability of the councillors to be able to scrutinise expenditure that is not in accordance with their priorities, as distinct from what their statutory obligations might be.

The Hon. CHRIS RATH: Minister, Libby Austin is a Penrith councillor. She's also an electorate staffer for the member for Camden. Councils are required to seek permission from council general managers to attend council meetings online when they can't attend in person. Penrith council GM granted Libby Austin permission to attend council meetings online. Libby Austin has been actively campaigning for the Labor candidate in Kiama during work hours. Did Libby Austin seek permission not to attend council meetings so she could campaign for the Labor candidate in Kiama?

Mr RON HOENIG: I don't know. That's a matter for the council to manage, and a matter for the member for Camden to manage. It's not a matter for me.

The Hon. CHRIS RATH: Are you able to take it on notice in case the Office of Local Government has been made aware in any way of this request?

Mr RON HOENIG: It's not really an issue that would—

KIERSTEN FISHBURN: I'm looking at Mr Whitworth.

BRETT WHITWORTH: I thought that in order to attend a meeting online, you need to seek leave from the council and the council needs to grant that leave. It's not the role of the general manager. The general manager needs to be advised.

The Hon. CHRIS RATH: By a motion of the council?

BRETT WHITWORTH: Yes.

KIERSTEN FISHBURN: Yes.

The Hon. CHRIS RATH: Is that logged with the Office of Local Government? Are you aware of—

BRETT WHITWORTH: No.

Mr RON HOENIG: No, it's internal to council function.

The Hon. CHRIS RATH: So each council manages it?

BRETT WHITWORTH: They are the independent third tier of government.

Mr RON HOENIG: And if they refuse, they've got to give a reason under the current rule. It will change in the code of meeting practice.

The Hon. CHRIS RATH: Do you know Libby Austin, Minister?

Mr RON HOENIG: No.

The Hon. CHRIS RATH: Do you know if she's taken leave from the member for Camden's office?

Mr RON HOENIG: I wouldn't know.

The Hon. CHRIS RATH: Has Libby Austin provided false reasons to council for missing council meetings? Are you aware of that?

Mr RON HOENIG: How would I know? It wouldn't be a matter that came to me.

The Hon. AILEEN MacDONALD: Minister, is the OLG investigation into the City of Newcastle GM's special leave still active?

Mr RON HOENIG: The OLG has never conducted an investigation into the general manager of Newcastle council. The general manager of Newcastle council is employed by that council.

The Hon. AILEEN MacDONALD: Was he not referred to ICAC—or the matter, not him?

Mr RON HOENIG: Certainly not by either me or the Office of Local Government. I received a complaint and some material came to me, maybe via the *Newcastle Herald*. I wrote to the Lord Mayor of Newcastle and said, "I've received this complaint about your general manager. It's your obligation to consider those matters relating to your employee."

The Hon. AILEEN MacDONALD: If I'm to understand correctly with the model GM contract, if one were to seek special leave, it can only be done via a full council resolution?

Mr RON HOENIG: No, I think that matter was looked at because that matter was subject to another complaint to me. The advice I got back was that that special leave could be granted by the Lord Mayor, and the Lord Mayor at the time granted that special leave. That's correct, isn't it?

BRETT WHITWORTH: That's true. The council delegated certain powers to the Lord Mayor and so the Lord Mayor provided that. I don't quite know that it's special leave; I understand that it was study leave and I understand that it was recreation as well.

The Hon. AILEEN MacDONALD: So there are no sanctions or remedies, as far as you're aware, because it's an in-house matter and not for OLG. Does OLG offer guidance on that?

Mr RON HOENIG: There's no guidance to offer because it's a matter for them to conduct their own affairs with their own employee in accordance with their own employee contract.

The Hon. AILEEN MacDONALD: I will move on then. With regard to, say, financial delegation for councils, I'm of the understanding—and it's already been noted—that Central Coast has \$10 million and City of Sydney has \$5 million. Is there guidance? I thought the regulation said that if there was delegated authority for tenders—is there a set amount, normally, before they seek special—

Mr RON HOENIG: Mr Whitworth?

BRETT WHITWORTH: There is an amount in the regulation which identifies, where a council is procuring material, that they need to go before a tender process. There is also a mechanism in the regulation that allows for councils to procure without going through a tender process if they use a prescribed provider. There is a prescribed provider there. But that's about the decision as to whether to procure goods and services.

The Hon. AILEEN MacDONALD: In Newcastle city's example, Minister, they were going to go for \$1 million, but at the meeting just most recently, they've upped it to \$5 million. Do you believe that retrospective monthly reports provide the same transparency as open debate and a recorded vote?

Mr RON HOENIG: No.

The Hon. AILEEN MacDONALD: Do you know of other councils that have other delegations, besides the two that were just mentioned, above \$5 million?

Mr RON HOENIG: I think they've all got extensive delegations to various amounts. That doesn't mean to say it's right, but they all have. But I can't make a commitment in a vacuum because there are so many reforms in this sector. Issues are raised that I've not thought about, usually from these estimates committees, that actually end up getting in the queue.

The Hon. AILEEN MacDONALD: Would OLG review the procurement delegation policies when councils lift those thresholds, especially if it's \$1 million or above?

Mr RON HOENIG: I'm prepared to look at the delegations, because there are other delegations or restrictions that are in the code that I'm going to remove. There are some in the Act that have become a bit more complicated to remove, but I think they're in the code or a regulation. As I said, it's sitting on my desk. I haven't got to it. I'm just going to go and look at that. I mean, there are routine delegations to give, but a number of others have cropped in, or there have been a number of restrictions to exercising that delegation that have cropped in over the years. It has removed councils further and further from the decision-making process.

The Hon. AILEEN MacDONALD: Just on that, has the member for Swansea ever raised Newcastle city council tenders or contracts with you or your office?

Mr RON HOENIG: No.

The Hon. AILEEN MacDONALD: Has the member for Swansea ever sought advice from you or the Office of Local Government about Newcastle's procurement practices?

Mr RON HOENIG: Not procurement practices. She has complained to me about—I met with her and some of the other local members and they were complaining to me about something while they were in administration. I just can't remember what that was.

The Hon. AILEEN MacDONALD: Has the member, then—

Mr RON HOENIG: I think it might have related to—I might be wrong, so I should check. I think it might have related to asset sales. But I think, as some of you might remember, that as part of the administration and part of the loans, there was a requirement for asset sales. It may have been that. It may have been the councillors or former candidates complaining about that. I do remember meeting with a group of MPs from the Central Coast. They were complaining about the council, but I can't remember what it was. It wasn't something that I could do anything about, anyway.

The Hon. AILEEN MacDONALD: Would you guarantee that no political pressure has been applied to the Newcastle—

Mr RON HOENIG: To me?

The Hon. AILEEN MacDONALD: Yes.

Mr RON HOENIG: Absolutely not.

The Hon. AILEEN MacDONALD: I will move on to the Central Coast now. Has the Office of Local Government been advised of assault and affray charges and an AVO against Councillor Corinne Lamont of the Central Coast Council?

BRETT WHITWORTH: Yes.

The Hon. AILEEN MacDONALD: What specific powers, then, do you currently have—and I know you're changing them—under the Local Government Act when a sitting councillor is facing serious criminal charges?

BRETT WHITWORTH: There is a provision under the Local Government Act that identifies the eligibility to be a councillor, and if a councillor is convicted of a serious offence which involves criminal or—

JENNIFER HICKEY: Serious conduct.

BRETT WHITWORTH: —serious conduct of more than five years, then they are automatically disqualified. The Office of Local Government is watching and monitoring the issue.

The Hon. AILEEN MacDONALD: Minister, do you know if OLG has issued any performance improvement orders or misconduct directions or interim measures to this councillor since the charges were laid? As you said, they're monitoring, but has it gone beyond that?

Mr RON HOENIG: No, they're just monitoring. That's the answer that Mr Whitworth gave you.

The Hon. AILEEN MacDONALD: Do you know how many code of conduct or conflict of interest complaints about the councillor OLG has received in the previous 12 months?

BRETT WHITWORTH: I would prefer—I'm happy to talk about code of conduct complaints in the abstract, and numbers, but when you start talking about individual code of conduct complaints for individual people, you start weaponising that process, which leads us to the very situation that we've been talking about this morning, for example, with Councillor Darley and the Parramatta matter. I find that it's not terribly appropriate to discuss individual cases.

The Hon. AILEEN MacDONALD: I will move on, then. Minister, what is your assessment of the financial sustainability of New South Wales councils, given the Auditor-General's recent warnings that many are at risk of not being financially viable?

Mr RON HOENIG: You're reading from the 2023—

The Hon. AILEEN MacDONALD: It was a report entitled *Local government 2024*.

Mr RON HOENIG: The 2023 audit report?

The Hon. AILEEN MacDONALD: 2024.

Mr RON HOENIG: I've just been given some—

The Hon. AILEEN MacDONALD: You can take it on notice if you like.

Mr RON HOENIG: Mr Rath asked me a question. I've just been given some information about the question you asked me—information provided to me in relation to Ms Austin by the ALP. I'm advised she is currently on the payroll of the ALP to work on the campaign. I'm further advised she has not missed an in-person ordinary meeting while working on the campaign. I suggest Mr Rath be more careful casting aspersions against the character of a young woman acting in politics. You might want to consider apologising to her.

The Hon. CHRIS RATH: That's a very diligent staffer who has given you that note.

Mr RON HOENIG: Do we get an apology? I'd apologise if it was me that was that wrong.

The Hon. CHRIS RATH: You've got a lot to apologise for, Minister.

Mr RON HOENIG: I've got nothing to apologise for.

The Hon. AILEEN MacDONALD: I was asking you about the report. What is your assessment of the financial sustainability of New South Wales councils, given the warnings that many are at risk of not being financially viable?

Mr RON HOENIG: Many councils have financial sustainability challenges, and there are some that are struggling financially. They're either supported and are on watchlists, and are being provided—either they have performance improvement orders or, alternatively, there has been financial intervention or, alternatively, they're being monitored by the OLG to ensure that they are equipped to handle their challenges. Sometimes, when you look at the financial performance of a particular council that looks horrifying, and you visit them, you see that there is a newly elected mayor and council. One I felt very sorry for—she just gets elected, she's faced with really difficult challenges and, first thing she does, she's got to put through an SRV to try to convince the community to increase the rates. But you see that they're actually switched on and they're determined. Going through regional New South Wales, it's actually quite inspiring to see them addressing the challenges.

The Hon. AILEEN MacDONALD: What they do with so little, yes. Would you say, then, Minister that councils across New South Wales are reporting a massive backlog in local infrastructure maintenance? Do you know what the total backlog figure would be, or do you hold that figure?

Mr RON HOENIG: I don't hold what they say is their total backlog figure. I think every council and every government has probably got some sort of backlog figure of maintenance. Mind you, despite the fact that councils sometimes—I mean, we complain to the Feds and they complain to us about lack of funds, but they're really well supported by billions of dollars in grants. It has taken me a while to work this out but I now, with a couple of council visits—knowing that they're going to complain about how much they've got to pay for something—pull out a list of all the grants that they're getting.

The Hon. AILEEN MacDONALD: That they're entitled to. Minister, isn't it the case that ratepayers across New South are paying more but receiving less from their councils under your government?

Mr RON HOENIG: You're asking me whether or not I should accept responsibility for the adequate performance of councils throughout New South Wales—

The Hon. AILEEN MacDONALD: You are the Minister.

Mr RON HOENIG: —and I say we've only been in for a couple of years.

The Hon. AILEEN MacDONALD: I don't think you can use that excuse anymore, Minister.

Mr RON HOENIG: I think that's not a question.

The Hon. AILEEN MacDONALD: You've got just over 12 months to get the Act right.

The Hon. NICHOLE OVERALL: Minister, on a more specific example, are you aware of the Clarence water treatment plant? Clarence Valley Council.

Mr RON HOENIG: Ms Overall, I've visited so many councils this year.

The Hon. NICHOLE OVERALL: You visited Clarence Valley twice. You said so in your litany of—

BRETT WHITWORTH: I can assist, Ms Overall, if you have any questions. I'm familiar that there is a project.

The Hon. NICHOLE OVERALL: Thank you, Mr Whitworth. I do have questions, but they're really to the Minister at this point in time. It's an \$84 million water filtration plant that has to be constructed by council in the circumstances that we've just heard, where we know that many of these councils aren't—and this particular council isn't—in a position to come up with those sorts of figures. Minister, are you aware of the commitments your Labor candidate for Clarence, Dr Leon Ankersmit, made in relation to the Clarence water treatment plant?

Mr RON HOENIG: No.

The Hon. AILEEN MacDONALD: He said on 1 March 2023:

If Labor is elected in March, we can expect priority investment for this project from the *Safe and Secure Water Program* in partnership with local councils and the Federal Government.

I'll acknowledge that. Well, there is a Labor Government, Minister, so what are you doing to help Clarence Valley Council facilitate this project? I understand that the incredibly hardworking NSW Nationals member Richie Williamson hasn't had any information from you or the Labor Government about this.

Mr RON HOENIG: I'll get you an answer because I actually visited the very talented and energetic Richie Williams's electorate, at his invitation, but I'll just get Mr Whitworth to—

BRETT WHITWORTH: Safe and Secure is a program that's run by DCCEEW.

KIERSTEN FISHBURN: Minister Jackson.

BRETT WHITWORTH: So it's Minister Jackson, yes.

The Hon. NICHOLE OVERALL: That's okay. I'm asking the Minister what he is doing to advocate on behalf of the Clarence Valley Council to assist in this matter, given that they are not receiving any answer from the Labor Government?

Mr RON HOENIG: I will do whatever I'm asked to do.

The Hon. NICHOLE OVERALL: Excellent. If you could cough up \$84 million, that'd be great.

Mr RON HOENIG: As Mr Williamson knows, anything he asks me to do, I do—even visit his electorate when he asks me to.

The Hon. NICHOLE OVERALL: How are local councillors designated under the New South Wales Work Health and Safety Act 2011? Do you know?

Mr RON HOENIG: I don't know.

The Hon. NICHOLE OVERALL: Do you know they're considered officers or workers? That means that they don't really have proper cover when it comes to work health and safety matters. Councils like Glen Innes are putting forward their own guidelines to address these serious matters. Surely there need to be more formal protections for councillors, rather than them having to do it themselves. Have you given any consideration to this?

Mr RON HOENIG: I haven't, but I will now that you've raised it.

The CHAIR: Are there any questions from the Government?

The Hon. PETER PRIMROSE: Only to again ask the Minister if there are any matters that you wish to elucidate.

Mr RON HOENIG: No, not really.

The Hon. PETER PRIMROSE: No further questions. We're very satisfied with all the answers.

The CHAIR: There being no further questions from the Government, that brings us to the end of this morning's session. Thank you, Minister, for your time this morning. We'll be back at 2.00 p.m. for the departmental witnesses.

(The Minister withdrew.)

(Luncheon adjournment)

Ms NAUSHEE RAHMAN, Director, Companion Animals Policy and Programs, Office of Local Government, affirmed and examined

Ms NERIDA MOONEY, Director, Digital and Customer, Department of Planning, Housing and Infrastructure, affirmed and examined

Mr ANDREW NICHOLLS, PSM, Chief Executive Officer, Independent Pricing and Regulatory Tribunal, sworn and examined

Ms FIONA TOWERS, PSM, Executive Director, Pricing and Policy, Independent Pricing and Regulatory Tribunal, affirmed and examined

The CHAIR: Thank you and welcome back to the afternoon of budget estimates. Mr Whitworth, I've got some questions around spending on council pounds. I'm very sympathetic that many councils, particularly in regional and rural areas, can't afford pound upgrades. It's also a reality that some councils simply choose to spend their money on other priorities. How can we ensure councils are contributing a fair and appropriate amount towards their requirements around companion animals, particularly the need for impounding services?

BRETT WHITWORTH: That's probably a policy question, so I'll take it in the spirit that it is a policy question and that we're still working through those issues. I think there are probably three key things to say. One, we're quite clear that there is a need for a code for pounds. That's quite clear in the report of the parliamentary inquiry, quite clear in the Government's response that we will be working on a code. A code will then give some structure and firmness around the animal welfare elements, but also the operational elements. That's the first point—that a code will help drive some improved standards. There's still the question then as to how it will need to be funded. We obviously need to recognise we're within a government structure that has quite a lot of pressure on the budget, so it is a challenge for us to just go and say we want a new set of grant processes and so on.

We probably need to be thinking about how do we incentivise councils to improve the operation of their pounds, both from a regulatory perspective and also from an incentive perspective around the provision of grants. That probably gets me to my third point. We've long talked about the Companion Animals Fund, which is the receipt from the registration of companion animals. At the moment, it's almost a straight pass through. There's a percentage that comes to the Government and there's a percentage that goes to councils. I think I've given evidence before that those councils that have a large number of animal registrations and a large population get more than the lion's share of the amount. Without wanting to name any councils, I have signed off remittance advice that gave a council for a quarter \$29, which was their share of the registration fees. You just can't do anything with that.

We need to be thinking about how do we leverage the Companion Animals Fund to get more money into those places that need that funding. Whether we can leverage it—as I said, this is more a policy conversation

rather than a perspective of government—but is there an opportunity to leverage some of the companion animals fund to actually target specific improvements and incentivise councils to improve their pound operation?

The CHAIR: Will part of that be around tracking and transparency? Will we be able to see how much councils are actually spending on their animal welfare initiatives, specifically so we can implement and see more transparency that they're meeting their obligations in that space?

BRETT WHITWORTH: Again, a policy sort of perspective. We don't delve into the budgets of a council. That's the job of the councillors to delve into what the budget is for each council. What we can be doing is asking for more detail around some of the output and operational components of the operation of a pound. We already have some of those statistics, but we need to get better at getting that information out. I think that, again, is where we can use part of the companion animals review to improve on that.

I'm really acutely aware that the operation of pounds is quite a challenge for council general managers, for example, where they're taking the view that this isn't necessarily their biggest focus or the issue that's driving them to deliver when you've got councillors asking for parks to be improved, you've got the State Government wanting to ensure that we can address housing affordability issues and so on. It is going to be a challenge to carve that space out and use some of that operational data to get a comparison of how some councils operate their pounds versus others.

The CHAIR: There was a recommendation in the pound inquiry report that the New South Wales Government require councils to publicly report budget allocation for pound operations. I know that it wasn't that long ago that the pound report came out, but has your office been given any directions to work on that space?

BRETT WHITWORTH: Our direction was that we would pick up the parliamentary inquiry reports as part of the review of the Companion Animals Act. Again, we haven't come out with the answer. We've gone out with a series of questions, and now we need to go and start framing up how we can better respond to those questions and some of the issues that we can address. We do have a pretty good understanding of the themes. I think there were 3,600-odd submissions. Whilst there were a lot of submissions about cat containment, there were still, I think by my reckoning, about 800 submissions that came from councils, members of the community and other interested parties that had quite a large number of issues that they wanted us to investigate.

There's a lot of policy work to unpack there, and to tie that in with the creation of the Office of Animal Welfare and work with our colleagues in DPIRD. One of my frustrations with the Pet Registry is that I'd like to get better data out of the Pet Registry, and that would also help with that policy process. To me, those are the elements that I want to bring together. Hopefully we can have some policy conversations with stakeholders and targeted groups in the coming months.

The CHAIR: In regard to the Pet Registry, I think you and I were talking about it a little bit before. The email might have been talking about the CAR, but I actually think it was about the Link My Pet functionality of the Pet Registry. That's the part that actually saw that specific increase of over one million and the delay of four months. Can you give some background on the decisions and the delays that caused that cost to increase with a lower functionality in the outcome?

BRETT WHITWORTH: I can seek to assist as best I can. As I said, when I had not long come into the role of deputy secretary in early 2023, there was a decision of Government that there would be funding allocated for the Pet Registry off the back of the initial funding out of the Digital Restart Fund, but we needed to do a business case. That business case had promised, effectively, that by December 2023 we would have the breeder and owner portals established, which means that we would have had the whole system built and ready to go, and then we would have vet portals and so on by June 2024. Obviously, we haven't achieved that. I think it was as a result of budget estimates that we were asked questions around what the timing is of the Pet Registry.

The more we started to look at the issue, we understood that there was a bit of a debate between—and this is a programming or ICT development concept—the concept of an agile process versus a waterfall process, waterfall being that for a fixed amount of money, you'll get a fixed product in a fixed time frame. It might mean that you don't get the same degree of functionality, so I understand why people want that agile process. But it seems to me that we had not delivered using the agile process, and we needed to give confidence to the Government, to the community and to this very Committee that we were providing and delivering on an important project. We said that we needed to have the registry up and running by July 2024 and then that we wanted that functionality around Link My Pet by the end of 2024, which we managed to deliver. But we needed to do quite a bit of governance change as well, which I'm happy to keep talking about, but I'm aware your time is up.

Dr AMANDA COHN: I have a number of companion animals related questions, so we can keep you in the same headspace, Mr Whitworth. Do you have an update on when the review of the *Animal Welfare Code of Practice Breeding Dogs and Cats* will be completed?

BRETT WHITWORTH: I'm not sure. Can I hand over to my DPIRD colleagues?

Dr AMANDA COHN: Please.

PETER DAY: Yes, I'll take that question. With the breeding code itself, we're probably looking at a two-stage approach, working on an initial review to ensure that the definitions in the breeding code are consistent with the new measures under the puppy farming changes and that the requirements around those breeders seeking a cap exemption are also dealt with in that code. That'll be our first tier. We'll be looking at launching a consultation program shortly to support the code being finalised, with our aim to have the code finalised by 1 March next year and effective from 1 April next year.

Dr AMANDA COHN: You also mentioned the changes that came through with the puppy farming bill. Do you have an update on how much the Department of Primary Industries and Regional Development is funding the OLG for its new responsibilities under the Act?

RACHEL CONNELL: As Ms Fishburn alluded to this morning, we're in the process of sorting out the funding arrangements between the two departments. My secretary met with Ms Fishburn last week. We're in the process of finalising that but, until the grant is processed, I would prefer to take that on notice, if that's okay.

BRETT WHITWORTH: Can I also just step in to say that we're not sitting waiting for the funding arrangements to be resolved. We're working to deliver the upgrade to the Pet Registry to deliver the breeder identification numbers, which are an essential part of the puppy farm legislation, by 1 December.

KIERSTEN FISHBURN: That's correct. The funding will be reimbursement of funds that have been expended at present.

Dr AMANDA COHN: Thank you, that clarification is helpful. At the last budget estimates, my colleague asked about compliance around advertising animals on websites or social media sites—specifically, the requirement that councils must, before taking action to destroy a seized or surrendered animal, give notice to at least two rehoming organisations. The response from previous estimates was that, where noncompliance is reported, OLG will make the appropriate inquiries. Can you explain in a bit more detail what that means and what the specific actions are that the OLG takes in instances of noncompliance?

BRETT WHITWORTH: It can be a challenge in terms of whether it's a noncompliance that the council has a role in or whether it's a noncompliance that might require some sort of police action. I remember the question and I remember the issue because I think I met with someone that had raised that from a Shoalhaven perspective, but they were talking about another council to the north of them. The challenge we always have when dealing with these sorts of matters is what sort of evidence do we have, how do we find the person and who's got the regulatory powers to make some sort of impact. Typically, what we would do is identify whether it is in such and such an area and we'd bring it to the attention of the council. The council rangers have far more effective regulatory tools and experience to apply to those sorts of instances. But, again, if someone is advertising something on Facebook—which I think was the allegation—how do you know that it's a genuine person, how do you know that it's a genuine advertisement and so forth.

Dr AMANDA COHN: What about in the instances where the noncompliance is by the council itself?

BRETT WHITWORTH: I'm happy to take that on notice in terms of whether we've had instances where noncompliances have been reported to us about council activity. I'm not aware that there are a significant number. I do know that there was a particular circumstance in Moree, and I wrote to the council and asked for advice in terms of how they were addressing their compliance with the Companion Animals Act in terms of the operation of their pound. I actually raised it when I went up there to meet with the acting general manager at the time. They talked about some of the challenges they have with the companion animal issues in Moree—the challenges they have in actually identifying who's registered and the vast numbers of dogs that are unregistered, for example. It was clear to me that they weren't trying to abrogate their responsibility; they were just dealing with a very difficult set of circumstances.

Dr AMANDA COHN: Are you able to tell us, for example, in the year to date, how many complaints the OLG has received in relation to the condition of council pounds or animal welfare issues for impounded animals?

BRETT WHITWORTH: Given that it's data, I'd like to take that on notice, if that's okay.

Dr AMANDA COHN: No problem. When will the 2024-25 council pound data report be published?

BRETT WHITWORTH: I don't have a time frame on that. Normally we get that data with the annual reports and so forth, so it's normally around September that they come through. I'd like to think we can get it released before the end of the year with the other annual report data that we put up on the Your Council website.

Dr AMANDA COHN: I want to ask about the Responsible Pet Ownership Reference Group, which I understand the OLG was not planning to reinstate because some of that work was going to be brought in house. Can you talk us through how that's working?

BRETT WHITWORTH: There hasn't been a responsible pet ownership group under a formal process under this Government. I know there has been use of a number of members of that group in an unofficial capacity to help us with companion animal processes. I don't know whether Ms Baldock can talk a little bit more about that group.

TINA BALDOCK: Only to reiterate what you've already said, Mr Whitworth. There hasn't been a formal RPO under this Government, but we have close relationships and work with different key animal stakeholders as part of the companion animals work, particularly now that we're working on the Companion Animals Act review.

Dr AMANDA COHN: In the absence of a formal group, what kind of transparency or public accountability is there over who you're working with? Is that reported anywhere?

BRETT WHITWORTH: We're working with the stakeholders that we identified when we had a number of workshops on the companion animal reforms. We probably wouldn't have that level of detail even in our annual report, given the sort of level of detail you have in annual reports these days. Is there a particular concern or issue that people are feeling that they're not being consulted? For the Companion Animal Act review, I think we had over 300 participants across three different seminars. Some were online; some were held in person. I feel like we're trying our very best to make sure we're reaching out to as many stakeholders as we can.

I do take on board—I think there is a concern that perhaps some of the rehoming organisations and networks feel maybe a little bit overwhelmed because they are in the same room as council officers, the RSPCA and the Animal Welfare League. Maybe we need to take a slightly different approach and make sure we can give them their own voice. We heard testimony this morning that the rehoming network is under pressure and at crisis point. We need to make sure that we can work with those groups to alleviate that pressure as much as we can.

The Hon. CHRIS RATH: I want to talk a bit about cost-shifting. It came up in the morning session from Dr Cohn. I want to go to the Local Government NSW report where it says that New South Wales councils had a \$1.5 billion cost-shifting imposed on them in 2023-24. Is that also the department's view? Is it the view of the Office of Local Government that cost-shifting has been a \$1.5 billion impost on councils?

BRETT WHITWORTH: Cost-shifting is like an article of faith. You either believe in it or you don't. The detail in that report identified a number of matters that in some cases were the election of the council to deliver. As an example, there is an argument that healthcare services and aged-care services are really important in regional areas, and they absolutely are. If the Commonwealth doesn't fund places, then it's up to the council to fund them. That's an election of that council to make that decision, yet that appears in that report as being a cost-shift. There are commentaries around the provision of emergency services levies as being a cost-shift.

There is an argument that if you trace back to the one of the origins of local government—that it was about providing safety and security, which also included fire services and in some cases police services—and you go back to the origins of local government in other jurisdictions, you have police services provided at a more municipal level. When you combine them, there has been a decision that we'll use an emergency services levy to pay for that. Is that a cost-shift? These are philosophical questions. I know that if I had Local Government NSW in the room, they'd say absolutely it is.

The Hon. CHRIS RATH: Or could it be that it's an unintentional cost-shift, rather than a deliberate cost-shift by the State or Federal government?

BRETT WHITWORTH: I think you could also argue: What are the services that local government provides? What are the services that communities expect their local councils will provide? Some communities will expect, one, different levels of service and, two, have different expectations about what those services will be. I've travelled quite a bit with the Minister in the last couple of months, particularly talking to councils that are in the process of demerging. One of the things that strikes me really markedly is that those smaller communities that want a council back, to use their argument, have said, "We are prepared to have a lesser quality or a lesser standard of service."

The whole thing about local government is that it's intrinsically local. The services that you want as a council are local services identified by the community. If the community says, "I actually want that, but I don't want that", is that a cost-shift? It's a useful conversation to have, but I'd argue it's an abstract conversation. To use a final example, I think Local Government NSW has identified, as a result of the cat inquiry, that they would be all for the improved containment of cats but they want the Government to pay for it. That would arguably be a

cost-shift. They're asking for more powers and more responsibility, but then saying, "You've got to fund this to have that."

The Hon. CHRIS RATH: Has any work been done to look at whether there have been any increases in cost-shifting over the last year or two? Is that something that your office has looked at?

BRETT WHITWORTH: No. I know that Local Government NSW produces its report. That report is not a detailed financial audit. That report is a survey of councils with them providing perspectives. What we do is work with the Audit Office. We work with the data that we obtain from councils. We try to give them the ability to manage their finances within the service levels they identify.

The Hon. CHRIS RATH: One potential cost-shift back the other way is the red fleet RFS assets. What is the current cost to local councils in total? Maybe you've got that on a per council basis of owning the red fleet assets. I know there's been a lot of work done on this over the last year or two, so any updates would be very helpful.

BRETT WHITWORTH: Sorry, what was the specific question? I feel like that's probably one we'd need to take on notice.

KIERSTEN FISHBURN: Yes. We'd need to take that on notice.

The Hon. CHRIS RATH: The current cost to councils of having the RFS assets on their books and maybe on a per council basis as well. If you take that on notice, I suppose the broader question is whether there's any update. I know there's been a lot of engagement between the New South Wales Government and local councils on this.

BRETT WHITWORTH: We can provide you with a list of assets that RFS has identified for us. We provide that list to Local Government NSW. Under the accounting standards, I understand it's up to each council to then value those assets, so it's not necessarily as clear-cut as the State Government having an answer for the total number. But I do believe that there were some estimates identified in the Public Accounts Committee report, which we can draw out for you. In terms of the response to the Public Accounts Committee, that whole-of-government response is being led by the Premier's Department, and they will be drawing together the different views of the different agencies. Ultimately the recommendation of the Public Accounts Committee is that there needs to be an amendment of the Rural Fires Act, which is not within Minister Hoenig's purview as local government Minister but would sit under both Ministers.

KIERSTEN FISHBURN: Minister Dib.

BRETT WHITWORTH: And I'd think the Premier may have some role in that in terms of the emergency management centralisation functions that sit within his department.

The Hon. CHRIS RATH: But essentially it's just they don't want the depreciating asset on their books. That's the main—

BRETT WHITWORTH: Respectfully, that's a very simplistic view, because I think that there are other perspectives that are—it's not just about the depreciating asset. It's also about, if you're telling me that I have that asset on my book, then can I use it? Can I utilise that asset? Can I utilise it in an emergency? Can I utilise it for other purposes?

KIERSTEN FISHBURN: Can I put the council livery on it?

The Hon. CHRIS RATH: Yes, and essentially they can't, right?

KIERSTEN FISHBURN: No, they can't.

The Hon. CHRIS RATH: It's controlled by NSW RFS but the cost is borne by the councils, which is why some of them are so frustrated.

BRETT WHITWORTH: Again, RFS provides the new vehicle. There are maintenance arrangements that are signed between the councils and RFS to maintain, where councils receive some funds. They do vary—I'm not going to say that it's a universal agreement—but I think it's almost, again, a philosophical perspective. You're telling me that I've got something but I can't actually control it.

The Hon. CHRIS RATH: Another issue on costs is regarding the quite large costs—recent increases—in running local government elections. I've certainly had feedback from a range of councils that the cost of running elections now has gone up. I think in the case of Camden it went up 93 per cent and statewide it was, on average, 13 per cent. Has OLG looked at any ways of potentially assisting councils with that very large increase in costs that they now have to wear?

BRETT WHITWORTH: Not on a program basis. The costs of the elections are set by the statutorily independent Electoral Commissioner, and the funding of the Electoral Commissioner is set through conversations that they have with the Treasurer, and the Special Minister of State has a role. It's been as a result of that that there's been an ability to share the costs. Councils don't carry the full costs of elections. They carry the direct costs in terms of the booking of the halls and the employment of the returning officers and so on. The centralised costs of running an election—including the tally rooms, the IT and the centralised staff at the commission—are all borne by the State, which funds the Electoral Commission. The Minister talked about it being a 45 per cent to 55 per cent split, which isn't a guarantee; it's just what the split was at the last election. What I can also say is that—

The Hon. CHRIS RATH: Has it always been that?

BRETT WHITWORTH: Sorry?

The Hon. CHRIS RATH: Has it always been that proportion?

BRETT WHITWORTH: No, it has shifted. I think earlier elections there was even more numbers. Councils—

The Hon. CHRIS RATH: Had more of the cost.

BRETT WHITWORTH: —bore more of the costs. The other thing is that—and I'm not saying that the Government has done this, because it's been set by the independent regulator—the base-cost change model for the setting of rates has recognised the differential election costs that councils have as well. I don't know whether Mr Nicholls wants to add to that or whether you want to ask him that specifically.

The Hon. CHRIS RATH: Mr Nicholls, if you—

ANDREW NICHOLLS: With the reforms to the rate peg that occurred two years ago, we included a specific adjustment for election costs. We are currently consulting with local councils and the broader community about holding that, so that instead of having these costs spiking every four years, we have a smoothing out of that over a period of time so that councils are able to collect the necessary revenue. We've certainly now factored that into the rate peg, ensuring that councils have the capacity to pay. While I don't have the detail, IPART did conduct an examination of the question of election costs in 2019. I don't have the recommendations in front of me but, if it's something of greater interest, we can certainly make that copy available to you.

The Hon. CHRIS RATH: No, thank you—I think it's just the more recent large increases. From the 2024 local government election is where a lot of the quite sizeable increases have come through. The expert advisory panel—could you please provide clarity regarding the timing of the formation of the panel and the process that will be involved in the selection of members?

BRETT WHITWORTH: The panel will be appointed to provide strategic advice to both the Minister and to myself in formulation and implementation of the work program to deliver the Government's response to the financial sustainability inquiry. There are a number of processes under the Premier's memorandum about the appointment of boards and so on. We need to go through that process. There needs to be consultation and engagement with the Public Service Commissioner, which has commenced. We had been talking to the Minister around a number of different options for the expert advisory panel. I think we had put options to the Minister that effectively was, "Let's use it as a stakeholder-driven panel." We would go and say to Local Government NSW, to the unions and to the finance professionals, "Would you like to nominate someone to participate?" That would have given us a panel of maybe 15 people.

We also had the perspective from the Minister that, "No, I want experts and I want them to be giving me advice," to pierce some of the issues around local government financial sustainability that has been discussed in quite some detail this morning, just as an example. It's really a case of identifying those people that can understand local government and understand how local government has shifted and changed over time, and the professional viewpoints that they bring from their experience. That's the process by which the panel will be appointed, and it will be appointed to give the Minister strategic advice.

The Hon. CHRIS RATH: The issue of Cumberland council—I raised this in the morning session—with the two councillors that were screaming at each other and then the clip went viral on social media and got some media reporting, has any action been taken? Has it been escalated to OLG? Or in that case is it simply a matter of going through the existing code of conduct and code of meeting practice arrangements internally at Cumberland?

BRETT WHITWORTH: I don't want to get into specific examples of complaints. I don't want to do that, because it just weaponises that process. People make complaints because they were unhappy with what someone said, then someone retaliates with another complaint. We end up with people making a complaint and they're

telling people that they've made a complaint, which they're not supposed to do. Or you end up with people making anonymous complaints or complaints under an alias, and then telling people what the status of their complaint is and it gets written up in the media. All of these things are not hypothetical; these are things that I've experienced in the last 12 months, so I don't want to entertain actual discussion of specific issues.

I think when we're talking about issues emanating from council meetings—the Minister talked quite extensively this morning, and you've seen the updated meeting code, on the importance of bringing dignity and prestige back to council chambers. It can be as simple as the way the council chamber is set up. If you look at this Chamber, for example, it's quite clear that there are elected representatives and there are staff. There is a clear separation and there is a clear degree of respect. In some council chambers that I've visited, it's effectively a couple of Formica tables with people and daggy chairs, and there might be a picture of the King in the background somewhere. It does not lend a degree of respect and decorum that proper political debate should entail. I do think that when you get councillors yelling and screaming at each other, it's a bit of a reflection of the fact that that decorum has been lost.

The Hon. CHRIS RATH: I was wondering if you could provide an update on the demerger cost—to the ratepayers and to the State Government—of Cootamundra-Gundagai and then also Snowy Valleys. I know they're two different processes that are in place and different funding arrangements, but an update on that would be helpful.

BRETT WHITWORTH: Minister Hoenig has announced, in the case of Cootamundra-Gundagai, that the council is free to go about its demerger process. He has also met with the council. I was in the room when he met with them and said, "It's up to you to identify how to best manage this demerger." He encouraged—and I'm quite pleased the council has taken this up. They've established a demerger project committee and that committee is working through the issues that they need to put in place to implement the demerger. So any costs that will come from that, they'll be able to understand, manage and look at that.

The Hon. CHRIS RATH: But they have to fund it themselves.

BRETT WHITWORTH: They have to fund it themselves. The Minister has made that quite clear to them. In the case of Snowy Valleys, the Minister said, "We have a positive report from the Boundaries Commission. The next step for Snowy Valleys is once the consultation with the Electoral Commissioner is complete on a referendum, they will go to a referendum." That consultation with the Electoral Commissioner has started. The Minister also encouraged Snowy Valleys to look at the costs. The council has presented, as part of its demerger proposals, a business case and then a more detailed implementation plan.

The Hon. CHRIS RATH: But if the referendum is successful, it would be similar to Cootamundra-Gundagai where they would have to fund it themselves.

BRETT WHITWORTH: No, because they're two separate paths under the Local Government Act.

The Hon. CHRIS RATH: So they could have a different arrangement.

BRETT WHITWORTH: They could have a different arrangement, but the view that the Minister gave to Snowy Valleys Council is—their implementation plan calls for special rate variations of between 10 and 15 per cent in Tumut and 44 to 64 per cent in Tumbarumba.

The Hon. CHRIS RATH: Wow!

BRETT WHITWORTH: The Minister said, "Perhaps you want to go back and look at that and see whether that's what you need, what you want and what is driving those transition costs, including things like IT. And perhaps you can update that as part of putting a case to the community about the referendum." The comment was made that once the referendum is held, and if it is a positive outcome, then they can come to the Minister and he will consider it. But he also said that there are multiple issues on the Government purse that need to be considered as well.

The CHAIR: Back to the Pet Registry, Mr Whitworth. I want to take a step back and pull apart some of the different bits and pieces that seem to have gone wrong with the development of that Pet Registry. There was the incident when—and I raised my concerns at the time—community members, particularly those non-registered rescuers who were using the Pet Registry, were taken by surprise by the changes. Many found themselves actually locked out of the Pet Registry, including, for example, a pet shop and 80-plus dogs registered to them. Are you able to explain why there wasn't a proper marketing and education campaign, including to key stakeholders, to let them know that those changes were coming?

BRETT WHITWORTH: The funding that was provided for the Pet Registry also included some operational funding to develop education materials and advisory materials. There is also an extensive database of

contacts, and I was assured that we were using that extensive database of contacts. I had seen some of the collateral that had been produced and wanted to make sure that—I cannot but express my frustration about the Pet Registry. It is a good product. It will secure important data. It will make it easier for people to get access to that data. But we just need to keep going and improve its delivery and its operation.

I do feel that we also have a particular issue—and this goes to that question about collateral and communication—that there is a very low transition from microchipped animals to registered animals. It's very low, and with improved knowledge and understanding of the registration processes, we can actually increase the number of registrations. If you increase the number of registrations, you get a much better perspective from owners as to their obligations, because "I'm paying money, so I must have an obligation." The more money we receive also means the more we can invest into education programs, improved pound programs and improved animal welfare outcomes. A lot of this stems from how we need to do a much better job at that education and making people aware of the registry. I run a very fine line here in that the Pet Registry is not as operational as we'd like it to be. But it is operational, it is functional, and we can improve it. People should not be afraid of registering their pet, because it will actually make it better for them in the long run.

The CHAIR: I'm definitely not encouraging people not to use it. I'm just trying to find out the background as to some of the concerns that had come up. Talking a bit about some of that background educational piece and marketing, I understand that at some point in time \$100,000 was spent with an external creative agency to mock up designs and a 60-second video to explain the new Pet Registry process. Has that ever been used?

BRETT WHITWORTH: No, I don't believe that it has been used. I also was somewhat horrified when I saw the outcome of that, for reasons that I don't want to go into. There is a lot of collateral that was developed, and I want to make sure that we can still—I don't believe that it has soured. It's still usable. It's just getting it in the right place at the right time.

The CHAIR: So there's still hope to release that information at some point—that video that was bought?

BRETT WHITWORTH: Yes, there will be elements to that. I think there were some elements to the video that I was just somewhat horrified about.

The CHAIR: So the video itself has to change.

BRETT WHITWORTH: Elements of it, I believe, yes.

The CHAIR: Just going back a bit to when I talked about those people getting locked out of the Pet Registry, we then went into this limbo period where it was anticipated that the full Link My Pet rollout would be delivered by September or October 2024. That got delayed until January 2025. I understand that was a really difficult time for the help desk and the call centre staff, who were inundated with calls and complaints with the registry. Can you talk a little bit about this and any support that had to be put into place during that period for those workers dealing with the extra complaints?

BRETT WHITWORTH: We certainly had to increase the number of people working on the pet helpline, and I think there were challenges in that there were some circumstances—where all the data has been entered correctly and where the Service NSW account links up with the data that's been entered correctly with the microchip, then it all works perfectly.

Where there is some sort of data inconsistency, then the whole thing is challenging. That was one of the reasons why there were so many people that kept calling the pet helpline. We did move quite quickly. We got more staff in. Again, I had to use money for staff that I probably would have wanted to use in other, more reforming areas. Again, it was another degree of frustration for me that a system that was going to work had meant that we actually had to sort of go backwards and invest in people to help through that process. Naushee, I believe we have how many people now working on the pet helpline?

NAUSHEE RAHMAN: Three.

BRETT WHITWORTH: We have three people working on the pet helpline. At one point we had, I think, eight people working on the pet helpline. So we used some funding to surge up the personnel on the pet helpline. I kept asking the question, "What can we do to make this better?" I was concerned about the welfare of my staff in dealing with some pretty frustrated people. What lessons could we take and how could we make it better? I hope that we were able to do that.

The CHAIR: When we spoke at the previous budget estimates in relation to the Pet Registry, you said that you've created a new governance structure to ensure that we can improve the understanding and knowledge of the more senior executives in both the Office of Local Government and Department of Customer Service. Can you explain any concerns that you might have had about governance concerning the Pet Registry?

BRETT WHITWORTH: I had a lack of vision over the project management of the Pet Registry project. I would ask for updates, and I would be told that it's okay. I had multiple people look at it. We were required, by the fact that it's an ICT project, to have a health check done. It's an independent health check process. It had identified a large number of concerns with the project management. There wasn't a project control group. There was nothing to escalate up. There was very active and willing engagement between the Office of Local Government staff and the Department of Customer Service staff, so there's no allegation that people weren't talking, but there was no clarity around how decisions were being taken. I found out that decisions had been taken that should have been taken at my level—where I should even have consulted with my secretary or with the Minister—that I was unaware of. I was absolutely horrified. It was as a result of that that we implemented different governance arrangements. I also wanted to make sure that the Department of Customer Service was aware of the importance of this project and that they were giving me their support and a direct line into their senior management, which they have done and they still do.

The CHAIR: Can you give me a bit of an insight into what those different governance arrangements will look like now?

BRETT WHITWORTH: Ms Rahman can probably help with some of that detail, but we have a steerco that meets monthly and we have a project control group.

NAUSHEE RAHMAN: That meets monthly, but in between the steerco, so every fortnight. We also have 15-minute catch-ups at the dep sec level between DCS and OLG. That's a recent development.

BRETT WHITWORTH: And that's a weekly meeting.

The CHAIR: Will that include oversight of specific senior executives as well within that?

BRETT WHITWORTH: Sorry?

The CHAIR: Will those changes around the different governance arrangements include greater oversight of the specific senior executives?

BRETT WHITWORTH: I have the executive director for sector development—Tina is acting in that role—who is part of that. Ms Rahman is part of that. We have the relevant project director, the executive director from DCS and the deputy secretary from DCS. I'm also in that meeting as well.

Ms ABIGAIL BOYD: Good afternoon to all of you. My questions are going to be for IPART. I'll start with you, Mr Nicholls. For how many SRV applications did IPART release a second version of the document with revisions or corrections?

ANDREW NICHOLLS: I think it was two.

Ms ABIGAIL BOYD: What were they?

ANDREW NICHOLLS: There were some typographical errors that were identified in two of the documents that were corrected.

Ms ABIGAIL BOYD: Which councils?

ANDREW NICHOLLS: Northern Beaches and North Sydney, I think. I'm just checking.

Ms ABIGAIL BOYD: And how was the community notified of those revisions?

ANDREW NICHOLLS: The revisions were placed on our website, and we communicated to the relevant councils as well.

Ms ABIGAIL BOYD: I understand that when the original decisions were released on 16 May, IPART accompanied those decisions with a media release. Were the media notified when there were updated versions?

ANDREW NICHOLLS: I don't believe that they were, no.

Ms ABIGAIL BOYD: You say they're typographical errors. I'll take you to one example. The Northern Beaches Council special rate variation application was granted a partial approval, and then six days later the document was amended to make a number of corrections. The original report made multiple references and considered as a relevant factor in declining the SRV in full the impact on pensioners. The report made the claim that in order to be eligible for a pensioner discount, a certain number of volunteer hours must be demonstrated by these pensioners by the council. That is not and has never been a policy of the council, and IPART was required to make corrections on multiple pages to remove that entirely fabricated claim. That seems more than just typographical.

ANDREW NICHOLLS: There was a misunderstanding about how that particular arrangement was working with the council. IPART prides itself on ensuring that our documents are accurate and can be trusted, and we wanted to correct the record. The reason I say they're typographic is that they weren't substantive changes that would have changed the decision of the tribunal.

Ms ABIGAIL BOYD: Where did that claim come from, though?

ANDREW NICHOLLS: Sorry?

Ms ABIGAIL BOYD: How does that kind of claim—that there's a policy that council has for requiring pensioners to do volunteer hours to be eligible for pensioner discount, which is completely not true and has never been true for Northern Beaches Council—make its way into the document in the first place?

ANDREW NICHOLLS: I believe it was a misunderstanding at an officer level, but I'm happy to take that question on notice.

Ms ABIGAIL BOYD: So although one of the relevant factors in declining the SRV in that case was the impact on pensioners, you're saying that this particular error had had no substantive impact on the decision?

ANDREW NICHOLLS: That's correct. Just to perhaps take a step back, I'm not a member of the tribunal. I lead the secretariat. The tribunal makes its decisions, looking at six criteria that the Office of Local Government has laid out that councils must meet in order to meet the necessary hurdles to have a special rate variation approved. That particular issue would not have changed the assessment against each of those six criteria in any substantive way. It was a misunderstanding at an officer level.

Ms ABIGAIL BOYD: Sorry, just to drill down into that—when the error was picked up, did the tribunal meet again to consider whether it was substantive?

ANDREW NICHOLLS: Yes, we always—yes, that's right.

Ms ABIGAIL BOYD: So let's look at North Sydney Council. It had its SRV application rejected. Ten weeks later IPART made a really quite large number of corrections. Those changes went unannounced, despite the high level of community interest and engagement in the matter and the amount of reporting on it. For example, a data table had been updated in the corrected version to show the average of rates not on the minimum, and the differences in dollars and percentage terms were recalculated. The sources for the data in the table have now been included, and the percentage in the sentence "current minimum rate of \$715 is 31 per cent lower than the average residential rate of those ratepayers who were paying above the minimum rate" has now been changed to 55 per cent, so you've got 31 per cent going to 55 per cent.

Clarifications are made to a number of pages to include footnotes and notes to tables to explain that the impact of the proposed minimum rate increases is partly offset by the council's proposal to remove the additional levies that apply to minimum rates assessments—previously paid, on average, around \$97—that are now included in the proposed minimum rate. I could go on. There's one in relation to the cash expense cover ratio as defined by the Office of Local Government. All of these things, when you put them all together, are quite a significant number of financial errors and assumptions. Firstly, how do that many errors get made, and how does none of that have an impact on the decision?

ANDREW NICHOLLS: We had representations made for those errors that you've identified. We brought those to the attention of the tribunal immediately upon those issues being raised, and we made corrections. But if you recall, in relation to North Sydney, the decision was to reject the application in full. Those amendments did not change the perspective of the tribunal that was presented with those issues in terms of changing the decision to anything other than the rejection that they approved.

Ms ABIGAIL BOYD: When you say it happened at officer level, is that the officers that put together the information for the tribunal?

ANDREW NICHOLLS: That's right. That's correct. We have officers within IPART that examine all of the special rate variation applications that come in. They will get input from the community, they'll get input from the council, and they piece together the reports that go to the tribunal. In both of these cases, there were either methodological errors or misunderstandings that were drawn to our attention, that we brought to the attention of the tribunal immediately and fixed. We do that as a matter of course, in IPART, whenever we identify that there is something that is incorrect in the public domain, because we think it's important that the reports of IPART can be relied upon.

Ms ABIGAIL BOYD: That cash expense cover ratio error was quite significant. Firstly, I don't really understand how a person who is in charge of putting this sort of information together wouldn't know what the definition of cash expense cover ratio was, but it overstated the liquidity levels that the council has available to

meet short-term liabilities quite significantly with that error. Is there just a reticence that once IPART has made a determination, it doesn't want to go back on that regardless? Is it just embarrassing that there is that amount of errors?

ANDREW NICHOLLS: We are very open that there are the errors that occurred, and we fix them. The tribunal will, as a matter of course, consider if there is any change to their position—and this applies generally, not just specifically to this matter—and there was no decision taken by the tribunal to change the decision that they took.

Ms ABIGAIL BOYD: The IPART determination in the case of North Sydney directly commented on the cash expense cover ratio and used that as one of the reasons—one of the rationales—for why it rejected the SRV application. Was there no need seen, when that was then raised with the tribunal, for them to acknowledge that that was a significant difference and maybe issue some sort of communication about that?

ANDREW NICHOLLS: These are things that we did communicate back to the council, and we have published an erratum online. As I said, there was no basis to change the decision to reject that proposal.

Ms ABIGAIL BOYD: I understand that IPART is supposed to be independent—it's in the name. Do you think it would be inappropriate for IPART leadership to be meeting with elected representatives lobbying one way or another on an application?

ANDREW NICHOLLS: IPART tribunal members will from time to time meet with stakeholders to explain processes and to give consideration to how input can be made. That's a matter of course. We publish a public register of all meetings that occur, including if there are meetings with elected representatives, and we have complete openness about that.

Ms ABIGAIL BOYD: Looking at that register of meetings, there have only been two meetings of elected members with IPART members since all the way back to 2022. The first one was with the member for Barwon, Roy Butler, relating to the investigation into Broken Hill and its loss of power. That makes sense. The other, on 7 March 2025, was the member for North Shore, Felicity Wilson, who met with the IPART chair, Carmel Donnelly, and IPART staff. What was that about, and why was it felt appropriate to meet with somebody who was actively lobbying for a decision, one way or the other, with IPART?

ANDREW NICHOLLS: The local member, as I understand it—I wasn't at that meeting, but there was certainly an IPART officer who was present, and the meeting has been recorded appropriately in our public registers. It was an opportunity to explain to the member about how the IPART processes work and what we can consider as part of our assessment. It was confined purely to process.

Ms ABIGAIL BOYD: Could you provide on notice some minutes of that meeting?

ANDREW NICHOLLS: I believe we could take that on notice.

The Hon. NICHOLE OVERALL: Mr Whitworth, the new influx of staff members that the Minister raised—129 in total, I believe. What roles are to be fulfilled with the new staff members?

BRETT WHITWORTH: It's additional roles throughout the structure. We've moved to increase the investigations team. We've increased the number of people in the investigations team, both—sorry, I should say the investigations and interventions team. We've recrafted it so we have more investigators, but we also have more people that have the role of managing the interventions that we do with councils—so performance improvement orders and the like. We have increased the strategic reform team so that we can implement the Minister's agenda around the improved councillor conduct framework, the financial sustainability reforms, and to assist with the meeting code of practice changes as well. I have been trying to increase the companion animals team and the companion animals policy team and bring some more structure to it. I've created quite specifically a Director, Companion Animals Policy and Programs, Ms Rahman, who is here today.

I did install two executive directors. There was one executive director, but I have two executive directors. That not just relieves the pressure on me but also enables me to be more strategic in the way I'm dealing with councils, and to give my two executive directors far more responsibility around the program delivery of both reforms and reviews of council activity. I kept thinking I've missed one, and I have—I've missed two. We have the increase of staff as a result of the \$252 million investment in apprentices, trainees and cadets, and that grant program. That's a full team that is stood up and funded under that program. And we also have greater financial and data analysts in our performance and delivery area.

The Hon. NICHOLE OVERALL: What is the time frame for all of this? I believe the answer previously was that some have already commenced, and the total number of 129 is to be achieved—

BRETT WHITWORTH: By the end of this year. Minister Hoenig had figures by the end of June this year. I can tell you, as of today, the headcount for the Office of Local Government is 115. When I started in the Office of Local Government in January 2023, there were effectively 45 people.

The Hon. NICHOLE OVERALL: He mentioned that.

BRETT WHITWORTH: I do mention it because we've had a lot of criticism of the Office of Local Government—

The Hon. NICHOLE OVERALL: I understand.

BRETT WHITWORTH: —and our performance and delivery, and we've worked hard to try to address our credibility with Treasury, our credibility with the local government sector, and our credibility with our own staff, both by increasing the number of people but also by getting results and delivering.

The Hon. NICHOLE OVERALL: Don't get me wrong, Mr Whitworth. I agree with you needing more help in OLG—absolutely, I do—and I'm very, very aware of it. I am pleased to hear that this is the case. I am then just mindful of when and how quickly we can expect this additional help to start rolling out, because then I come to the question of when can we expect the 2025 Auditor-General's report?

BRETT WHITWORTH: That's a question for the Auditor-General.

The Hon. NICHOLE OVERALL: But you normally have an idea of when it would be expected, don't you? This year I believe it was released in March, so you wouldn't be expecting it until early next year. I'm talking about the audits of councils.

BRETT WHITWORTH: That's the Auditor-General. The audits of councils are going on right now for the 2024-25 financial year.

The Hon. NICHOLE OVERALL: So they're not completed yet?

BRETT WHITWORTH: No, but they would very rarely be completed this early in the cycle.

The Hon. NICHOLE OVERALL: I'm just trying to get the time frame right. So 2024 was released in March this year. Is that right?

BRETT WHITWORTH: That seems to be about the right time frame.

The Hon. NICHOLE OVERALL: So we'd be looking at early next year for that to then be brought—

KIERSTEN FISHBURN: It's roughly the same time each year.

BRETT WHITWORTH: Yes.

The Hon. NICHOLE OVERALL: I'm harking back, then, to previous figures. The number of councils, then, as part of that—can you confirm the number in the current report that are considered unsustainable or at risk?

BRETT WHITWORTH: That was quite a controversial decision by the Auditor-General. That decision related to the amount of cash that those councils had based on a performance ratio. There are a number of councils that argued that that didn't take into account some of the other reserves that they had, and it didn't take into account the way that that cash is calculated. I just wanted people to confirm that, if my memory serves correctly, Camden was one of those councils that was a problem council. Camden Council has a significant amount of developer contributions. Those developer contributions aren't necessarily identified as available cash because they're restricted accounts, but the council is spending the developer contributions to provide the new infrastructure and services for its new community. So it looks like it's spending more money than it has, but it's actually spending the money it has received. It's just the way the performance ratios—the accounting standards that imply that it has a cashflow problem.

KIERSTEN FISHBURN: Camden Council, through VPA, got a new library and nearly completed their new sports centre, but that wouldn't be captured in the way the accounting standards work.

The Hon. NICHOLE OVERALL: When you're using the word controversial, on whose part is it controversial? Are you suggesting that councils aren't being—let's be generous and say fully transparent about the information that they're providing?

BRETT WHITWORTH: This is also one of the reasons why we have moved to require councils to produce, in a consistent format, a quarterly budget review statement, and to provide us with that information. In terms of our job as a regulator of councils and the risk management approach that we take with council finances, I can't wait until March to understand the risk that we had from the previous year, so we use quarterly budget

review statements and we use regular conversations with councils. What the Auditor-General reported on was the extent to which councils met the performance ratios that the Office of Local Government had identified, and one of those was cash.

I have identified—in fact, the financial sustainability inquiry was critical of those performance ratios because they don't give a true record or measure of how a council is performing. It was, as I said, one of the reasons that we moved to have the quarterly budget review statement, which was consistently provided to councillors so that they've got a much better understanding of where they're at in terms of their budget and what their financial risks are, and given to us in a consistent digital form so that we're able to analyse and review it in a much more effective way—and much more timely way, too, I should say.

The Hon. NICHOLE OVERALL: Am I hearing you correctly, Mr Whitworth—are you suggesting that it's not as bad for councils as they're making it out to be?

BRETT WHITWORTH: There are some councils where we all sweat at the end of the financial year. Part of the challenge was that our colleagues in the Commonwealth Government decided to give us—I think they gave us a week this time, rather than giving us a day.

KIERSTEN FISHBURN: But the year that you're referring to, it was a day. It was a horrible day.

BRETT WHITWORTH: Yes, to provide the advance payment of the Financial Assistance Grants and that cash injection into the councils. What I am saying to you is that the financial sustainability of councils is an ongoing challenge. There are councils that we are actively engaged in. They know who they are. We know who they are. We work with those councils. We also want to have a better understanding more generally of the council sector using the quarterly budget review statement process. Then, the annual accounts—and this is where budget and accounts are not necessarily the same thing—that the Auditor-General compiles does give us a useful understanding of the state of the sector.

The Hon. NICHOLE OVERALL: Could you explain to me—because I don't know—taking into account what you're talking about now, does that also factor in councils that fail their audits?

BRETT WHITWORTH: When you say a council "fails their audit"—

The Hon. NICHOLE OVERALL: It doesn't meet the criteria that OLG has imposed.

BRETT WHITWORTH: The audit can either have a disclaimer of opinion, or it can have a qualified opinion, or it can have an opinion. In that opinion, there can be a number of recurring—Tina, help me out, please.

TINA BALDOCK: Recommendations.

BRETT WHITWORTH: Thank you—recommendations. So it's not that you can say a council fails an audit, unless there is a disclaimer of audit. We've had a number of disclaimers of audits where the councils have either not been able to produce records—so, because of an IT system—

The Hon. NICHOLE OVERALL: I'm sorry, I'm just clarifying this for myself: A disclaimer, then, is essentially suggesting that they can't meet the requirements as set.

BRETT WHITWORTH: They can't report that they've met the requirements as set. We've had one where they couldn't meet the—they had a disclaimer because they couldn't compile their records. We had another council that had a disclaimer of audit because their records—they could produce records of spending, but they couldn't produce it in a form where you could disaggregate the accounts in such a way to understand where the different accounts and obligations were going. One of those councils is still on that path to recovery. Another one is well and truly recovered. This is part of that challenge between budget and audit. Budget is, then, how much money do we have to effectively run a council and deliver services to the community, and will we have enough money to deliver that over the course of the financial year?

Famously, the council that failed in that budget exercise was Central Coast. This is harking back several years ago to the public inquiry and the process of administration where the council did not have enough money to provide salaries and needed to get a letter of comfort from the Government so that it could obtain external finances. As I said, that council wasn't necessarily picked up through the auditing process. This is why I try to take some time to distinguish between budgeting and the management of cash and the delivery of services, and auditing, which is a sort of end of financial year assessment as to were all transactions accounted for, were accounting standards complied with, was there any inappropriate outflow of money and so on. But it's not necessarily a health check on the council.

The Hon. NICHOLE OVERALL: If we come back to the Central Coast Council example, then—and you're also talking about the process. What is the process if they can't recover? What is the level of concern around

all of this? If you know that there are councils that are in difficulties, what is that process? Do they shut up shop and say, "We can't do it anymore," you appoint an administrator and we move on? How does it work?

BRETT WHITWORTH: Those are the extreme examples.

The Hon. NICHOLE OVERALL: Yes, but that's what I would like to hear about.

BRETT WHITWORTH: I'd prefer to talk about our successes rather than our failures.

The Hon. NICHOLE OVERALL: I'm sure you do, but we also need to look at the worst-case scenarios.

BRETT WHITWORTH: There are a number of councils, as I said, that were quite lean in their budgets. This is where we talk about the finances available to a council are either their restricted accounts or their unrestricted accounts. Their restricted accounts relate to funds that they are given for a specific purpose, so water, sewer, development contributions. We have had a number of councils where their unrestricted funds were quite lean and in fact they were on a trajectory—sorry, I'm not allowed to use that word anymore. They were going to end up in a cash deficit situation.

One particular council had been relying on the sale of industrial and residential land—they were a property developer—to re-inject cash into their business. They were struggling with that funding but they did have a healthy reserve in their water and/or sewer accounts, so we authorised a loan so that they could manage that cash flow approach. When we do that with councils, we also talk to them about their long-term financial plan and ask them to update that. It's an obligation under the Local Government Act that every council has a 10-year long-term financial plan and we ask them to update that. The successes in that example are that we know that Yass council has a long-term financial challenge and that it knows that it needs to look at both its fees and charges, and whether it needs to look at rates as well.

The Hon. NICHOLE OVERALL: It's also received election commitments around its current infrastructure upgrade as well, so assisting in that.

BRETT WHITWORTH: Yes, but in a—that's about the water treatment plant. Again, that goes to the service issue that the council's finances weren't tied to that water treatment plant. The council's service delivery was tied to the water treatment plant, but not the services. They could have continued to—the community would be asked to continue to put up with bad water supply, or they get a grant to upgrade it.

The Hon. NICHOLE OVERALL: That's right, and I do want to get to that with you as well in terms—

BRETT WHITWORTH: Sorry.

The Hon. NICHOLE OVERALL: No, not at all. This is helpful. I appreciate it, but I do want to get to the cost-shifting. Before that, let's be a bit more definitive about this, then. If we're talking about councils that are potentially in difficult circumstances, has the number of councils looking at levying special rate variations changed? The figure for 2024-25—I think we raised this at last estimates, how many there were.

BRETT WHITWORTH: So 2024-25 was six.

The Hon. NICHOLE OVERALL: Six? Why do I have nine on a list?

BRETT WHITWORTH: That could have been the year before. Nine.

The Hon. NICHOLE OVERALL: I've got 2024-25. It could be.

BRETT WHITWORTH: So 2024-25 was just the subject of the—there was Central Coast. Sorry, there was North Sydney, Northern Beaches—

The Hon. NICHOLE OVERALL: Sorry, 2023-24 in that case.

BRETT WHITWORTH: Yes, 2023-24.

The Hon. NICHOLE OVERALL: So you're talking about six on the current list.

BRETT WHITWORTH: On the 2024-25 and I do know—

The Hon. NICHOLE OVERALL: Yes, so nine on the 2023-24 list. Are you expecting that figure to change for the next report? Just—obviously, you don't have the information to hand—anecdotally.

BRETT WHITWORTH: Councils will need to make that formal decision by February in 2026, but I am expecting that that number will be as high as this year, if not higher.

The Hon. NICHOLE OVERALL: That also suggests that these problems aren't just imaginary, that they are dealing with serious issues in this regard, or they wouldn't need to look at such a thing.

BRETT WHITWORTH: Absolutely. We've talked quite openly about the financial challenges in front of councils. We've had the financial sustainability inquiry. It talked about the pressure being put on councils from the way statutory fees are established, and the impacts of rating and some of the rating decisions and rating exemptions. We've talked about the application of accounting standards and the implications of depreciation and valuation, and we've also talked about the impact of the Financial Assistance Grants that come from the Commonwealth—

The Hon. NICHOLE OVERALL: Yes, that's right. Cuts, yes, exactly.

BRETT WHITWORTH: —and the need for a greater share of those Financial Assistance Grants from the Commonwealth.

The Hon. NICHOLE OVERALL: Yes. I agree with that as well, but let's come back to when you talked about your philosophical debate on cost-shifting. That suggestion is a little bit difficult to marry with what we've just been talking about now. When you have the mayor of Albury saying that that council is absorbing \$11 million annually in costs that should rightly sit with the New South Wales Government, which is double the figure of 10 years ago—we had a parliamentary committee that found rural and regional councils, in particular, had become the provider of last resort, offering services like child care and even medical facilities when there was no service delivery alternative available from the State or Federal government. It's not really a matter of choice when there is no alternative. How can you really suggest that councils have that option to say, "We will or won't provide you with services" that a community is otherwise not being provided?

BRETT WHITWORTH: I know, Ms Overall, of a council in Central West New South Wales that's facing a real challenge in terms of the aged-care services that it provides—

The Hon. NICHOLE OVERALL: I can name plenty of them.

BRETT WHITWORTH: —and it is facing that really challenging decision: Can it continue to provide those services or can it actually provide local services and keep its staff paid? It's asking itself the question: "We are an entrant into a market. If we exit from the market, will someone else come in to the market?"

The Hon. NICHOLE OVERALL: In that instance, when it comes to something like aged care, I agree with you in terms of it is not a council's responsibility and, outside some of those that do, traditionally it wouldn't be. You can't really suggest that offering less services from a council outside of things like that, but in terms of everyday, necessary services—that cannot be sustainable into the future. And the idea that cost-shifting isn't impacting that is a little bit difficult to understand.

BRETT WHITWORTH: I don't think you characterise my argument very fairly.

The Hon. NICHOLE OVERALL: We can get back to it the next time.

The CHAIR: Thank you. I'm just going to start my round with a few minutes, and then I'll do a shorter round after our afternoon tea break. Mr Whitworth, just to round off my questions in regards to the Pet Registry, can you explain how the decision to integrate the Companion Animals Register with the Pet Registry in 2023 delayed the planned timeline to upgrade the Pet Registry?

BRETT WHITWORTH: That's a pretty detailed question. What I can tell you is part of the business case for the Pet Registry was that the Companion Animals Register is more than 20 years old. It's operating under an old system. That old system will not be supported soon and is the third largest digital database in New South Wales. To have a system that is not supported provides a cybersecurity risk. That was one of our propositions as to why we needed a pet registry. I found out that people believed that they could invest money into the Companion Animals Register, secure its operation, and then move to the other elements of the Pet Registry. That was not a decision that was taken with my authorisation. That was not a decision that was taken with the department's Digital Information Office, so we ended up with a circumstance where we now have to move quickly to ensure that when the support for that Companion Animals Register ends, it does not create a significant problem for us. When you say how did that decision-making process go, I've talked about the health check and I've talked about the importance of improving the governance arrangements and decision-making processes.

The CHAIR: I'm just trying to understand a bit more about the impact of integrating the CAR into the Pet Registry. I'm just trying to understand, from someone that probably doesn't have as much oversight either. I understand, when you stepped in, you probably felt the same as me. You've got bits of information. I'm just trying to understand when this Pet Registry was created and then there was this decision to integrate the CAR into it. I'm just wondering how that impacted the whole project.

BRETT WHITWORTH: I think that that impacted the project in that it gave us a very good interface, but it has still left us with the underlying structural issue of addressing the cybersecurity strength of the Companion

Animals Register. I'm not saying that it's not secure, but it's not going to be supported in the future, which then creates problems for the security. Also—I'm sorry, I'll be brief as well—the way in which the integrations occur, if the data from your Service NSW account matches the data from the Companion Animals Register, then they integrate beautifully, but where they don't quite match up, then there is a problem. I haven't linked my pet because my pet's owned by my wife's estate and I don't know how to go—that challenging process of converting that across means that there will be a disjunct between the Service NSW account and the Companion Animals Register. These are the issues that we wanted to delve into and address as part of stage two.

The CHAIR: Thank you. The Committee will now break for 15 minutes and will be back at 3.45 p.m.

(Short adjournment)

The CHAIR: Welcome back to budget estimates. I might need Naushee to come forward. I'm happy for Mr Whitworth or whoever to take these. Actually, these are quite specific to Naushee, now that I'm reading through them. I'd like to ask some questions about your new role as Director, Companion Animals Policy and Programs. We know this came about after the allocation of \$37 million in a previous budget to bolster the capacity of OLG. Are you supported by dedicated staff or a team, or are you filling the role solo?

BRETT WHITWORTH: If it's okay, I still would like questions directed through me. I will let Naushee respond about the dedicated team. The decision to have a Director, Companion Animals Policy and Programs was mine, as part of the restructure of the Office of Local Government, because I knew that I needed a dedicated role. In the past in the Office of Local Government, responsibility for companion animals had been split across the organisation, and I wanted to bring it together into a more focused area. We are now in the process of establishing the dedicated staff for Ms Rahman, and there is a piece of work going on to establish that. Ms Rahman, you've got how many people working for you at the moment?

NAUSHEE RAHMAN: There are five within the pet helpline. Then, for supporting the puppy farm build, we have nine other staff.

The CHAIR: They're all just for the puppy farm build?

NAUSHEE RAHMAN: There has been a lot of turnover and change with the restructure, so people have been reallocated to different teams. We've got two staff who have corporate knowledge of the previous build, and so that has been very helpful for this project, and then we brought on six other staff for the puppy farm build specifically. Some are BAs, some are project officers and some are doing the actual exemptions assessments. Then there is a very recent project manager who's going to support as well.

BRETT WHITWORTH: I should say that Ms Rahman can also draw on the policy team for the assistance around the Companion Animals Act review.

The CHAIR: Will any of those staff be moved into that review as well at any point, or are they completely focused on the puppy farm rebuild and the helpline?

BRETT WHITWORTH: Ultimately, I'd like to create a core competency around policy and programs within the companion animals team. Hopefully, yes, but again I need to manage that funding. I am managing the funding within the Office of Local Government. We do have more funding; that is absolutely true. But we're still a very small organisation. Every dollar is valuable in terms of our labour expense, and we're still operating under a labour expense cap. Managing that means that I need to be careful to both operate within the labour expense cap and establish where I can obtain, for the want of a better word, cash to fund the people.

The CHAIR: Can you tell me a little bit more about the priorities of the companion animals role? Will it be primarily overseeing some of that puppy farm build and any rollout of that Pet Registry, or will it be heavily involved with the review of the Act as well?

BRETT WHITWORTH: All of those. It's why I created the title around Companion Animals Policy and Programs. It will also have a significant role in being the policy and strategic driver behind—the Government has identified that it's going to provide a \$6 million grant over multiple years for rehoming companion animal organisations, so an important role there, and as the driver for the Companion Animals Act review and the integration with the work of our colleagues from DPIRD around the office of animal welfare and the various reviews of the POCTA Act that are going on.

The CHAIR: Will anything be done to further support rescue and rehoming organisations within this role, given their constant struggle? I understand that there are the small grants that are coming out soon, but will there be any additional support through the Office of Local Government or through this role?

BRETT WHITWORTH: I identified earlier in my testimony the importance of how we work with the rehoming organisations and the companion animal volunteer groups. I think when you look at the policy environment of companion animals, you can immediately see that there is a crisis point in terms of the way the pounds are operating and the network of rehoming organisations. Some additional funding will certainly help that, but we need to tap into that expertise and the significant contribution and knowledge that those people have to help us make the system work more effectively.

We obviously need to talk to councils and, when we're talking to councils around companion animals, invariably we're talking to the rangers or the environmental health officers, so we're getting a regulatory perspective. We're not necessarily getting an animal welfare or a humane perspective, which isn't to say that they don't share that or carry that, but there are different mindsets that people bring to that. I want to harness that more effectively and make clear that in the review of the companion animals laws, we need to tap into that area of expertise far more thoroughly.

The CHAIR: I know we've spoken about it before, Ms Rahman, but I just want to get it on the record. In regard to the puppy farming bill, how many breeders have been granted an exemption so far to have more than 20 dogs under the new regime?

BRETT WHITWORTH: Ms Rahman, can you answer that?

NAUSHEE RAHMAN: Yes, I can answer that. So far we've had 42 breeders make applications for an exemption. So far, through our approvals process, 25 have been approved. The dogs included so far in total would be 1,722. The range of exemptions so far, between the smallest exemption to the highest exemption, is 25 dogs to 78 dogs. So far there are only 10 breeders with more than 50 dogs, which means by 1 December next year they would have to bring it down to 50.

Dr AMANDA COHN: Mr Whitworth, you were just talking about the restructure. I asked you about the \$37 million of funding about a year ago, and it was probably too soon to have asked that question. Can you provide some more detail around the rest of the restructure, in addition to the discussion that we just had about the companion animals role?

BRETT WHITWORTH: Certainly. The answer that I've provided to Ms Overall does give a perspective of the different areas in which I've increased the resources and the staff numbers of the Office of Local Government. Quickly recapping, we have more people in investigations, a specific interventions unit, an increase in our data and financial performance team, the creation of the strategic reform team, and the creation of a new team for the trainees, apprentices and cadets. That's where the bulk of that additional staff comes in, as well as with the revamped executive structure.

Dr AMANDA COHN: I'm not asking you to repeat the numbers that were already provided, but what was the capability uplift? What are the things that you feel the office is able to do now that may have previously been more challenging?

BRETT WHITWORTH: I feel that we are far more capable of seeing the early warning threats and signs in terms of individual council financial performance. Our data capability there is much improved. It's not a criticism of the staff; it's just that we've got more people and we can be more effective in that. In creating the interventions team, we have been able to take work away from our governance team. So our governance team had multiple responsibilities around interventions management, the provision of advice and policy development. By taking the interventions role away from that team, I freed that team up to be able to do more policy work.

Out of that team we've had the policy work associated with the elections bill. Last week we released the draft procurement guidelines update, which is something that has been a longstanding issue that lived rent-free in my brain because of multiple references from different inquiries about the importance of the procurement guideline update and meeting code. That team is well and truly on its way with producing the diversity report on the 2024 council elections as well. They're just a couple of examples of where that increased capability has come about.

I feel I've been able to get quicker at producing and releasing policy work and the submissions that come. We are almost ready to go with the Companion Animals Act review submissions, which closed at the end of May. There were 3,600 submissions and we're just about ready to release those now; whereas, the meeting code and the discussion paper took us nearly six months or more to do. These are examples of how we're getting better at building that capability. You asked a question before about where people should go when there's a report of welfare conditions and so on. I probably should have also mentioned that there are a number of authorised agencies under the POCTA Act. Some of those are approved charitable organisations, like RSPCA and the Animal Welfare League. We also have the police and the Greyhound Welfare and Integrity Commission.

Dr AMANDA COHN: I was more interested in your specific process of what happened when something came to your attention specifically. I previously asked the Minister about the issue of pecuniary interest disclosures for councillors. I'm particularly concerned that some councillors' addresses, other than people's primary residences, were being redacted. I'm sure you're also well aware of the issue with overseas property interests. When I asked the Minister about it previously, he said, "I might have the OLG have a look at the current provisions and see if I can make some quick change." Has any work been done to follow that up?

BRETT WHITWORTH: The register of pecuniary interests happens as part of the code of conduct. The work that was alluded to this morning around the code of conduct will give us that update. Putting aside the alignment with parliamentary processes for pecuniary interest identification, we've talked about the importance of having all pecuniary interests identified, but not the specific address of the primary residence and a secondary residence, which I think is a fairly practical and reasonable approach. That will be part of that code of conduct work we are actively engaging with the Minister on at this point in time.

Dr AMANDA COHN: Regarding code of conduct complaints, I've previously asked you about figures for the numbers of complaints received. Do you have figures for 2024-25?

BRETT WHITWORTH: I do not have figures for 2024-25. We should have them shortly. I should explain that, in order to get those figures, what we need to do is take every bit of correspondence that comes into the organisation. When it comes in, we characterise it and keep the right metadata so it can be searched. But it requires human involvement in the sense that someone has to characterise it in the correct way, and then we've got to make sure that they all match up. I am assured that we are close, but I do not have that data.

Dr AMANDA COHN: Close enough that you could take my question on notice?

BRETT WHITWORTH: I can take that question on notice, yes. I'm more than happy to take it on notice, but when I say I'm close, I don't know whether I'm close within two weeks or whether I'm close within four weeks, considering the time frame for responses to questions.

Dr AMANDA COHN: If it's outside the timing for questions on notice, perhaps my follow-up question to be taken on notice will be how can we access that information outside of budget estimates?

BRETT WHITWORTH: That's really about how we produce the data. As I said, it's a very manual process. It's really a manual process of the checking and going back and allocating. It's not just about code of conduct complaints. It's about every complaint that comes into the Office of Local Government from someone saying, "I rang the council and they didn't answer within the right time frame" to referrals from integrity agencies. It spans the breadth of importance, but it also means that it's measured in different systems and different processes, so we've got to pull them out, review them, make sure that there are no errors and put them together in something that makes sense, and then is comparable with what we did last year and the year before, and so on. That's why I'm slightly hesitant to say, "Yes, I can guarantee", in certain time frames.

Dr AMANDA COHN: That's all right. I appreciate it's a complex process. I'll have to ask again next time, if we haven't got it in.

BRETT WHITWORTH: I think this would be a note to my staff that we should try to make sure we can have that information by budget estimates.

KIERSTEN FISHBURN: Subtly done, Brett.

BRETT WHITWORTH: That has been expressed before.

Dr AMANDA COHN: My request has been received and noted, thank you. You've got a list on your website of current and completed interventions with councils. Is there a reason that Edward River Council is not listed under either current or completed interventions?

JENNIFER HICKEY: It should be completed.

BRETT WHITWORTH: Ms Hickey has identified that it should be completed. Can you just talk about how we completed that?

JENNIFER HICKEY: I think that was in June or July we received their fourth quarterly report. They'd addressed all the issues we'd raised and the Minister raised in the PIO. We recommended to the Minister that that get closed off and he agreed. That's what happened. It's probably just that the website is not updated. I apologise.

Dr AMANDA COHN: In terms of the time frame of the result of the intervention it sounds like it's probably imminent.

JENNIFER HICKEY: I'm just going to look it up for you.

BRETT WHITWORTH: Yes. I suspect that it's just a matter of a decision having been taken by the Minister. He signed off on that. He sent the letter to the council. We probably just haven't flicked the switch on the website to go from one to the other.

Dr AMANDA COHN: You mentioned in passing the report on the 2024 election in terms of diversity, which I'm very interested in. Will that be a public report? When can we expect it?

BRETT WHITWORTH: It is a public report. We released a report on the 2021 elections but, as I said, that's one of the benefits I take for freeing up the governance team. I don't have a precise time frame for that, unless Ms Baldock has an answer. We receive all the raw data from the NSW Electoral Commission and we need to go through large spreadsheets and so on.

TINA BALDOCK: I can answer that. We are aiming to have that information released by December and, like Mr Whitworth said, it is raw data that we need to go through individually and correlate. But I can give you some of the figures from those elections that may be a help in terms of diversity outcomes. Overall, there was about a 4 per cent increase in candidates who stood for election—from 3,854 in 2021 to nearly 4,000 in 2024. The figures show that the percentage of Aboriginal and Torres Strait Islanders appears to have increased from 3.8 per cent in 2021 to 4.1 per cent in 2024. I've also got a range of other figures that I can go through around non-English background speaking nominees, 11 per cent, and the candidates who identified as having a disability increased from 3 per cent to 4.6 per cent. There's also been an increase in female representation among the councils and that's based on preliminary data rather than our fixed data.

The Hon. AILEEN MacDONALD: Mr Whitworth, in relation to code of conduct and the procedures on the administration of the code of conduct and investigations, are councillors, prior to answering any allegations against them, entitled to procedural fairness and natural justice?

BRETT WHITWORTH: Everyone's entitled to procedural fairness and natural justice.

The Hon. AILEEN MacDONALD: Good—right answer.

BRETT WHITWORTH: My general counsel's probably quite happy that I've given that answer.

KIERSTEN FISHBURN: I'm sure we'll find out from her in a minute.

The Hon. AILEEN MacDONALD: Is a councillor under investigation, say, for a breach of code of conduct provided with all the credible, relevant and significant material against them in order for them to meet any case against them and allow them to be properly heard in response to an investigation?

BRETT WHITWORTH: The procedures provide that the councillor needs to be made aware that they have received a complaint, but they don't necessarily get the full document of the complaint. I know that this was raised this morning, particularly around the Parramatta issue. I flagged that we're still within the appeal period of that so we should be careful about making decisions and so on. Drawing that up to a more abstract perspective, a complaint that is made about a councillor or about a council staff officer, if it relates to serious wrongdoing, could also be classified as a public interest disclosure. In making a public interest disclosure, there are provisions in that legislation around reprisal and preventing reprisal, and part of that is making sure that someone can't identify where that material came from. We run a very careful line to make sure that someone is aware that there is a complaint about them, and they're aware of the nature of the complaint, but they don't necessarily get the full detail of that.

The Hon. AILEEN MacDONALD: A complainant lodging a complaint, do they have to live in the LGA in which the alleged breach occurred?

BRETT WHITWORTH: No.

The Hon. AILEEN MacDONALD: Do they have to disclose their personal home address?

BRETT WHITWORTH: Sorry, does the—

The Hon. AILEEN MacDONALD: Does the complainant have to disclose their address?

BRETT WHITWORTH: A code of conduct complaint could be made anonymously, for example, in which case—and I know I'm mixing the streams here talking about referrals from different agencies and so on, but I know that we've received referrals from agencies where clearly an alias has been used, or the agency or the person has declared who they are to that agency but has asked for their details not to be passed on, so we don't receive those details.

The Hon. AILEEN MacDONALD: All right. I think that's enough for that one. I wasn't here before so I'm not sure; you may have already answered these questions about the Pet Registry. If you have, just say already.

How much revenue was collected through pet registration and the companion animal permits in the last financial year?

BRETT WHITWORTH: It was about \$8.6 million, which was a drop on previous years. We'd averaged about \$10.3 million over the last three years, so we're actually seeing a decline in the number of pet registration fees. I don't know whether that's a decline in the number of animals being microchipped as well, or whether that's a decline in our ability to capture from microchip to registration. It could be a COVID impact. That's part of what—I've very much been asking the team to investigate and identify what those trends are.

The Hon. AILEEN MacDONALD: Of that \$8.6 million, can you say what the revenue was spent on—whether it's maintaining and upgrading the Pet Registry, programs, rehoming?

BRETT WHITWORTH: The money is spent. We collected \$8.78 million in the 2024-25 financial year and we provided \$6.5 million to councils. That was that pro-rata return. The remainder of the funds were used for programs such as the Responsible Pet Ownership Program, which is that education program that we have where people can get puppies and cats and so on to come to schools and kindergarten kids can learn about how to interact safely with an animal. We are also starting to look at whether we can better leverage that money. I did provide the example before of quarterly remittance that I've signed off on where I've provided a council in far western New South Wales with \$29 in the quarter, and I provided another council with just shy of \$1 million in that quarter.

That \$29 isn't going to do—my comment was that it'll provide biscuits for the pound staff for maybe that quarter, but it doesn't enable them to do some of the really fundamental things like improve the animal welfare and humane treatment of their animals, not does it give the rangers a good enforcement toolkit to enforce the Companion Animals Register. Whilst it's important for us to return money to councils out of the Companion Animals Fund—whether we do it on a pro-rata basis, or whether we do it in a more strategic way and provide tools, resources, even grants, potentially, so that there is broader benefit—it is something that we are keen to pursue.

The Hon. AILEEN MacDONALD: Are you able to say, with regard to the Pet Registry, when it was originally scheduled for completion, and what is the revised delivery timeline?

BRETT WHITWORTH: I think—

The Hon. AILEEN MacDONALD: You may have already answered.

KIERSTEN FISHBURN: Yes.

BRETT WHITWORTH: Yes, I have, and with a degree of frustration that it's not—

The Hon. AILEEN MacDONALD: I'll move off those ones then. I'm wondering, with the model meeting code of conduct that we really only found out about yesterday—I know there's been consultation and discussion papers before. Are you aware of how many councils have formally commenced consultation on adopting that model?

BRETT WHITWORTH: I am aware this is a source of frustration for councils, and I have to acknowledge that. The Local Government Act requires councils to update and adopt a code of meeting practice within 12 months of an election. We are three weeks away from that 12-month anniversary, so I'm assuming the vast majority of councils will have adopted their meeting code. The provisions that will be regulated—and that regulation should happen imminently—will have transitional arrangements that say that councils need to have the meeting code in place and adopted by 1 January 2026. However, if they do not adopt a new meeting code, then they will operate under a hybrid system where they'll have their existing meeting code and the new model code will override that to the extent of an inconsistency. So if a council has said—we would hope that every council moves to update their meeting code, but if they don't update their meeting code, they will still have a meeting code that will be effective. There's a degree of practicality and pragmatism around the timing in which they adopt it.

The Hon. AILEEN MacDONALD: What monitoring will you then do? Say that they're on these two different systems, or they've adopted the new one, what monitoring will you put in place to ensure all councils do adopt it by that date?

BRETT WHITWORTH: As I said, we won't be monitoring whether they have adopted it by that date, because if they don't adopt it by that date then the new system will apply over the top to the extent of the inconsistency. The Minister has discussed with me the importance of monitoring council meetings to the extent that there are certain elements within the meeting code that will require us to review whether councils are

complying with them. I'm talking quite specifically about the briefing sessions. We have not yet developed a program of what that monitoring would look like.

The Hon. AILEEN MacDONALD: If a council is struggling to meet that—where they can adopt it—will the department provide additional resources or guidance to councils?

BRETT WHITWORTH: We will provide the same level of support that we do now. That's quite a comprehensive level of support, I would say. The governance team of the Office of Local Government is quite well known with the governance managers of councils and, dare I say it, a number of mayors and councillors as well. We will continue to provide that support, and Ms Baldock has flagged for me that she can assist me with the answer.

TINA BALDOCK: Yes, I'm happy to assist. We'll also roll out some additional guidance for councils to assist them with the transition. That will include some model best practice public forum rules and also some guidelines for webcasting and the closure of council meetings. We intend to hold a webinar as well to discuss some of these changes and go through some FAQs with councils to help smooth that transition process.

The Hon. AILEEN MacDONALD: With regard to compliance, what will be the consequences to councils if they fail to adopt, for whatever reason, whether it's because of IT or capabilities? What will be the consequences if they're unable to comply?

BRETT WHITWORTH: I'm assuming some hypotheticals—the live streaming, for example, or the briefing sessions. We will need to identify for the council that they're in breach. We will need to identify a way in which the council can—is that a breach because they've put an order in for new cameras and it's three months away, or is it because they have a philosophical objection? The nature of the issue will depend on the nature of our response, which may include the issue of a performance improvement order. I think you've seen that Minister Hoenig has issued a performance improvement order to Edward River Council for the way in which they had managed their meetings in the past, as an example. I think that there is a—I'm not going to say willingness, because that implies that he's eager to do it, but there is a recognition that the use of a performance improvement order may well be an appropriate response in that circumstance.

The Hon. AILEEN MacDONALD: On that issue of live streaming, say, from 1 January all councils are meant to comply with that—their meetings are to be live streamed and recordings published. What steps will the OLG or the Government take to ensure that regional councils with limited IT capacity can comply?

BRETT WHITWORTH: I actually think that regional councils are doing a pretty good job of that right now.

The Hon. AILEEN MacDONALD: Yes, they are.

BRETT WHITWORTH: It's part of the service commitment to their community. I think the Minister was actually pretty energised by a large Sydney council that didn't live stream. There is an obligation for councils to record their meetings and make those recordings public now—there is a basis in the IT systems that councils can do that. It's more a switch of whether they do a live stream or whether they hold that recording for later and put it up later, but now they will be required to make it a live stream. I do know that some of the conversations have been held with—I'm trying to think. I think it was in the drought tour of Greater Hume that the mayor and deputy mayor were describing that they'd like to move from—there are multiple villages in Greater Hume. They'd like to move from one village to another to have their council meeting, but some of the live streaming elements meant that they couldn't quite do that. But I'm sure that there are ways in which we can work to identify whether there is some sort of more portable technology that can be used.

The Hon. AILEEN MacDONALD: Will the department measure whether these—it's enabled transparency because not everyone can go to the council chambers to view these, so live streaming would be seen as beneficial. Will you be measuring whether this is increasing community confidence in councils?

BRETT WHITWORTH: I wanted to try and understand how to get at that measure of community confidence in councils. There are obviously people who are unhappy with their councils, and they are, some might say, a vocal minority. There are those people who say any government is bad. We all suffer from that fate, whatever level of government we have. A number of councils run specific surveys on customer satisfaction and customer sentiment, and whether there's a way of aggregating that data—but, again, I don't want to necessarily create an obligation that every council has got to do a customer sentiment survey, working out how we can get to that better understanding. These things would be great, but I have a number of fundamental reform elements that we need to complete before. That would be a nice to have rather than a must have, at this point.

The Hon. AILEEN MacDONALD: Based on that, if there's a public forum, councils now have to ensure, or it's mandatory, that they are also live streamed. Is that right?

BRETT WHITWORTH: The public forum—there is an obligation. It's more a way of trying to give councils more flexibility over how they manage the public forums. That is one of the areas where we're going to be providing councils with guidance on the public forums.

The Hon. AILEEN MacDONALD: That was going to be the next part. What minimum standards of accessibility and fairness will the department enforce across councils so that people who want to watch—

BRETT WHITWORTH: They'll have to look at the guidelines, but that will be up to each council to determine. Ultimately, the concept of a public forum is to assist the councillors, as the democratically elected representatives of their community, to be able to understand and hear directly from their community what some of their issues and concerns are. I would imagine that there are a number of ways in which elected representatives gain feedback from their electorate. Public forums would be just one of them.

The Hon. AILEEN MacDONALD: The code now allows mayors to call extraordinary meetings without requiring signatures from councillors. What safeguards are in place to prevent misuse of that expanded power?

BRETT WHITWORTH: I suppose that will be one of the issues that we identify as part of the ongoing monitoring of how councils operate their meetings. If it becomes evident that a mayor is misusing the power, then that will be readily identifiable through the way in which the meeting agendas are put together. Just because there is an ability to hold an extraordinary meeting doesn't necessarily mean that the numbers on the council in relation to the votes on matters will change. If you've got a mayor that has been popularly elected but doesn't have the numbers to carry a resolution, then they can call all the meetings they want; they still won't be able to carry the resolution that they're putting forward and vice versa. Sorry, I've just been told that the provisions in the code relating to live streaming of meetings also apply to public forums, so they will be live streamed.

The Hon. AILEEN MacDONALD: You mentioned that you will be reviewing this new code of conduct. Will you be doing reports, or how will you communicate whether some of these rules are successful or need tinkering with?

BRETT WHITWORTH: Do you mean the code of meeting practice?

The Hon. AILEEN MacDONALD: Yes.

BRETT WHITWORTH: I don't want to end up in that situation where you're constantly tinkering with process. I come from a planning environment where for many years we constantly tinkered with the concepts of complying and exempt development, and people had trouble working out what was compliant and what was exempt. I think it's more a case of building in regular reviews and making sure that we can try and program those reviews to a time when councils would be updating their meeting code anyway, in the 12 months between an election and the finalisation of the election.

The CHAIR: I'll start with some questions to Ms Connell and Mr Day. I'm just wondering if I could get an update on how many pound facilities were inspected by enforcement agencies in the past 12 months?

PETER DAY: I'm assuming you were given the figure last time for the 2023-24 financial year.

The CHAIR: Yes.

PETER DAY: The section 34B reports aren't due until 30 September this year. But for the last six months, to December 2024, Animal Welfare League did five inspections of pounds and the RSPCA did one. In terms of action taken, the RSPCA issued three PINs to two pounds—there were two PINs to one pound and one PIN to the other pound—and they were a result of complaints. They were three inspections as a result of complaints made, in addition to those other ones before.

The CHAIR: Sorry, who gave those PINs?

PETER DAY: The RSPCA.

The CHAIR: Did you say they've inspected one facility?

PETER DAY: The RSPCA? So there were four all up. One was what we would call a routine inspection, and the three from the RSPCA, in addition to the other one, were as a result of complaints.

The CHAIR: They were the ones relating to the PINs?

PETER DAY: That's right.

The CHAIR: Then there were five by the Animal Welfare League?

PETER DAY: That's correct.

The CHAIR: And there were no PINs or anything else in that?

PETER DAY: That's correct—and no complaints either.

The CHAIR: So those five were all routine?

PETER DAY: Yes.

The CHAIR: The pound inquiry recommended there be regular and unannounced inspections of New South Wales pounds to ensure a high standard of care for animals. That was something supported by councils and animal protection organisations. Has there been any work between DPIRD, OLG and enforcement agencies to try and ensure these types of routine inspections can occur?

PETER DAY: That's something we can look at in terms of the upcoming grants process, in terms of the ACOs applying for the funding. So, yes, we could look at that.

The CHAIR: I was asking the Minister this morning about the RSPCA no longer taking in stray cats. Is that something that DPIRD's received any complaints from councils about, or is there any work that DPIRD's doing in that particular space?

PETER DAY: Not complaints from the councils to us. Also, it doesn't compromise their enforcement ability in terms of what we provide the grant money for, so it wasn't really our purview.

The CHAIR: There won't be consideration of that in any future grants?

PETER DAY: No.

The CHAIR: I've got some more questions around pound statistics, which I assume might be for Mr Whitworth or Ms Rahman. I've previously asked about missing pound statistics for certain councils. At last estimates, the only council who had not reported anything was Murrumbidgee Council. Can you provide an update on whether they have supplied data now?

BRETT WHITWORTH: I do not remember reading about whether that's the case, but Ms Rahman might have an update on that.

NAUSHEE RAHMAN: That survey information is due by 31 August so we'll have just received that. As of Thursday last week, 76 per cent of councils had completed, 3 per cent had not completed and the remaining 21 per cent had not started. I don't have a breakdown of the specific councils. I would expect that, like many things, they get submitted at the last minute, so we can do an update at a later stage.

The CHAIR: Do you have any information about the previous year? The year that I'm concerned about is 2023-24. I appreciate this was before your time, Ms Rahman, but I think I spoke at the last budget estimates with you, Mr Whitworth, about the councils that hadn't reported anything. Are they still recorded as not having reported any data?

BRETT WHITWORTH: I thought that Murrumbidgee had identified—can we take that on notice?

The CHAIR: Yes.

BRETT WHITWORTH: But I thought that we—I remember dealing with this and I thought that Murrumbidgee was either a case that they didn't have any circumstances or that there was a shared pound arrangement—

NAUSHEE RAHMAN: Were they using another service?

BRETT WHITWORTH: Yes, another service. So they didn't believe they needed to report.

The CHAIR: We had Lane Cove and Hunters Hill who reported zero. They said that's because they were leaving it to Blacktown Animal Rehoming Centre to do the reporting on their behalf. Obviously there are concerns around that because it gives Blacktown a bad look for having all these lost animals and these other councils looking like—it creates this odd picture. But, I think, from memory—and I'm happy for you to take that on notice and correct me if I'm wrong—that Murrumbidgee was still a sort of an outlier that we hadn't, or at least I hadn't, got information about in regards to why they had reported nothing. But, yes, I do have Lane Cove and Hunters Hill in that situation that you indicated.

BRETT WHITWORTH: We'll take that on notice and come back to you. I do remember us following it up, and I thought it was the subject of a response to a question on notice and that they didn't have data. But I'll take that on notice and give you a fulsome answer.

The CHAIR: Is anything being done about the two councils that are leaving it to Blacktown? Are we going to change that sort of system in regards to reporting going forward, given obviously there are quite a few councils using BARC and now it creates this strange view of what's actually happening in different councils?

BRETT WHITWORTH: Sydney Dogs and Cats Home is starting to come out of the ground quite well. We'll have more councils using shared services. The commitment that I make to you is that before we publish the data, we'll do a cut and review of it to make sure that, if there are some of these unusual circumstances, we'll go back to the councils and see whether we can actually get the data that comes from their area.

The CHAIR: Great, thank you. Ms Rahman, I know you've said that there's a bit of time still going on in regards to getting that data in. Do we have any sort of expectation around when those newer statistics might be published?

NAUSHEE RAHMAN: Yes. We'll be running the final numbers, I think, at the end of this month. But we'd hope that it's in the first week of October or sometime within October.

BRETT WHITWORTH: Can I just say that this is my challenge, in that we get this data and we rush to publish it. Sometimes we find problems and we don't necessarily get a proper outcome. I'm always nervous about providing that sort of commitment that it will be, but we'll make every effort to find it. Can I just say, my dutiful team and my incredibly diligent executive officer, who doesn't get anywhere near the credit that she should get, has said to me, "We responded to that question on notice last time. We contacted Murrumbidgee and they advised they didn't have any animals enter their pound during the period."

The CHAIR: Okay, interesting. Sorry, this is probably another one, then, on notice. Was there any follow-back correspondence about that, given that seems like a fairly unusual situation to have an entire year with an entire pound having no animals coming forward?

BRETT WHITWORTH: That would go to the way in which their enforcement is being run as well. Murrumbidgee is centred around Jerilderie, and there's another town that I will forget. It's not an urban environment. The majority of the animals will probably be working dogs, so they may not have a very high number of strays and/or animals that are seized in any case.

The CHAIR: But we don't have any information about that. It's more just an assumption at this point.

BRETT WHITWORTH: That was what they told us: They didn't have any animals. I don't know how I could go back and interrogate that any further.

The CHAIR: Has the Office of Local Government done any consultation or analysis on the impact of RSPCA's decision in regards to no longer taking in stray cats? Is that something that you've been in communication about at all with councils that might be affected?

BRETT WHITWORTH: No, we haven't. We have been watching this as an unfolding situation. We have reviewed the money that they have received from the Government for capital improvements to a number of facilities. We are aware that they made an announcement some time ago that they were going to move out of the rehoming practice. But the implications for councils is something that we have—I know that the Unanderra facility of RSPCA had implications for Wollongong and Shellharbour, and that those councils were working with RSPCA to identify an appropriate response. Rather than the Office of Local Government intervening, if the councils are working with the RSPCA, I'd rather let them work it out and come up with appropriate arrangements.

The CHAIR: Mr Day, I understand, you have requested to leave early. My understanding is that the Committee has finished with any questions, so you may leave when you're ready. Thank you.

(Peter Day withdrew.)

Dr AMANDA COHN: Mr Whitworth, you've referenced the expert advisory panel regarding the financial reforms a couple of times already today. It is obviously the Government's preferred way forward for a number of the recommendations out of the financial sustainability inquiry. What's the progress on establishing the panel and next steps from here?

BRETT WHITWORTH: I can refer to my testimony already given, but the establishment of a panel or a board or a committee needs to comply with certain Premier's memoranda and guidelines, and that involves consultation with the Public Service Commissioner. That consultation has commenced. I think I described the differences between the stakeholder-based approach and the expert-based approach. I think we have a number of experts that we'd like to approach to seek their involvement. For me, the expert advisory panel has been critical because one of the challenges of financial sustainability is that we need to carry the local government sector with us on any changes. The repeated conversation about cost-shifting shows that local government has a very

legitimate and robust argument about cost-shifting, and I've got a reasonably legitimate argument about there not being cost-shifting, but that doesn't ultimately solve the issue that councils need more money to operate and provide their services for their community.

We're having conversations about cost-shifting when we could be having conversations about what is the best way to deal with the growing trend and the growing need for greater diversity of housing—which translates to build to rent. How do we ensure that that's appropriately identified as a rating approach? What is the best way to pick up the differences in ratings between different council areas, where some councils want particular types of activity rated and others don't necessarily want it rated? I need to work with the sector so they can identify, "These are the things that will work and will give us more credible and enduring financial sustainability." That's why I feel the expert advisory panel is so critical. I don't want this to be a government-imposed process.

Dr AMANDA COHN: I'm moving on but note that I don't want that to be interpreted as acceptance that cost-shifting isn't happening by anyone who is watching.

BRETT WHITWORTH: I'm sorry, I'm not trying to make the argument that cost-shifting isn't happening. I suppose what I'm trying to say is that there are deeper issues around cost-shifting, and we could have a great conversation about cost-shifting between the Commonwealth Government and the State Government. It happens at every level.

Dr AMANDA COHN: I don't doubt that it is also happening at other levels of government too. I have a couple of questions around the new model code of meeting practice, which is obviously very fresh, specifically regarding public forums. There's a comment in the FAQ for the code of meeting practice that the public forum provisions are now mandatory and that it's up to councils to determine whether to hold public forums before council and committee meetings. It's not really clear if, when and where public forums are mandatory. Can you clarify that?

BRETT WHITWORTH: That these will be the source of the guidelines? I think some councils have a public forum before a council meeting. Some have them before a committee meeting. Some councils have a disconnected public forum—that Tuesday is public forum day and there's no other meeting. What we're saying, effectively, is, "You've got to have a public forum, either in front of a council meeting or a committee meeting." The fact that there are no—in the previous model code, my memory is that there were a number of non-mandatory provisions about public forums. Those have been removed from the model code to allow councils to structure the public forums in the best way that they want to have them structured. As Ms Baldock identified, we will be providing a guideline to councils on how they could effectively use the previous versions of the requirements to structure their own process around.

Dr AMANDA COHN: To clarify for my own understanding, when it says it's up to councils to determine whether to hold public forums before council and committee meetings, it's up to them regarding the timing and the format of the public forums?

BRETT WHITWORTH: Yes.

Dr AMANDA COHN: But they must have them.

BRETT WHITWORTH: They must have them either before a council meeting or before a committee meeting. They don't need to have them before every meeting. That's my reading of it.

Dr AMANDA COHN: That clarification is helpful. While we're on this, Ms Baldock, you were in the middle of giving me some very interesting statistics out of the diversity report, which I'll come back to before the end of the day. I think you were about to give the figures for disability and for women.

KIERSTEN FISHBURN: Disability you gave. You didn't cover women.

TINA BALDOCK: There were 1,285 councillors elected at the 2024 local government elections. The preliminary data indicates that 522 of these, or 41 per cent, were women. That's an increase of 2 per cent from the 2021 elections.

Dr AMANDA COHN: For the other priority populations you gave prior to women, was that the proportion of candidates, not the proportion of councillors?

TINA BALDOCK: For the 2021 figures, the percentage of Aboriginal and Torres Strait Islander candidates appears to have increased from 3.8 in 2021 to 4.1 in 2024, candidates whose first language is not English made up about 11.5 per cent of the nominees, and the candidates who identified as having a disability increased from 3 per cent in 2021 to 4.6 per cent in 2024.

Dr AMANDA COHN: That's right. This is all very helpful. Those are all the figures for candidates, not for elected councillors. Then, for women, you've given us the figures for councillors elected rather than candidates.

TINA BALDOCK: Elected is the information that we still need to be working through based on the final figures and that will be part of the diversity report, which we'll release by December.

Dr AMANDA COHN: Thank you. Does the Electoral Commission collect any data on LGBTQIA+ identity?

TINA BALDOCK: I'm not sure of that, so I'll have to take that one on notice.

Dr AMANDA COHN: No problem. Thank you. Coming back to the code of meeting practice reforms, I had one other clarification. New provisions 9.3 to 9.6 are specifically about the ability of councillors to put on urgent business, or business without notice. There are a number of specific provisions in this section, including that only the mover of the motion and the chair can speak to the motion before it's put. Also, 9.5 functionally contains a veto power for the mayor. So even if the council itself considers an item urgent, the mayor has the power to override that. Was there a particular rationale for why for this one provision—the consideration of urgent business—you're allowing the mayor to individually override the majority decision of the council?

BRETT WHITWORTH: Sorry, Dr Cohn, which clause?

Dr AMANDA COHN: I'm looking at 9.3 through to 9.6. The veto specifically is at 9.5. It says:

... the council may only deal with business at the meeting that councillors have not been given due notice of, where a resolution is adopted in accordance with clause 9.3, and the chairperson also rules that the business is urgent ...

BRETT WHITWORTH: We can take the question on notice. But I also understand, from my quick looking at this, that this relates to two points. One is, "I'm putting a notice of motion forward, so I need to speak to the urgency of the notice of motion." So only the mover of the motion and the mayor, or the chair of the meeting, can speak to the urgency of the notice. Once the urgency of the notice has been established and voted on, then other councillors can speak to the motion itself. That is my quick interpretation, but we can take that—

Dr AMANDA COHN: You've just given me your interpretation of 9.4, but then specifically 9.5—it seems to me very clear that there's an intention of giving the mayor a veto. There's reference to a resolution being adopted in accordance with 9.3 and also the chairperson ruling that business is urgent. Then, specifically, it goes on at 9.6 that a motion of dissent cannot be moved against a ruling by the Chair. So it seems to me like a very intentional vesting of power in the mayor to veto business being considered urgent.

BRETT WHITWORTH: I believe that that's an existing provision.

KIERSTEN FISHBURN: I'm pretty sure—having sat through many, many council meetings—that that's the way it operates at present. We'll check for you.

BRETT WHITWORTH: The process is, the mover of the motion, why this is urgent. The council will vote. Then the mayor effectively needs to certify, for want of a better word, that the motion is urgent. Then you can debate the motion.

The Hon. NICHOLE OVERALL: The process when a councillor submits a complaint against a general manager or a mayor, is that changing as part of the changes that you're implementing?

BRETT WHITWORTH: In terms of the longer term changes—and the Minister spoke about the privileges committee—that will change. But, under the existing provisions and under the new provision that the Minister flagged with the transfer of jurisdiction to the Land and Environment Court, those won't. At the moment, the way code of conduct complaints are dealt with is under the procedures for the model code of conduct. In order to create the new privileges committee, we will need to amend the Act and effectively change those procedures. My ambition here is, at the moment, code of conduct complaints are made to the general manager in all circumstances unless they are about the general manager, in which case they're made to the mayor—which puts the general manager into the political frame of dealing with the code of conduct.

The Hon. NICHOLE OVERALL: If it's made about the mayor, it goes to the general manager?

BRETT WHITWORTH: Yes.

The Hon. NICHOLE OVERALL: So there are issues.

BRETT WHITWORTH: What I would prefer to do is to have a complaint process that is focused on whether this is an appropriate behaviour for councillors. Take a step back: The existing code of conduct and the procedures will be, effectively, split. The existing system will continue to apply to staff because it seems to be an effective mechanism for staff—so complaints about staff will be made to the general manager. Complaints

about councillors will be a complaint to the privileges committee. That will be a web form based process that will come to the Office of Local Government, triaged by the Office of Local Government, and then given to the privileges committee—unless it's a pecuniary interest issue, which would come directly to us, which it does now anyway.

The Hon. NICHOLE OVERALL: You just talked about complaints about staff. What if staff have complaints about the GM?

BRETT WHITWORTH: If staff have complaints about the GM, we still believe that should be dealt with as a code of conduct complaint. But, in that instance, it will still need to be made by the mayor—

KIERSTEN FISHBURN: To the mayor.

BRETT WHITWORTH: To the mayor—sorry. Under the existing processes, complaints—under the procedures—are made either to the general manager or to the mayor, who then consult and talk to the council's complaints coordinator, who then organises for a—

The Hon. NICHOLE OVERALL: You can see why this can be, and has been, an issue, but you are looking to change that.

BRETT WHITWORTH: Yes.

The Hon. NICHOLE OVERALL: Have you got a time frame on what you might be hoping in that regard?

BRETT WHITWORTH: We have been picking these things off progressively—maybe a little bit more messily than I would have originally hoped. But we need legislation to implement the privileges committee, so that will need to be considered around the legislative agenda and time frames.

The Hon. NICHOLE OVERALL: As long as it's being looked at. The other thing that you raised earlier—and, don't get me wrong, with every fibre of my being I want to encourage people into local government, particularly women—you talked about the eligibility to run as a councillor. When they have a prosecution charge against them for more than five years, has that been reviewed as part of this? Does that need to be tightened up and looked at more closely?

BRETT WHITWORTH: That hasn't been on our policy radar.

The Hon. NICHOLE OVERALL: Do you think it should be?

BRETT WHITWORTH: If you read any number of court judgements or NCAT judgements about action taken against councillors—and I was reading one last night—this isn't exactly the quote from the judgement, but it pretty much talks about, if you are depriving a community of a democratically councillor—you know where I'm going with that.

The Hon. NICHOLE OVERALL: I do know where you're going with that, yes.

BRETT WHITWORTH: So this is a challenging area.

The Hon. NICHOLE OVERALL: I'm talking about the eligibility for people to run, if we're already suggesting that it is in place if they have a judgement against them. I raised with the Minister at the last estimates the fact that those who choose to run, let alone be elected to council, aren't even required to have working with children and vulnerable people checks. The Minister took on board to look at that. I didn't have the chance to ask him whether he has looked at that. Is this not something that should be given serious consideration?

BRETT WHITWORTH: Ultimately, that'll be a policy decision of government. Ultimately, that will be a question as to the extent to which you want to put a limit and a bound around who should be an elected representative.

The Hon. NICHOLE OVERALL: We do have that around other levels of government. Working with children and vulnerable people checks, I mean, for goodness sake, you can't even sit on a volunteer committee or a board without one of those. We're also talking about and seeing for ourselves demonstrated, unacceptable behaviour from elected officials. I'm just saying, if we're going to be managing them reactively, is there more that might be done from a proactive position? Quite frankly, with child care—and you're talking about the other areas that councillors are now straying into, aged care and the rest of it—we should be having more protections, particularly around working with children and vulnerable people, when we know that councillors do indeed do that. Other States, like Queensland, I understand do have legislation that accords with such things.

BRETT WHITWORTH: I think that it would be far easier for me to implement such a change if it was something that was being done at the State level as well. Do parliamentarians consider what restrictions and requirements they need to meet in order to run for Parliament?

The Hon. NICHOLE OVERALL: Yes, we do. In terms of party positions, we're required to have police checks, Working with Children Checks and financial checks et cetera. From a party perspective, we absolutely have those things in place. Independents I can't answer to, but it's fine. It's something that I will be pursuing a little more vigorously as well.

The Hon. AILEEN MacDONALD: I want to ask you about the *Pathways to Prevention NSW Strategy for the Prevention of Domestic, Family and Sexual Violence 2024–2028*. Do you know how much has been allocated to support councils to implement the Pathways to Prevention?

BRETT WHITWORTH: That's not within the Office of Local Government.

KIERSTEN FISHBURN: I believe that's Minister Washington.

BRETT WHITWORTH: It's more than likely the Department of Communities and Justice.

KIERSTEN FISHBURN: Yes, it's definitely Communities and Justice; I'm just not sure which Minister.

BRETT WHITWORTH: It might be Minister Harrison.

The Hon. AILEEN MacDONALD: Okay. It's just that they asked me to ask you. I turn then to the Standing Committee on State Development report into the ability of local government to fund infrastructure and services. The Government has accepted 11 of the 17 recommendations from—

BRETT WHITWORTH: Sorry, 15 of the 17.

The Hon. AILEEN MacDONALD: Sorry, yes. I meant support and then there's—

BRETT WHITWORTH: Partial support for some. And of the two that we haven't—sorry, you were going to ask me a question.

The Hon. AILEEN MacDONALD: I was wondering if a framework has been established around those so that commitments can be delivered. If so, what are those frameworks?

BRETT WHITWORTH: I've provided testimony a couple of times now about the expert advisory panel and the process that we've been using to use the expert advisory panel to help us deliver the Government's responses. We have already started by compiling the issues associated with each of those recommendations. I do note that, whilst it says 15 of the 17, one of those relates to development contributions, which is sort of outside our scope but, still, I understand the subject of discussions in other places.

KIERSTEN FISHBURN: That's correct.

BRETT WHITWORTH: The seventeenth was about the red fleet issue, which we had left at the time, because we didn't have the response of the Public Accounts Committee, which is coming. You can see that we're already working through those. I wanted to make sure that we could deliver the changes in a way that takes councils with us. The role of the expert advisory panel is critical. We come out with a list of changed exemptions for rates, for example. Some councils will say, "That's great." Other councils will say, "You haven't picked up our concerns," et cetera. That's why the expert advisory panel, for me, is the glue that pulls all of those issues together.

The Hon. AILEEN MacDONALD: Does the Government intend to complete all of those supported recommendations before the 2027 election?

BRETT WHITWORTH: Sorry, on the financial sustainability review? I can't talk to the time frame. I think we would be anxious to try and get them completed but changes to rating exemptions requires legislation, for example. Changes to statutory fees will require changes to legislation. Some of the provisions around valuation and depreciation will require the Australian Accounting Standards Board to make changes to their processes, which they're working on, so we don't necessarily hold all the levers for the time frame.

The Hon. AILEEN MacDONALD: Based on that, have you been given additional resources so that you can start putting those in place? The legislative changes wouldn't be coming from you. Where would they be coming from?

BRETT WHITWORTH: The resources to implement the financial sustainability review are part of those increased resources that the Office of Local Government has received. The creation of the strategic reform team—they've got essentially three jobs. One is to improve the relationship and engagement the Office of Local Government has across government agencies to ensure that there's greater awareness of local government issues

in their decision-making. The strategic reform team is also working on the council conduct framework, and the strategic reform team is working on the financial sustainability review. It is an issue that runs across the Office of Local Government, so the performance and delivery team has a role in that. The policy team has a role in that as well.

The Hon. AILEEN MacDONALD: With those recommendations that do require legislative or regulatory change, has there been a process put in place for drafting of that, and when are we likely to see that come before Parliament?

BRETT WHITWORTH: As I said, we don't want to be drafting until we've got the policy components clear. To get the policy components clear, we want to make sure that we're bringing councils along, so part of that is the criticality of that expert advisory panel to help bring councils on.

The Hon. AILEEN MacDONALD: So it could be a while. Would you have a dashboard where you will say, "This recommendation has been done," like a progress on each one?

BRETT WHITWORTH: Did I ask for a dashboard on that at the last executive—

RACHEL CONNELL: Yes, you did.

BRETT WHITWORTH: I think we are working on a dashboard to help us with the recommendations and helping to address them.

KIERSTEN FISHBURN: The broader governance area of DPHI, as well, has a general oversight role for recommendations that are made across the department.

The Hon. AILEEN MacDONALD: Would that dashboard be made public so that other people can look at it?

BRETT WHITWORTH: I'd love to do that as long as everyone else in government put their dashboards up and made them publicly available as well. We had reasonable conversations about whether something showing as amber doesn't mean that the world's about to end, but it's just about time and issue and resources. But that's not really what happens in those circumstances. I mean, they are certainly all documents that could be GIPAA'd if need be.

The Hon. AILEEN MacDONALD: On those recommendations, are there three that are a priority or, again, is that part of what you were saying before with regard to you're waiting for the expert panel to do that?

BRETT WHITWORTH: The engagement with the Commonwealth around the increase in the Financial Assistance Grants to 1 per cent—that has already started. I've always made the comment that I never let a meeting go past with my Commonwealth colleagues where I don't talk about increasing Financial Assistance Grants. Some of them we're working on already and trying to do as much work in the background as possible so that we're ready and prepared for when we have the expert advisory panel and we can go, "Right, here is the program of work that we're going to put to you", developing up those policy papers to get their head around some of the issues and some of the policy context and policy challenges.

Throwing out examples, what are the implications of increasing the number of rate categories, for example, to capture some of the challenges of renewable energy zones, and the way that solar and wind farms are captured through the rating process there, or build to rent. I could keep going with any number of those sorts of examples. The Government's response has identified that some of the issues will be off limits to us—some of the charitable issues and dealing with the exemptions that charitable organisations have—but that also then goes to some of the education issues as well, which I know is a subject of discussion at the moment.

The Hon. AILEEN MacDONALD: You just said that when you're meeting with the Federal guys, you don't let an opportunity go by. How is that received by them, or are you not allowed to comment?

BRETT WHITWORTH: Other than when they roll their eyes at me and say, "Yes, he said it again", no, it's received well. Their response—and it's probably the same response that I would provide to councils—is that there is a big draw on the Commonwealth budget and that Financial Assistance Grants are just one of the things that the Commonwealth needs to fund. They point out to me that they have increased funding in other areas that doesn't necessarily get captured by the Financial Assistance Grants, like some of the direct funding for roads. These are all the things that I get from my Commonwealth colleagues.

The Hon. AILEEN MacDONALD: On those Financial Assistance Grants, is there another way we can divvy up that pie?

BRETT WHITWORTH: That is certainly the ambition of the grants commission. I put myself onto the grants commission as a way of identifying that that is an area where we can address and get some change. For

example, the Financial Assistance Grants are worked out on the basis of a general purpose grant and a roads grant. The roads grant is worked out on the basis of a formula that was calculated, I think, in the early '90s, which doesn't seem to have as much relevance to some of the issues and challenges that we're facing today. The increasing rate of natural disasters means just the roads component alone—we're not picking up adaptation and resilience issues, for example. So, yes, there is certainly scope to change and look at that. But the other challenge is that there is a pie that's given to the State and it's allocated to 130 entities. If you're going to increase the slice of the pie to one of those entities, someone has got to get a smaller slice.

The Hon. AILEEN MacDONALD: But that's in your consultation. When the grants commission is going around to all the different councils and explaining that process, some would like the message and some councils wouldn't like what they're hearing.

BRETT WHITWORTH: Yes. I think the model for the general purpose component is incredibly opaque, and we've tried to make some of the rationale and the process behind it more apparent. But, again, we're reliant on these strange combinations of rainfall and number of pensioners and the number of—I don't know, any other number of weird combinations that have gone into a formula that sits in a black box that spits out a number. I'd like to get at that and make it a more effective process, and I know my colleague commissioners are keen to do that as well. But there is also that recognition that it needs to be done carefully. People talk about Queensland and how Queensland changed the model. They talk about how the rural councils fare quite well, but they don't talk about some of the concerns that were left for the metropolitan councils that ended up with less money.

The Hon. AILEEN MacDONALD: Good luck on that journey and helping those councils with the greatest relative need.

The Hon. NICHOLE OVERALL: Consultation around the announcement of the mandatory FOGO services for all New South Wales LGAs by 2030—what specific consultation was conducted with regional councils prior to the announcement?

BRETT WHITWORTH: That's something that you'd have to ask Minister Sharpe and the department. I think that's an EPA—

KIERSTEN FISHBURN: It's the EPA, I'm pretty sure.

BRETT WHITWORTH: They manage that waste policy.

The CHAIR: I've got a question around getting an update on the work to build the new Sydney Dogs and Cats Home facility and whether it's still expected to open in November.

BRETT WHITWORTH: Yes is the short answer. I've actually seen pictures and there is a car park, there is framing and there is a roof. But Ms Baldock can elucidate a bit more.

TINA BALDOCK: I attended a project control group meeting last week. Public Works have been allocated with the role of overseeing that project and, as Mr Whitworth has just said, the project is tracking on time and to budget for a November completion. There have been some identified works around a sewer connection with Sydney Water, and Public Works are actively working with Sydney Water around that. In terms of Sydney Dogs and Cats Home, their lease actually expires on 24 October, and they've arranged an extension of that lease for another month to cover that time frame. That was pleasing news to hear last week.

The CHAIR: Do you know if the new shelter is going to have all the facilities and outittings that they originally planned and hoped for? I know that they were concerned for a bit and having to fundraise to supplement how much they needed for that build. Is it your understanding that they're now in a position that they will have everything that they want?

BRETT WHITWORTH: I think that there needed to be a lot of value engineering. Whilst we were presented with a "We can build this for \$12 million", when we auspiced the project and got Public Works to look at it, it was more like \$17 million. There has been a lot of value engineering to bring stage one down to the \$12 million. There has been every eye kept on the opportunities to recognise—it was always to be delivered in two stages. The \$12 million was the Government's contribution; there was going to be another \$8 million from Sydney Dogs and Cats Home for the second stage. Every opportunity has been taken to ensure that they could deliver the second stage as cheaply as possible. But I don't know that we can answer the specific question that you're asking because, in the way in which that value engineering exercise happened, there was both paring back and pushing things from that stage to that stage.

The CHAIR: Is it stage one that we're seeing is likely to be finished very soon?

BRETT WHITWORTH: Yes.

The CHAIR: The Opposition.

The Hon. AILEEN MacDONALD: Can you confirm that, when a councillor does their disclosure of interest return, they need to include their residential address and any property they are paying rent or board for or being allowed to live in rent-free?

BRETT WHITWORTH: The last one I'd want us to take on notice. It goes to the nature of the contract—so if you're living rent-free somewhere, whether there's a contractual arrangement for you to live rent-free or how that manifests. They're required to identify that, but only as it relates to New South Wales. Is it New South Wales or Australian property?

TINA BALDOCK: Australian.

BRETT WHITWORTH: Australian property, so the concern is that there is overseas property that's not being picked up, and that's why we want to address that. But, as the Minister identified this morning, he wants a pecuniary interest scheme that mirrors the pecuniary interest scheme that parliamentarians have, which makes a lot of sense to me. There will be that mechanism.

The Hon. AILEEN MacDONALD: Because you took the last part on notice, what is the penalty for a councillor failing to disclose that information?

BRETT WHITWORTH: It is a bit of a hypothetical. If it gives rise to an involvement in the decision where the councillor actually did have a pecuniary interest, then that could be misconduct. If it's serious misconduct, then there are a range of sanctions that would exist after a departmental report and investigation, which could include suspension or referral to NCAT.

The Hon. AILEEN MacDONALD: I have one more hypothetical. Say a matter came before a council meeting involving a property that a councillor may be living in or paying rent for. Does that councillor need to disclose that in the meeting as a conflict?

KIERSTEN FISHBURN: It's a pecuniary interest.

BRETT WHITWORTH: It's a pecuniary interest, yes. There was a comment that was made earlier about Newcastle and study leave versus special leave. I think I was under the impression that the standard contract included study leave, but it actually includes special leave, which covers all leave not specifically mentioned in the contract. I just want to correct that record. As I said, I try and avoid talking about whether we have been involved in investigation of matters or not, but the Office of Local Government did have cause to look at that and we did receive a notification from another agency. But that is as far as I want to go.

JENNIFER HICKEY: Could I also just mention, the Edward River PAO was closed on 16 June this year.

KIERSTEN FISHBURN: And we will update the website.

JENNIFER HICKEY: Yes, if it's not already updated.

KIERSTEN FISHBURN: If someone hasn't already panicked and done it.

The Hon. AILEEN MacDONALD: They probably have as we are speaking.

The Hon. PETER PRIMROSE: My question been pre-empted. Does anyone have any updates or clarifications they would like to make?

BRETT WHITWORTH: Sorry, Mr Primrose, I could have let you ask that question.

The Hon. PETER PRIMROSE: No, I'm delighted that you are prescient in relation to my question.

The CHAIR: Thank you to all of our witnesses for your attendance today. We appreciate your time. The Committee secretariat will be in touch in the near future regarding any questions taken on notice and any supplementary questions as well.

KIERSTEN FISHBURN: Thank you, Chair and Committee, for your courtesy to my staff and colleagues. This is our last estimates for DPHI. I put on record thanks to my parliamentary and government services team and all of the many staff who work very hard to prepare us. It is unseen work, but we would not be able to answer your questions without that.

(The witnesses withdrew.)

The Committee proceeded to deliberate.