

PORTFOLIO COMMITTEE NO. 8 - CUSTOMER SERVICE

Friday 10 November 2023

Examination of proposed expenditure for the portfolio area

LOCAL GOVERNMENT

CORRECTED

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. Scott Farlow
The Hon. Aileen MacDonald
The Hon. Peter Primrose
The Hon. Emily Suvaal

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**

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The CHAIR: Welcome to the third hearing of the Committee's inquiry into budget estimates 2023-2024. 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 here today. My name is Emma Hurst, and I am Chair of the Committee. I welcome Minister Hoenig and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Local Government. I ask everyone in the room to please turn their mobile phones to silent.

Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of 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 all inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures. Welcome, and thank you for making the time to give evidence. All witnesses will be sworn prior to giving evidence. Minister Hoenig, 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.

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

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

Mr SCOTT HANSEN, Director-General, Department of Primary Industries, sworn and examined

Ms KIERSTEN FISHBURN, Secretary, Department of Planning and Environment, affirmed and examined

Mr BRETT WHITWORTH, Deputy Secretary, Local Government, Department of Planning and Environment, affirmed and examined

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

Mr GRANT GLEESON, Director, Legal, Office of Local Government, sworn and examined

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

Dr KIM FILMER, Chief Animal Welfare Officer, Department of Primary Industries, sworn 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 the 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 will begin with questions from the Opposition.

The Hon. AILEEN MacDONALD: Good morning and thank you, Minister.

Mr RON HOENIG: Thank you for having me.

The Hon. AILEEN MacDONALD: Minister, how long have you known the long-time mayor of Canada Bay, Angelo Tsirekas?

Mr RON HOENIG: I have probably known him for several decades, I suppose.

The Hon. AILEEN MacDONALD: Would you say he was a friend of yours?

Mr RON HOENIG: No.

The Hon. AILEEN MacDONALD: Do you know what he is like as a person?

Mr RON HOENIG: I was trying to reflect on when I last spoke to him. I can probably recall speaking to him when he was the candidate for Reid at a Gonski dinner, which is many, many years ago.

The Hon. SCOTT FARLOW: It was 2016, I think.

Mr RON HOENIG: Were you there?

The Hon. SCOTT FARLOW: I wasn't, but 2016 was when he was a candidate for Reid.

Mr RON HOENIG: Yes. I recall being at a Gonski dinner when he was a candidate for Reid, and that's probably the last time I can remember seeing him.

The Hon. AILEEN MacDONALD: You would say you've attended many mayoral events together over the years, including the Italian Friends of Labor Christmas Dinner, where you were photographed together?

Mr RON HOENIG: Canada Bay was a member of the Southern Sydney Regional Organisation of Councils of which I was the president, so I would see him at those meetings. I would see him at meetings of mayors of the Southern Sydney Regional Organisation of Councils. I would see him at the Local Government Conference.

The Hon. AILEEN MacDONALD: So it's fair to say you knew him?

Mr RON HOENIG: I would see him at the Australian Mayoral Aviation Council. I would see him from time to time during my period in local government.

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The Hon. AILEEN MacDONALD: So it's fair to say you knew him quite well. And as you've mentioned—

Mr RON HOENIG: I'm not sure. It depends what you mean by "quite well". Do I know him and do I know of him? The answer is obviously yes. You knew, in those days, all the mayors, all the general managers, most of the councillors and all the councils, particularly in your region.

The Hon. AILEEN MacDONALD: Are you aware—I guess you're aware because you were on the news last night—of the findings of the Independent Commission Against Corruption yesterday that Mr Tsirekas engaged in serious corrupt conduct, helping developers in exchange for thousands of dollars worth of perks, including international flights and accommodation?

Mr RON HOENIG: Yes. I, in fact, had to read the report yesterday afternoon in some detail to make a statutory determination.

The Hon. AILEEN MacDONALD: You're aware that he took trips to Shanghai with his long-time friend Joseph Chidiac and representatives of the collapsed property group iProsperity, which funded some of these expenses?

Mr RON HOENIG: That's what the report found, yes.

The Hon. AILEEN MacDONALD: Do you personally know Mr Joseph Chidiac?

Mr RON HOENIG: I don't recall ever meeting him. That doesn't mean that I haven't, but I don't recall meeting him.

The Hon. AILEEN MacDONALD: Did you know those trips coincided with iProsperity's attempts to gain planning permission for a residential tower initially of 46 storeys, which Mr Tsirekas supported at council?

Mr RON HOENIG: I only know that from reading the report of the Independent Commission Against Corruption yesterday.

The Hon. AILEEN MacDONALD: As you said, he contested the Federal seat of Reid for the Labor Party. Did you know that he also took three political donations from individuals associated with iProsperity, who each donated \$10,000 to his campaign?

Mr RON HOENIG: Not until I read the ICAC's report yesterday.

The Hon. AILEEN MacDONALD: Are you aware of ICAC's finding that Mr Tsirekas engaged in serious corrupt conduct by deliberately failing to disclose a conflict of interest regarding iProsperity and Mr Chidiac when he knew he had to do so?

Mr RON HOENIG: I'm aware of that from reading the ICAC report yesterday.

The Hon. AILEEN MacDONALD: The commission said that consideration should be given to the suspension of Mr Tsirekas from civic office, which I note you have done, with a view to dismissal in relation to these serious corrupt conduct findings. Are you aware that ICAC has recommended he be removed from office?

Mr RON HOENIG: I'm aware of what ICAC's recommendations are, yes.

The Hon. AILEEN MacDONALD: Do you support ICAC's recommendation that he should be removed from office?

Mr RON HOENIG: The process empowers me—it was the only power I had—to suspend him with a view to dismissal and disqualification. I have given him 14 days to respond as to why he should not be dismissed or disqualified for a period of time before I make a recommendation to the Governor. That's the statutory process. The process, though, is a lawful process. For example, when I read the report, I excluded consideration of that material that might relate to objections he has taken under section 37 of the Independent Commission Against Corruption Act and findings the commission made under section 38 because I didn't want to leave the State in the position where it might be vulnerable to legal challenge. So, as a matter of abundant caution, I excluded ICAC's findings of fact that were based upon former mayors' previous evidence so that the decision would be subject to scrutiny.

The Hon. AILEEN MacDONALD: You've said the action you'll take—that you've given him 14 days.

Mr RON HOENIG: I'm required to give him a time frame, and I gave 14 days. I thought that was a reasonable period, bearing in mind he's legally represented and his lawyers would have time to read the material from the report from ICAC.

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The Hon. AILEEN MacDONALD: Minister, if Mr Tsirekas in that time frame doesn't resign, will you suspend him?

Mr RON HOENIG: I will consider that, as I'm required to do, after considering any material that he may submit. I have to follow the statutory processes exactly.

The Hon. AILEEN MacDONALD: I note that in the media you said, "The message has to go out there: If you're a crook, you're going to get caught." You said that last night?

Mr RON HOENIG: Yes.

The Hon. AILEEN MacDONALD: On that, how will you reform local government to restore trust for the public good?

Mr RON HOENIG: When reports get given in relation to the conduct of councils and councillors, like Canada Bay, like Georges River Council, like Hills council, where you have that currently under investigation with others, it just completely undermines public confidence in local government. There's more than 1,200 hardworking, dedicated councillors out there, all who get tarred with that sort of reputation. There needs to be some pretty substantial reform in relation to the code of conduct provisions, which I propose to undertake. There need to be some regulatory changes.

But, most importantly, there needs to be a genuine application of chapter 4, part 1 of the Local Government Act, by making these determinations of councillors transparent, because devices have been obtained whereby a culture has developed in local council, not the fault of the councillors, whereby too much is not being subject to the transparency that chapter 4 requires. As has often been said, sunlight is usually the best disinfectant to corrupt activity, and I think I need to go down that particular path. Of course, I've inherited not just from the previous Government but from the Government before that—

The Hon. AILEEN MacDONALD: That was your Government.

Mr RON HOENIG: —substantial regulatory changes since the 1993 Act was enacted, that have enabled a lot of these things, I think, to occur.

The Hon. SCOTT FARLOW: Thank you, Mr Hoenig. We commend you on your decision yesterday in terms of Angelo Tsirekas.

Mr RON HOENIG: It was the only decision I could've made, isn't it?

The Hon. SCOTT FARLOW: Indeed. Of course, noting that this is somebody you've known for a long time and you took swift action yesterday—and I note that on 13 December 2018 you referred to him on your Facebook as an old friend, so we commend you on the action you've taken. Minister, I note that, from your diary records and also your Facebook, you met with Councillor Andrew Ferguson from City of Canada Bay. I think that on your Facebook you talked about trolleys. Did Councillor Ferguson raise with you any other concerns, when it came to the City of Canada Bay, in that meeting?

Mr RON HOENIG: Only that the Labor Party should be the party that governs Canada Bay. There was some—

The Hon. SCOTT FARLOW: Or there'll be an election to see?

Mr RON HOENIG: Exactly. No, he was particularly concerned about the shopping trolleys and the relatively new legislation that did not give councils the power to instantly remove them unless they were a danger, so he had suggested various improvements that should be enacted. I understood that, when the legislation was enacted by the former Government, the Hon. Rob Stokes' intention was to improve the situation, and it certainly improved the situation for dangerous abandoned things. But, for things that couldn't be deemed to be dangerous, Councillor Ferguson brought to my attention that problem.

The Hon. SCOTT FARLOW: So nothing else about the City of Canada Bay and its administration in that discussion, apart from his aspirations to become the Mayor of the City of Canada Bay—or one of his Labor colleagues.

Mr RON HOENIG: Generally speaking, like most people in opposition in local government, they're never happy with the majority, and most people that are in majority are never happy with the points raised by those in minority. It's part of representative democracy, isn't it, Mr Farlow?

The Hon. SCOTT FARLOW: We've been on both sides of the street with this one. Thank you, Minister Hoenig. Also with respect to the City of Canada Bay, are you aware of the case of Lindsay Nyland with the City of Canada Bay?

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Mr RON HOENIG: In relation to what?

The Hon. SCOTT FARLOW: Lindsay Nylund is an Australian medallist when it comes to gymnastics, and he has sought a meeting with your office to discuss his concerns with the City of Canada Bay. He was dismissed for a Facebook post where he wrote one word, "beautiful", in a description, and he has sought a meeting with your office to talk about broader concerns with the City of Canada Bay. Are you aware of his requests to meet with you, to discuss the broader concerns he has for the City of Canada Bay?

Mr RON HOENIG: I don't specifically recall that right now. I can take it on notice.

The Hon. SCOTT FARLOW: If you could, Minister.

Mr RON HOENIG: As you appreciate, Mr Farlow, there are 128 councils. There are, in fact, over 4,000 code of conduct complaints for those 128 councils over three years.

The Hon. SCOTT FARLOW: I'm sure we'll spend a bit of time discussing those later.

Mr RON HOENIG: Every single disaffected person with their council wants to meet with the Minister about something. So my office can become overwhelmed. I know the Office of Local Government are overwhelmed with these sorts of things.

The Hon. SCOTT FARLOW: You've got to discuss the wheat from the chaff—

Mr RON HOENIG: Even sorting the wheat from the chaff doesn't mean that you can deal personally with all the wheat.

The Hon. SCOTT FARLOW: Indeed. I understand, Minister. Just some standard questions in relation to DLO secondments in your office. Have you or your office ever requested public servants to fill DLO positions in your office?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: I wouldn't expect that you would've. Can you confirm that DLOs while seconded to your office have not undertaken work that would contravene the Cabinet memorandum?

Mr RON HOENIG: To the best of my knowledge, no. The first two I had worked for Ministers in the former Government, and at least one of the two I have now, I think, worked for the Hon. Rob Stokes. So they're very experienced in those roles.

The Hon. SCOTT FARLOW: Minister, can you outline how many chiefs of staff you've had in your role?

Mr RON HOENIG: I have my second chief of staff.

The Hon. SCOTT FARLOW: What were the circumstances around your first chief of staff leaving?

Mr RON HOENIG: I wasn't happy with the way in which my office was running, so I let that chief of staff go.

The Hon. SCOTT FARLOW: How long was that person in the position for?

Mr RON HOENIG: Probably about six weeks.

The Hon. SCOTT FARLOW: Apart from the administration of your office, were any other concerns raised about that individual?

Mr RON HOENIG: I'm not going to go into those issues. Those people are entitled to their own privacy and discretion. Not everybody that works with somebody in the political process is a good fit. That's not a reflection on either their ability or their skills. So I'm not prepared to go into any details in relation to that.

The Hon. SCOTT FARLOW: Were there any official complaints that were lodged with you or with your department?

Mr RON HOENIG: I can't answer those questions. Really, you shouldn't be asking them, because, under those respectful workplace policies that require handling with the highest degree of sensitivity and confidentiality, it's not appropriate that either I confirm or deny any sort of things like that. The Goward review noted that a key aspect of effective workplace complaint policies is confidentiality in the complainant and the investigative process, and I also note the standing orders of the Legislative Council were amended in 2022 to ensure confidentiality of documents relating to complaints under the Respectful Workplace Policy. On that basis, I can't comment further, nor am I prepared to confirm or deny anything.

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The Hon. AILEEN MacDONALD: Just on the misconduct framework, Minister, the former Government commissioned a review in the misconduct framework for councils. Have you read that report?

Mr RON HOENIG: I have.

The Hon. AILEEN MacDONALD: A number of recommendations were made and accepted by the previous Government. Will you implement the recommendations as supported by the local government sector?

Mr RON HOENIG: No. Not at this stage. I've actually had some discussions with my predecessor. I have read the report. I have managed, in these budgetary circumstances, to convince the Treasurer to allocate \$4.5 million to the Office of Local Government to set up a strategic policy unit so that we can begin the process of a proper code of conduct and review. Codes of conduct are supposed to be aspirational documents. If I could invite your attention to some evidence given to the ICAC joint committee by Dr Waldersee, who was the former director of corruption prevention. He conceded, in questioning to me, that that's what they're intended to be, but they're actually being used as regulatory tools, which is not what a code of conduct should be. Codes of conduct should be like the members of Parliament codes of conduct, like the Legislative Council code of conduct that the Privileges Committee worked on, and like the Legislative Assembly code of conduct which, effectively, was written by myself and Alister Henskens to provide for certain aspirational features.

What's happened in local government is that, every time there has been something arise from an ICAC report or a newspaper headline, some regulatory control was added into the code of conduct. I judge the Kellar report to add another layer of bureaucracy to a broken system. My thinking is I would like, for example, for those people who flagrantly breach pecuniary provisions to go back to the future and provide a mechanism for prosecution, with courts just disqualifying people. The system is broken. It's not working. Adding another layer of bureaucracy is not going to rectify the situation.

The Hon. AILEEN MacDONALD: Minister, are you accepting any other recommendations, or are you starting all over again?

Mr RON HOENIG: I'm starting again.

The Hon. AILEEN MacDONALD: What will be the time line for that?

Mr RON HOENIG: It's a matter of priority. The Government has committed to doing it before the election. I think the former Government has committed to do it. I've had 30 years in local government. I've got a pretty good idea as to—I was a part of the 1993 Act that was shepherded through by the late, great Gerry Peacocke, which was a fine piece of legislation, despite my criticisms of some parts. The criticisms that I had turned out, 30 years later, to be legitimate. But, since then, the persistent, regular amendments and changing of regulations has just created a situation where, I think, local government has become unworkable. The code of conduct is the most significant.

The Hon. AILEEN MacDONALD: It's one of those areas.

Mr RON HOENIG: Can I tell you—

The Hon. AILEEN MacDONALD: Sorry. On that, you mentioned \$4.5—was it billion or million?

Mr RON HOENIG: It's \$4.5 million.

The Hon. AILEEN MacDONALD: Is that going to be enough?

Mr RON HOENIG: I think I've done pretty well to get that out of the Treasury, because everybody else has had their budgets cut. I think Mr Whitworth has got a big smile on his face because the Office of Local Government has been under-resourced for many years, not only by my predecessors but probably by us as well.

The Hon. SCOTT FARLOW: You've got a long memory.

Mr RON HOENIG: Yes. That's what happens when you've been around a long time, Mr Farlow.

The Hon. SCOTT FARLOW: And, again, on both sides of the street.

The Hon. AILEEN MacDONALD: Regarding the money, you believe you've got an increase, and that will be enough to do this.

Mr RON HOENIG: If I had time and I wasn't the Leader of the House in a minority government with 11 crossbenchers, I could probably set aside a couple of months and do it myself. But I'm not sure that's the role of a Minister, so I need some help. I have a good idea of what I want to propose. I just need smart people to do it.

Dr AMANDA COHN: Minister, Cootamundra-Gundagai Regional Council, as you know, is seeking to de-amalgamate and has done everything it's been required to do under the Local Government Act, including a

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successful submission to the boundaries commission. Why are you forcing Cootamundra and Gundagai communities to go through another public inquiry process rather than amending the Act to enable their de-amalgamation?

Mr RON HOENIG: Can I say this: Cootamundra and Gundagai were merged against their will, and, I think, contrary to the recommendation of the delegate, wasn't it?

BRETT WHITWORTH: That's correct.

Mr RON HOENIG: It was contrary to the recommendation of even that dodgy process that was set up to effect mergers. I have been very opposed to forced local government mergers. I'm on the record for saying that, and I'm on the record for saying what's going to happen. And what I said was going to happen, happened. I thought I was out of local government and the next thing you know, after 11 years, I'm back in there again and I'm faced with these merged councils. Cootamundra-Gundagai had been advocating, for seven or eight years, for the demerger, quite vocally. They went through a boundaries commission process, where the boundaries commission recommended they not demerge.

Then, in 2021, the Parliament enacted section 218CC of the Local Government Act to provide for a vehicle for demerger, and, although that was proposed in the Legislative Council by the Opposition and the crossbench, it related to some other bill that the Government wanted, and the Government accepted those amendments in the Legislative Assembly. By accepting those amendments, the Government must have known—because they're not that hopeless, with all the resources of the Government of New South Wales—that 218CC was ineffective and that 218CC provided to propose a council demerger to the boundaries commission.

Dr AMANDA COHN: Thank you, Minister. I will just redirect you. I agree with you; it has been shown to be ineffective. You're the Minister. Why aren't you proposing legislative change to fix it?

Mr RON HOENIG: Because, firstly, a legislative change is not as simple as you think it is. Secondly, a process has commenced under section 218CC of the Act. Thirdly, who knows what section 218CC subsection (6) actually means. If it means what some people think it means, including the Crown solicitors, then 218CC is unconstitutional, because the bill then infringes section 5 of the constitution. So I'm stuck with a provision that has been accepted in the Legislative Assembly by the former Government whereby nobody knows what it means, nobody knows whether it imposes any liability on the State, and it doesn't provide for a mechanism of being able to proceed with a demerger. So what I determined to do was give effect to my predecessor's decision. She had decided to permit a demerger, even though there was no statutory mechanism to create one.

Fiddling with another section of the Local Government Act, Dr Cohn, is just another shambles that's going to be created by the Legislature, like it's been doing for 30 years. It can't be done within a time frame. So to give effect to my predecessor's determination, I had to, myself, read through the Act and find a mechanism to achieve it. Now the Mayor of Cootamundra-Gundagai, Charlie Sheahan, had, in September of last year, proposed that the council is capable of achieving a demerger themselves within three months. He made statements on television. My predecessor said it would take two years; Charlie Sheahan said it would take three months and that they could do it. So I found provisions in the Act, under section 212—I think it's 212—that I can dissolve a council, providing I have a public inquiry. I think section 204 enables me to proclaim councils subject to a determination of the boundaries commission.

I spoke to the chairman of the boundaries commission and asked him whether or not he and the members of the commission would accept an appointment also to hold a public inquiry. I obtained advice to make sure that the boundaries commission and public inquiry could meet as one sort of thing. I conveyed to Cootamundra-Gundagai that if they can do what they said 12 months ago—if you can propose to me two councils that will not fall over and that will be financially sustainable, I will have the boundaries commission confirm that and I will dissolve the former council. I will proclaim two councils and you can go to the polls in September of next year. That's what I conveyed to them. I conveyed to them what they asked me to do. I was pretty proud that I was able to find a way through the Local Government Act to give effect to the previous Minister's decision.

Dr AMANDA COHN: Given your commitment to having to work through the Act as it stands, I'm sure you're aware that residents of the Inner West Council have voted with a 62.5 per cent majority in favour of de-amalgamation. Why are you allowing this process and their submission to the boundaries commission to progress, including the expenditure of public funds, when no matter the result of that process you know that you're unable to authorise the demerger under the Act as it stands, and they'll be following the path of Cootamundra-Gundagai?

Mr RON HOENIG: Because at this stage, until a court determines otherwise, there is a section 218CC provision. Mind you, bearing in mind the Labor Party's commitment—Cootamundra-Gundagai never went through the plebiscite process. That's why I'm continuing to try to give effect to my predecessor's determination.

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Section 218CC has not been interpreted by the courts and has not yet been examined as to what it means. At this stage, a business case was submitted by the council, who obviously went to a lot of trouble to go down that path. The boundaries commission has had referred to them that business case.

Dr AMANDA COHN: So you're comfortable with the waste of money by Inner West Council and by the boundaries commission to process this, when we know it can't proceed?

Mr RON HOENIG: Why is it a waste of money for there to be an examination of the business case of a proposed demerger, whether or not it has a valid statutory base or not?

Dr AMANDA COHN: That 62.5 per cent of residents, with respect, Minister, are not interested in the legal process, and whether or not we'll get a test of section 218. They want a de-amalgamation.

Mr RON HOENIG: Yes, but I'm a Minister of the Crown. I have an obligation to follow legal processes and statutory processes. I don't have a magic wand. I mean, I wouldn't have merged those councils in the first place.

Dr AMANDA COHN: I'm sure. Minister, you don't have a magic wand, but you're the Minister and you could amend the Act.

Mr RON HOENIG: Do I? I'm the Leader of the House of a minority government—what, guaranteeing getting legislation through the Legislative Council? If you can do that, Dr Cohn, tell me and I'll work on it immediately.

Dr AMANDA COHN: I look forward to you improving the process for de-amalgamation and would love to support you on a process like that.

Mr RON HOENIG: Thank you. See if you can get the rest of the crossbench to agree with you.

Dr AMANDA COHN: My last question is have you met with the Demerge NSW Alliance since you became the Minister?

Mr RON HOENIG: My office has.

Dr AMANDA COHN: But you haven't?

Mr RON HOENIG: I haven't, no.

Dr AMANDA COHN: As I'm sure you're aware, the Demerge NSW Alliance represents a really diverse range of impacted communities on this issue including Save Tumbarumba Shire, Protect Pittwater, Central Coast Friends of Democracy, Residents for Demerger of Canterbury Bankstown Council, Inner West Residents for De-amalgamation, Gundagai Council in Exile and Save Bombala. I understand that these communities have wanted to meet with yourself as the Minister. Can you make a commitment to meeting with those representatives, given the huge range of impacted communities that they're speaking for?

Mr RON HOENIG: I have to prioritise those people that I meet with because I can't meet with everybody. When you look at a list of the crises that the industry faces, and the seriousness of some of the issues, these things have to be prioritised. But I'm sure that that was the organisation that met with my staff, who were happy to do that. I have read their material. In fact, some of the things that they expressed, that you yourself would have heard about a week ago, are things that I actually agree with. I don't agree with the contents of some of these reports that indicate what the costs of demergers are. I agree with them. Meeting with people I agree with doesn't help me; I need to meet with people that are going to tell me things that I don't know. I'm not going to give a commitment, but I'm happy to meet with them when time provides. I'm not trying to escape anybody. It's just a matter of physical time.

Dr AMANDA COHN: Thank you. I hope that you will see this group as a priority.

Mr RON HOENIG: Is that because you did, Dr Cohn?

Dr AMANDA COHN: It's because I think they've got important things to say.

Mr RON HOENIG: They publish important material that I have actually read.

The CHAIR: Good morning, Minister. I just wanted to talk about the funding for Sydney Dogs and Cats Home. At the beginning of this year a grant of \$12 million was awarded to construct their new rehoming facility at Kurnell. Why has this money not been delivered to Sydney Dogs and Cats Home as promised?

Mr RON HOENIG: Because what has happened in respect of that is that the Office of Local Government was concerned whether or not this fabulous volunteer organisation—and they are terrific. I have been to one of their fundraising balls—they're terrific people—before I was a Minister actually, when I was just a humble

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backbencher. But the Office of Local Government was concerned as to whether or not they had the capacity to construct the dog and cat home and comply with all the statutory requirements. So the Office of Local Government has made arrangements for that to occur with the public works department, who will be constructing it on their behalf, and they have also briefed the local member, the member for Cronulla, as well as to what that process is. I am happy for them to brief you, too, if you like, Chair.

The CHAIR: Thank you. I'm just wondering why the work has not commenced now that the funding has actually been given to NSW Public Works to deliver it.

Mr RON HOENIG: I would have to ask Mr Whitworth that if you don't mind, Chair.

BRETT WHITWORTH: We actually have provided the first set of funding to enable the electricity to be connected to the site, so I would believe that we've actually commenced work.

The CHAIR: My understanding is that the original project schedule was that they would have the new shelter constructed by the end of 2024, but, with a whole lot of delays, it now looks like it will be as late as June 2025. My understanding is that the next step that they're waiting for is a memorandum of understanding and the terms of reference for the project governance to be provided from the Office of Local Government, but it has not been forthcoming for several months, and that's actually holding up the work. Are you aware of this, Minister?

Mr RON HOENIG: No, but I will take that on notice and get back to you, because I am anxious for that facility to be built as soon as possible, as efficient as possible.

BRETT WHITWORTH: I can assist, Ms Hurst, if that helps. Firstly, I don't agree with the proposition that it will be completed by the middle of 2025. We are working to ensure that we can have the facility built. I have seen figures that say February/March 2025, and I also have, in conversations with Sydney Dogs and Cats, discussed with them time frames, and they were concerned about the extent of work.

The CHAIR: I might come back to you this afternoon for some of that level of detail.

BRETT WHITWORTH: Certainly. I just wanted to correct the record on that matter.

The CHAIR: I just wanted to understand why the memorandum of understanding and the terms of reference have been sitting with the Office of Local Government for months.

BRETT WHITWORTH: Certainly. We have sent them information. I'm happy to go into this this afternoon, but we sent them information about the project control group, and it's in the throes of next week that they'll get the MOU.

The CHAIR: Minister, my understanding is that obviously there's nervousness with Sydney Dogs and Cats Home. Every month the project is delayed it is actually costing them another \$80,000 in operational expenses at their current temporary facility, and they're not able to sustain that.

Mr RON HOENIG: I will give an undertaking that I will, to the best of my ability, ensure that movement on this facility is as soon as possible, because it is a matter of priority.

The CHAIR: Wonderful, thank you. That was my question, so I'm glad you're able to provide that. I wanted to talk to you about a Labor pre-election commitment to ban puppy and kitten farming in New South Wales. Are you able to tell me where the work on this election commitment is up to?

Mr RON HOENIG: I can. Puppy factories are a clear breach of our animal welfare laws. The RSPCA New South Wales Puppy Factory Task Force is a dedicated compliance unit. They have—

The CHAIR: Sorry, Minister. Currently puppy farming in New South Wales is still legal.

Mr RON HOENIG: Yes.

The CHAIR: When I say puppy farming, to give you a definition, I would base it on the amendment to the Companion Animals Act that I put up last year. Essentially, we're talking about large breeding facilities where dogs are held in small enclosures for 23 hours and 40 minutes a day, and that is legal in New South Wales. The election commitment from Labor was that it would make that illegal. I am wondering where we are up to on that.

Mr RON HOENIG: You probably need to direct that question to Minister Moriarty, who has responsibility for that under POCTAA.

The CHAIR: So Labor is putting it under POCTAA instead of the Companion Animals Act?

Mr RON HOENIG: Both are under review. Both POCTAA and the Companion Animals Act are under review, but there is a clear commitment to make unlawful puppy farms. In the intervening period, if there are

CORRECTED

animals held in breach of current laws and animal welfare provisions, then POCTAA and the RSPCA and Animal Welfare and the police have jurisdiction.

The CHAIR: Under the division of Acts, POCTAA falls under two Ministers: yourself and Minister Moriarty. Will you be involved in the development of legislation around outlawing puppy farming?

Mr RON HOENIG: Minister Moriarty and the DPI are the ones taking the lead in this particular area.

The CHAIR: So it will definitely go under POCTAA instead of the Companion Animals Act. Can I ask what the decision was around—

Mr RON HOENIG: I don't think that has been finalised, because both those parts of the legislation are subject to review. As you know, things like council pounds are subject to an inquiry, and the committee which you chair is going to look at that issue of cat containment, so the legislation is waiting for the Legislative Council's assistance which will really—certainly, as far as I am concerned, I am very much going to be shaped and guided by those committees' examinations and recommendations.

The CHAIR: Will you also be shaped by the recommendations from the committee into puppy farming that was done last year?

Mr RON HOENIG: If those matters are for me to determine in legislation that falls under my responsibility, I will be, yes. I value the work that has actually been done by the committees in this space that I had very little experience of until I became the Minister.

The CHAIR: Thank you. Obviously, it is up to the Government whether they put it under POCTAA or the Companion Animals Act. The Companion Animals Act is only under your portfolio; it's not under Minister Moriarty, I believe. There are a lot of concerns from councils. Murray River Council, for example, has had a 500 per cent increase in development applications for puppy farms since puppy farming was made illegal in Victoria. Have you spoken to any of the councils on the border of New South Wales who are really struggling with this?

Mr RON HOENIG: No, I haven't. The only thing that springs to mind with Murray River is the councillor squabble and codes of conduct issues that are taking place down there. But, no, I haven't spoken to them and it's certainly not something that has been raised with me by the local member, who speaks to me often about a variety of local government issues.

The CHAIR: One thing that was suggested by a lot of councils last year, and it also came up a lot in the puppy farm inquiry that we did, was that councils actually don't have the power to refuse a development application on concerns around animal welfare. They would be inundated with community objections to a development application for a puppy farm, but they didn't actually have the ability to refuse it. Is that something that you would be open to looking into or meeting with some of those councils?

Mr RON HOENIG: As far as development applications are concerned, you should generally direct those to the Hon. Paul Scully. He is the Minister for planning. My recollection, though, of what used to be section 79 (c) of the Environmental Planning Assessment Act—I don't know what section it is now. Do you know, offhand?

BRETT WHITWORTH: No, I would have to take that on notice.

Mr RON HOENIG: The equivalent of what was section—because, for some reason, the former Government changed all the numbers. Now I don't even know what the numbers are anymore. But I think you'll find that under the heads of consideration for development applications, you could pretty well argue—I mean, as a public interest provision there, you could pretty well fashion a refusal of a development application providing you had the ample material on puppy farms to justify a refusal, I would have thought. It is worthwhile having a look anyway, Chair.

The CHAIR: Thank you. I will come back to that in a moment, but I turn to the Opposition.

The Hon. SCOTT FARLOW: I pick up on the line of questioning from my colleague Dr Cohn with respect to demergers. Of course, under 212, there are provisions after a public inquiry is held for you to be able to initiate a demerger. Why have you not decided to go down that path, seeing as a public inquiry has already been held?

Mr RON HOENIG: So 212 and 204 operate—212 deals with—

The Hon. AILEEN MacDONALD: The dissolution.

Mr RON HOENIG: One deals with dissolution and one deals with proclamation. I can't remember which is which. I don't have the Act in front of me.

CORRECTED

The Hon. SCOTT FARLOW: So 212 is dissolution, 204 is the constitution—yes.

BRETT WHITWORTH: Then 204 is the proclamation.

Mr RON HOENIG: So 212 enables me to dissolve, but I need a public inquiry.

The Hon. SCOTT FARLOW: Yes.

Mr RON HOENIG: And 204 enables me to proclaim, but I need a boundaries commission. What I've done is I can make the—if it's agreeable to the members of boundaries commission, and I have spoken to the chair about that, they can accept appointments to a public inquiry and do the exercise at the same time. The boundaries commission have already done two exercises. What I'm looking for, effectively, is that they look at the two councils as proposed by Cootamundra-Gundagai councillors and determine that they're going to be financially sustainable. If so, I'll make the proclamation and they can do the boundaries commission and public inquiry all at the same time. What they're focused on is a lot less than what they've had to do previously. That was my mode of reasoning, anyway.

The Hon. SCOTT FARLOW: Do you have any time frame in terms of this actually coming about and the councils being demerged?

Mr RON HOENIG: If the council can go through the exercise that the mayor said in September 2022, they can do it in a few months. Because the former Mayor of Cootamundra-Gundagai had told me years ago they were effectively operating as two separate councils anyway. Then, as soon as they're ready to do that, then they can go to the inquiry. The one thing I can't do, Mr Farlow, is I can't proclaim a council is going to fall over. And although Councillor McAlister disputes this, the advice I've received from the Office of Local Government is that Gundagai was, prior to the merger, not as financially sustainable as they advocated that they were—although, I don't necessarily accept the financial sustainability tests that have been applied in the past. But there will be a small council of about—what is it, 1,000 or 2,000 people? It's small—Gundagai.

BRETT WHITWORTH: Gundagai is about 1,500, I think, from memory.

Mr RON HOENIG: Yes, a small council of 1,500. They need to be able to financially sustain themselves. I know the locals want it, and I'm prepared to give it to them, but they need to decide where their boundaries are because they're not locked into the old boundaries. They need to decide how many councillors they've got. They need to decide what their rate base—their rate base should be 60 per cent bigger now than it was when they went into the merger. I have faith in councillors working this out. They don't like the idea, but they're elected people. They're civic leaders. They have been arguing for this for eight years. They have been pushed back for eight years. I just trust them to do it.

The Hon. AILEEN MacDONALD: Will the time line allow them to go to election next year as two separate councils?

Mr RON HOENIG: That's my plan.

The Hon. AILEEN MacDONALD: That's what we want to find out. Is the time line there?

Mr RON HOENIG: Well, that's my plan. If they can do the work, then the boundaries commission and public inquiry will be able to meet that time frame.

The Hon. AILEEN MacDONALD: Wasn't there a road map prior to this that the previous Government has—

Mr RON HOENIG: The road map ended up in a dead end because there was no mechanism to be able to achieve it.

The Hon. SCOTT FARLOW: What about the demerger costs? Will the State Government be picking up the tab for those in line with what was put forward in 218CC?

Mr RON HOENIG: Mr Farlow, I keep being asked that question and I keep saying, "Well, what's that?" What is it? Because at the end of the day the New South Wales Government, say, gave Cootamundra-Gundagai \$21 million or so in grants and stuff to go into this demerger. They've had significant rate increases since the demerger. Their rate bases are higher. Where are the costs? Where are the costs? Even that organisation that Dr Cohn referred to will tell you that many of those figures in the business cases are fabricated figures—don't even know what they are. They should be in a better position in a demerged council with a higher rate base, being able to share facilities and joint services, than they were going into the merger. But I did ask the councillors—you asked me that question?

The Hon. SCOTT FARLOW: Yes.

CORRECTED

Mr RON HOENIG: And the response I got from one council was, "And who's going to pay for the new uniforms, Minister?" And another councillor said, "And who's going to pay for the new signs?" We're not talking about signs and uniforms.

The Hon. SCOTT FARLOW: So what's your view of the cost then? What should be demerger costs that are picked up by the State Government then? If it's not uniforms, it's not signs, what is it?

Mr RON HOENIG: There may not be a cost. I'm anticipating there is not a cost, that in fact there will be cost savings, because the very cost increases that occurred through the merger are effectively reversed by the demerger. With higher rate bases, I don't see necessarily that there is a cost. Pulling figures out of the air, as I have seen in some reports and business cases, is not a genuine cost. And if you do say, "Who picks up the cost?" what are you talking about? Are you talking about a recurrent cost or are you talking about the cost of uniforms? Are you talking about the cost of signs? What are we talking about?

The Hon. SCOTT FARLOW: Minister, I understand two consultants are engaged by the Office of Local Government to report on the council's financial state and on other merger costs. Have you read those reports?

Mr RON HOENIG: Yes.

The Hon. SCOTT FARLOW: Will you release those reports to council to assist them in preparing for their third application to the boundaries commission?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: Why is that?

Mr RON HOENIG: I don't want to prejudice the State's position, or its legal position. If you want to see it or if the Legislative Council wants to see it, you utilise Standing Order 52 where the privilege on those documents is retained and you can see them, but I can't make them public.

The Hon. SCOTT FARLOW: But do you think they would be of any benefit to the council in terms of preparing their submission?

Mr RON HOENIG: I don't think so. Not in my view. I have a view about them.

The Hon. AILEEN MacDONALD: You have a view, Minister, that you support demergers.

Mr RON HOENIG: Yes.

The Hon. AILEEN MacDONALD: This was prior to becoming Minister—

Mr RON HOENIG: If they can be demerged financially sustainable—

The Hon. AILEEN MacDONALD: Sorry, can I just finish my question?

Mr RON HOENIG: You're putting words in my mouth, Ms MacDonald.

The Hon. AILEEN MacDONALD: No.

Mr RON HOENIG: I am sorry.

The Hon. AILEEN MacDONALD: I consider that you are a man of your word and it was an election promise by Labor. Why have they backflipped on the support for demergers?

Mr RON HOENIG: What do you mean? In what way do you say "backflipped"?

The Hon. AILEEN MacDONALD: It seems that you are reluctant to go down the path and are making it difficult for councils to demerge. You're sort of putting all these—instead of road maps—roadblocks in their way.

Mr RON HOENIG: I don't agree with that characterisation. I was really proud of myself. I thought I was doing the right thing to be able to come up with a system for Cootamundra-Gundagai that was giving effect to the previous Minister's determination, which was giving effect to what they wanted for eight years, was giving effect to what the mayor had said 12 months beforehand. I thought they'd be happy. But can I say this—

The Hon. SCOTT FARLOW: Does it surprise you?

Mr RON HOENIG: It's not for somebody from Sydney to go down to Cootamundra and Gundagai and divide up their assets and tell them where their boundary is going to be. The State's stuck their nose into local government enough in this State in the last century. They're supposed to be democratically elected civic leaders. Let them do it. We've got to stop this culture of sticking our nose in. They're recognised in the constitution as a third tier of government. They are the most important tier of government.

CORRECTED

The Hon. SCOTT FARLOW: They're actually not recognised in the Constitution.

Mr RON HOENIG: They impact on people's lives every day. We've got to get out of their lives and stop sticking our nose into them.

The Hon. SCOTT FARLOW: Minister, local government is actually not recognised in the Constitution.

Mr RON HOENIG: It is.

The Hon. SCOTT FARLOW: No, it isn't.

Mr RON HOENIG: There's a provision—

The Hon. SCOTT FARLOW: There wasn't a constitutional referendum. That was abandoned by the Rudd Government.

Mr RON HOENIG: No, in the State Constitution, New South Wales Constitution. Do you want me to find you the section?

The Hon. SCOTT FARLOW: Not the Federal Constitution, okay. We're talking at cross-purposes.

Mr RON HOENIG: They're not a product of the Federal Government. They were actually a statutory body, but I think they amended the Act to make them a body politic. I think you guys did that in about 2014.

The Hon. AILEEN MacDONALD: So section 204 and section 212 is the road that you want to go down.

Mr RON HOENIG: It's the only path I've got that can possibly get them to an election next year because, can I just say—and I'm not doing this to take up your time.

The Hon. AILEEN MacDONALD: No, that's all right.

Mr RON HOENIG: It is the only way I can give them a bit of certainty. If I go down the legislative path it's too complicated. If it was that easy, my predecessor would have done it. This is the only certainty I can give them really.

The Hon. SCOTT FARLOW: Minister Hoenig, as Dr Cohn was raising with you previously, there is, of course, the legislative option, the prospective for legislative change. I take your point in terms of the difficulty of getting legislation passed, but your Government brings legislation to the Parliament every day of the week that we're sitting. Why, despite the advice that there needs to be legislative change to make this effective, are you not proceeding with even embarking or talking about legislative change?

Mr RON HOENIG: Because, firstly, I've only been in here for six months. I made this decision after four or five months. I have to read the boundaries commission reports. I have to look at some of the material that's available to me that went to my predecessor. Those matters of Cabinet in confidence, like the KPMG, I can't access, so I can't even see the mode of reasoning of the previous Government's decision-making process. I then have to read the Act. I then have to get advice. I get advice and I don't agree. I've then got to get senior counsel's advice. I don't even get the senior counsel I choose—that I wanted. I get another senior counsel. He then gives me advice. Then I have to find another provision that would enable me to go down a path, which I find. I then have to make sure that I'm actually right in terms of my reading the section. I then have to speak to the boundaries commission to see whether or not they will help. I've then got to look at Anne Twomey's book and I've then got to read section 5 of the constitution and read the *Hansard* of this bill that went through the Legislative Council. You're talking about a huge amount of time for a National Party council that the National Party merged that I'm trying to unpick, and it has taken me an enormous amount of time, so if you—

The Hon. SCOTT FARLOW: So was it all just too hard, Minister?

Mr RON HOENIG: It was hard, but I've actually done it, so I just think I've actually done what they've asked to do.

The Hon. AILEEN MacDONALD: Are you saying that, because it's not a Labor council, you don't really care?

Mr RON HOENIG: No, what I'm saying is that there was no political priority for me to do that, other than to do what I thought was right.

The Hon. SCOTT FARLOW: Minister, with respect to this, in terms of this work and saying that you've now got a process that is going to achieve something, will you guarantee that we'll be seeing a Cootamundra and Gundagai council separate elections come September next year?

CORRECTED

Mr RON HOENIG: That's my ambition, but I'm not in a position to judge whether or not these two councils are going to be financially sustainable and whether the councillors can do the issue—I can't create separate councils that are going to fall over. You would appreciate that. You would also appreciate, wouldn't you, that two inconsistent decisions of the boundaries commission over a seven-year period, together with the material that the previous Government was advised on that I have seen—there are concerns about that?

The Hon. SCOTT FARLOW: Minister, did you tell councillors of Cootamundra-Gundagai that there are no votes in it for Labor?

Mr RON HOENIG: No, I didn't use those words. A question was put to me by the media that the Government was elected with a mandate from the people of Cootamundra-Gundagai to effect a demerger, and I think I pointed out to them that Cootamundra didn't vote for a Labor member of Parliament.

The Hon. SCOTT FARLOW: Does that have any bearing in terms of your decision or your action with respect to this demerger?

Mr RON HOENIG: I would've thought, and I can give you this unequivocal assurance, that the only thing that motivated me was to achieve a result for Cootamundra-Gundagai to give effect to the previous Minister's determination. That was the only thing that motivated me and the only thing that motivated me to do that and to make the effort that I made to get to this point.

The Hon. SCOTT FARLOW: What about where there are votes for Labor? What's happening with the Inner West Council demerger?

Mr RON HOENIG: I would have thought Dr Cohn would think there are votes there for The Greens.

The Hon. SCOTT FARLOW: It's a contested battleground between the two of you.

Mr RON HOENIG: Yes. I'll just wait. I think it was reported in the media recently that the boundaries commission have received a business case of about 800 pages and they've just been allocated some funds for the purposes of utilising one of those firms. Who was it?

BRETT WHITWORTH: Deloitte.

Mr RON HOENIG: Deloitte is to do a review of that case and they're going to have hearings this year, so I'll wait to see what the exercise is in that respect.

The Hon. SCOTT FARLOW: I think some of those reports had demerger costs at \$150 million. Would you agree with those costs, or have you done any work?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: No?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: Do you think it's the same as Cootamundra-Gundagai—that there could be a potential financial benefit for the councils in demerging?

Mr RON HOENIG: I take the same view that the demerger organisation takes. They just pull figures out that really haven't been themselves costed.

The Hon. SCOTT FARLOW: What you mean by that, in terms of having themselves being—

Mr RON HOENIG: They say X amount for IT. How do they know that? I mean, why can't councils share an IT system that's currently in existence? Private companies run their operations on computers overseas. They don't all need a turnkey solution sitting in council chambers because they start up a new council. They can share plant. They can share joint services. It's the whole purpose behind the regional organisation of councils and the whole purpose between joint organisations, where councils actually get to share resources or have joint purchases. I've been involved in the process for years. There's considerable savings. With these demergers, there are opportunities for—because, if you're a joint organisation or you're a regional organisation of councils—

The Hon. SCOTT FARLOW: SSROC, for instance?

Mr RON HOENIG: SSROC. You've got 16 councils you want to enter into a contract. You've got to get 16 councils to agree. Most do agree, but some don't because they want to provide local suppliers with work. They don't even have to go through that negotiating process; they can just decide amongst themselves.

CORRECTED

The Hon. AILEEN MacDONALD: With the proposal that you have put forward, it appears to have many roadblocks. Does Cootamundra-Gundagai council have to go back to the boundaries commission, or is this just something that you can do?

Mr RON HOENIG: No, I can't do it. I can only do it after the boundaries commission and after a public inquiry but, as I said, it's not an extensive one. I want to use the boundaries commission and the public inquiry to basically determine that the division of assets and their financial sustainability is such that they're not going to fall over and that they're going to be able to produce two workable councils.

The Hon. AILEEN MacDONALD: So they've already been twice. Do you want them to go a third time? Or it's different?

Mr RON HOENIG: It's a different test, really. What I am after is a different test. What I am after is to be satisfied that they can run two sustainable councils in the way in which they decide they want them staffed and structured—and if they are not going to fall over. I'm not going to impose my view on them. I'm not going to impose my view on what I think their structure should be. As long as they're financially sustainable, then I'm happy to recommend the proclamation of two separate councils.

The Hon. SCOTT FARLOW: So this isn't a plan to undo the previous Minister's decision?

Mr RON HOENIG: I'm trying to give effect to it. For example, why would I say to them, "You've got to have the exact same boundary"? They might work out amongst themselves that maybe the boundary should be here or there. I want them to have as much flexibility as they need to obtain a financially sustainable council and I want them to do it. I don't want someone from Sydney going down there and dictating the future of the citizens in that area.

The Hon. SCOTT FARLOW: A brief segue to my colleague Dr Cohn in your area of mutual interest with the Inner West Council demerger: What's your position on that?

Mr RON HOENIG: I was opposed to the demerger. One of the reasons that they didn't work is that—only one, I think, worked well and that is northern beaches. I think the member for Wakehurst takes credit for that and he tells me that works well. I had two of my four councils merge to cover my electorate and both of them had major reductions in service standards. They were incredibly unpopular.

The Hon. SCOTT FARLOW: The streetsweeper is back, though?

Mr RON HOENIG: The streetsweeper is back, yes. I'm glad you're following my Facebook page.

The Hon. SCOTT FARLOW: Many of us are, Ron. Many of us are.

Dr AMANDA COHN: I'm picking up on the same line of questioning. Minister, you've given us three different excuses this morning for not progressing legislative change to better enable demergers. One of them was that the crossbench wouldn't support it in your view. The second one was that you haven't been in office for long enough and the third one was how long the process might be. Will you work on it? Do you see there is actually a need to improve this process for communities?

Mr RON HOENIG: Dr Cohn, I reject the categorisation of my evidence that you have just put to me. The Local Government Act in itself is a mess. It's not that easy just to amend one provision. It's not that easy and when you try, you create unintended consequences or, alternatively, you introduce legislation that's unconstitutional. It's a difficult process. Labor has a policy in relation to mergers that it took to the election. I'm bound by that policy, and I will implement that policy to the best of my ability.

Dr AMANDA COHN: As it stands, this process relies on councillors to lead the process.

Mr RON HOENIG: Yes.

Dr AMANDA COHN: How are small communities like Guyra represented, as it stands?

Mr RON HOENIG: Interestingly enough, there's a divergence of opinion there. According to the local member, and to the mayor, it's working quite well; according to Guyra, it's not. I don't know. I'll have to reflect on that. I'm happy to talk to you about that. What do you do with those? I don't know.

Dr AMANDA COHN: I think it's a significant concern for these communities where a smaller community has been merged with a larger community.

Mr RON HOENIG: I agree.

Dr AMANDA COHN: You've now got a large council that may not reflect the views of that small community. As it stands, the Local Government Act doesn't give any voice to those smaller communities.

CORRECTED

Mr RON HOENIG: I agree, but that reflects other problems. If you look at Central Darling, for example, it's been in administration since 2013. They've only got about 1,800 people and 1,300 voters. It's the size of Tasmania. They're not financially sustainable. They got sacked because they weren't financially sustainable. Sixty-five per cent of them are Indigenous. They've got to go back to elections next year. How do I get the Indigenous communities from those small areas to participate in a democratic process?

Dr AMANDA COHN: I'm glad you're considering those questions, Minister, but you are digressing a bit here. Can we come back to—

Mr RON HOENIG: I am not really; it's a similar issue.

Dr AMANDA COHN: I'd like to come back specifically to amalgamation, because I was deeply disturbed by the politicisation of the issue in the last round of questions between yourself and the Hon. Scott Farlow where you referred to Cootamundra-Gundagai as a National Party council. You reflected on political issues in the Inner West Council. When you look at the breadth of this issue and the communities that are impacted—I'll read the list again: Tumbarumba, Pittwater, Central Coast, Canterbury-Bankstown, Inner West, Gundagai and Bombala. I think it's deeply problematic to be politicising the breadth of these issues. What are you going to do to allow all of those other communities across the State to have a say? You've made a commitment that you're trying to work through Cootamundra-Gundagai by September next year. What about those other councils?

Mr RON HOENIG: I didn't say Cootamundra-Gundagai was a National Party council; it's got a Labor mayor, so I would never have said that anyway. Please don't put words in my mouth.

Dr AMANDA COHN: I think you said that this morning, Minister. I wrote it down as you said it.

The Hon. AILEEN MacDONALD: I think you did.

The Hon. SCOTT FARLOW: You did, actually.

Mr RON HOENIG: At the moment there is statutory process under 218CC. There is a Labor Party commitment in relation to permitting demergers if that be the view of the communities, verified by a local plebiscite and a business case. I have to reflect on the question, Dr Cohn. You're suggesting to me that I go through and do a review of all of the mergers, and every dodgy one—which is most of them—I unpick, irrespective of the views of the communities, because a small community is unhappy and probably legitimately so. I can't answer that. I'm not sure.

Dr AMANDA COHN: I would argue that, where a majority of residents in these affects areas would like you to, that that would be what the community is asking for.

Mr RON HOENIG: Yes, and that may well have been the view of my community prior to the election as well, in the Botany Bay area. I have to reflect on that. I'm not sure I can necessarily answer that now.

Dr AMANDA COHN: I think those communities hope that you'll have an answer for them at some stage during your time as Minister.

Mr RON HOENIG: Everybody expects me to have a magic wand. I'd love to be able to wave it because I agree with most of the issues that get raised with me.

Dr AMANDA COHN: Coming on to a different question now, are you aware of how long it has been since the New South Wales Government set the pensioner rate subsidy?

Mr RON HOENIG: I did know. Do you want me to look it up?

Dr AMANDA COHN: No, that is all right. It was 1993. Why hasn't it kept up with inflation?

Mr RON HOENIG: I suppose it is the cost. Many councils have paid beyond the pensioner subsidy, so some councils had free rates for a long period of time. The other thing that happens with many councils too is that, if the pensioners can't afford to pay their rates, they allow them to accumulate on their property or on their estate so that no pensioner is dealt with. But I think it's probably just a matter of cost, really.

Dr AMANDA COHN: When it was introduced, that subsidy was half the average rates bill in New South Wales, and it's now worth less than one-quarter. Are there any plans to increase that subsidy without placing that burden onto councils that, as I am sure you're aware, have significant issues with financial sustainability as it stands?

Mr RON HOENIG: I don't think there are any plans. I'm happy to look at it and discuss it with the Treasurer.

CORRECTED

Dr AMANDA COHN: Close associates of property developers, including their domestic partners, are currently allowed to serve as councillors and mayors. Do you accept that this gives a perception of a conflict of interest, given councillors' access to information and their role in strategic planning?

Mr RON HOENIG: You're asking me, morally, whether any of these people have any business being on a council, and my answer is no. However, as you would appreciate, this is a representative democracy, and there are constitutional rights and entitlements of citizens. So to try and legislate down that path—it's one thing, say, to ban developers from political donations where you're not really burdening the representative democracy process. Stopping someone that's engaged in a lawful profession from being democratically elected I suspect would be struck down by the High Court.

Dr AMANDA COHN: Does the Office of Local Government check councillor disclosures when they state that they're not a close associate of a property developer, or do you take those declarations at face value?

Mr RON HOENIG: I would have to ask.

BRETT WHITWORTH: We are undertaking an audit at the moment of the pecuniary interest declarations of councillors, and we've been working to integrate that process with the Planning Portal so that we're able to check across with development applications. But it is a work in progress.

Dr AMANDA COHN: How do you determine whether or not someone is a property developer rather than a real estate agent?

BRETT WHITWORTH: That's not what we're doing. What we are doing is looking at the pecuniary interests of the councillor to identify whether any of the pecuniary interests that they have identified have lodged development applications.

Dr AMANDA COHN: I understand that the provision of non-award contracts for senior local government staff was identified as a corruption risk by Operation Dasha. What progress has been made towards employing senior local government staff on award contracts?

Mr RON HOENIG: Sorry, I missed that. Could you ask me that again?

Dr AMANDA COHN: ICAC Operation Dasha identified as a corruption risk the provision of non-award contracts for senior staff in local government. What progress has been made towards employing those senior local government staff on award contracts to reduce that corruption risk?

Mr RON HOENIG: I have never favoured—and didn't when the 1993 Act was amended—contract employees, even at senior staff level. The reason has become obvious in relation to the volume and the general manager. The USU has also raised with me concerns about contract provisions, and a number of rural and regional councils have raised with me the same provision, because they've got to move their families to a rural town, and they've got no security or security of tenure. Under the Local Government Act, it is a matter for councils to determine who is a senior officer or not and, if they determine that they're a senior officer, they've got to be on a contract. I don't favour contracts for anybody. How I go about unpicking a provision I opposed 30 years ago, I'm going to do my best to work on it. It's not necessarily just corruption prevention; it's for other public sector reasons. You've got to give certainties to senior people in the public sector to be able to provide advice to councillors. Just moving them because their contract is up and you don't like their advice is a recipe for poor governance as well.

The CHAIR: Just before, we were talking about how councils do have the ability to not approve a development application when there's strong community objection to it. My understanding from speaking to some of the councils that were inundated with development applications for puppy farms is that they sought legal advice, and they were told in that legal advice that it was unlikely that they would be able to hold that up in court if it was challenged. With that in mind, are you open to considering expanding council powers within that development application process or talking to these councils to see what some of the issues are?

Mr RON HOENIG: It's not for me to intrude into the planning Minister's portfolio, because my intrusion is not appropriate. But I'm happy to say that there's plenty of legal advice that I read that I don't agree with. With my limited legal knowledge, I'm happy to look at what the equivalent of section 79C is and formulate, at least, an argument that might be of assistance to those councillors.

The CHAIR: Wonderful.

Mr RON HOENIG: Anything I can do to help them, I will. If you're asking about some sort of statutory change, you'd need to direct that to the planning Minister.

KIERSTEN FISHBURN: Can I just provide clarity too? It's now section 4.15 of the EP&A Act under the new numbering, Minister.

CORRECTED

Mr RON HOENIG: And I'll never remember that again, either.

The CHAIR: Not to worry. This is the last thing I want to ask about puppy farming. During the inquiry—the legislation that I put up was amending the Companion Animals Act. That was copying over what had been done in Victoria which, again, was an amendment to their companion animals Act. The way that it worked in practice is that councils do a yearly inspection of the facilities that are breeding animals. That's how it then ends up falling under the Companion Animals Act—because it does involve councils. There was a letter from Local Government NSW that supports that proposal, subject to a couple of things like a review of the Pet Registry, which is currently underway. Are you aware of the letter from Local Government NSW supporting that model?

Mr RON HOENIG: No, I'm not. I've just been handed some notes, but I'm probably better off letting Mr Whitworth answer the question so that you can get an accurate—

The CHAIR: That's all right. We can talk about that a bit more this afternoon. Maybe I'll send you a copy of this letter as well.

Mr RON HOENIG: Okay, thank you.

The CHAIR: I want to ask about breed assessors under the Companion Animals Act. According to the guidelines, to be a breed assessor you just need to be an ANKC breeder or judge—that's a kennel club breeder or judge. Many welfare experts say that it's impossible to determine what a breed of dog is simply by looking at them, especially when we've got a dog that's a mixed breed. Why are we relying on people who judge dog shows to determine whether a dog, effectively, lives or dies?

Mr RON HOENIG: I can't answer that. Can you answer that, Mr Whitworth?

BRETT WHITWORTH: I don't necessarily agree with that characterisation. The advice that I have is breed assessors are regulated and trained by Dogs NSW and that they use a guideline for breed assessors that is available on the Office of Local Government website. There's a training course for breed assessors, and the criteria—I'm happy to read this out if you want. The criteria is that people becoming a breed assessor should be—there is an abbreviation here:

an ANKC All Breeds Judge, having judged the Terrier Group for 2 years, or

- be an ANKC Terrier Specialist Judge, or
- be an ANKC Group Judge for a minimum of 2 years, or
- have owned ANKC registered American Staffordshire Terriers or Staffordshire Terriers or Bull Terriers for a minimum of 5 years and have bred a minimum of 3 registered litters ...

The applicants also need to demonstrate—

The CHAIR: Can I just interrupt. This that I have, *Companion Animals Act 1988 and Companion Animals Regulation 2008, Guideline For Breed Assessors*, May 2013, is out of date?

BRETT WHITWORTH: I don't know what you've got.

The CHAIR: I just read it out. The guideline for breed assessors.

BRETT WHITWORTH: I've got a link here, as well, but there is a link on our webpage for breed assessors. As I was saying, there are also other elements that are beyond being judges and so on, that they've got to have competence in assessing without supervision, demonstrate management and conflict resolution skills, demonstrate extensive involvement in purebred dog structures, organisation, breeding and showing, understanding the legislative provisions of the Companion Animals Act—

The CHAIR: That's the same sheet that I've got here.

BRETT WHITWORTH: Okay. That's fairly comprehensive. That's not just being a judge.

The CHAIR: But my understanding from experts in the space is that it's nearly impossible to actually judge, just by looking at an animal, what breed they are. Minister, I just wanted to ask you why we have such loose regulations around this when the experts are saying that somebody just looking at an animal won't be able to assess what breed they are and that will actually mean whether a dog will live or die.

Mr RON HOENIG: Mr Whitworth?

BRETT WHITWORTH: Again, it doesn't mean that a dog lives or dies just based on its breed. I think I have given evidence before, to a similar parliamentary inquiry, when I talked about its important to identify that a dog that has been collected, that has been where there's a—

The CHAIR: Mr Whitworth, when you say that you disagree—

CORRECTED

BRETT WHITWORTH: Let me cut to the chase, then, perhaps, Ms Hurst. What you're saying is that you simply identify the dog as being a restricted breed and therefore euthanasia can occur.

The CHAIR: Correct.

BRETT WHITWORTH: It needs to fail a temperament assessment as well.

The CHAIR: That's not my understanding. My understanding is that there are many dogs that have been killed simply because they're a restricted breed.

BRETT WHITWORTH: That's not my understanding. Can we take this on notice? We'll come back. My understanding is there was an incident of a dog that the council collected, and it failed both a breed and a temperament assessment, and it was for that reason that it was euthanised.

The CHAIR: That might be one example, but I'm talking about the legislation and whether or not—what happens to a dog that's a restricted breed?

BRETT WHITWORTH: What happens to a dog that's a restricted breed in the sense of—sorry. I don't know what question you're asking me.

The CHAIR: What would happen to a dog that was found to be a restricted breed in New South Wales, but they weren't failing a temperament test.

BRETT WHITWORTH: Then that dog—the challenge is to find a rehoming. You can't sell that dog.

The CHAIR: Correct.

BRETT WHITWORTH: I've been advised that only crossbreeds need to have a temperament assessment. That's the challenge, whereas a pure breed—

The CHAIR: So a dog that is a purebred restricted breed will be killed, despite the fact that they're not a dangerous dog themselves.

BRETT WHITWORTH: Sorry. People aren't going around, just randomly killing these animals. I think—

The CHAIR: I'm not suggesting that they are. I'm just saying that—

BRETT WHITWORTH: But I do think, because we're talking on *Hansard* here, that it's important to talk about the process, because I do feel like that's quite inappropriate.

The CHAIR: No, I think that's technically what breed-specific legislation does.

BRETT WHITWORTH: What you're saying is that a dog has escaped, he has been collected—

The CHAIR: No. That's not what I'm saying at all. What I am saying is that the RSPCA, the Australian Veterinary Association and multiple animal welfare groups are against breed-specific legislation, and they're against breed-specific legislation because, under the legislation, if an animal is found to be a restricted breed, based purely on a visual inspection of an animal—no DNA testing or anything else—then the animal will be euthanised.

BRETT WHITWORTH: But you've jumped several steps there. The animal has been found. It's been collected. It's been taken to a pound. We keep coming back to the Companion Animals Act is based on responsible pet ownership. If you have a restricted breed, the Companion Animals Act is predicated on you and has legislative requirements for you to behave in a particular way and to keep that dog in a particular way. What you're saying here is that there has been a dog that has escaped, and there can be no owner identified. Those are the circumstances where euthanasia will be applied.

The CHAIR: If you identify an owner and that person wants to come and pick up the animal but the animal has been identified as a purebred restricted breed, then the pound will release that animal?

BRETT WHITWORTH: That's my understanding. I'd like to confirm that with my colleagues.

The CHAIR: If you could, please.

BRETT WHITWORTH: But that is my understanding.

KIERSTEN FISHBURN: I'll just ask Ms Bishop to confirm.

KARIN BISHOP: I'd just like to clarify. The issue here is that restricted breeds cannot have their ownership transferred. So an owner who has a restricted breed, as Mr Whitworth says, has obligations under the Act to keep their animal under certain conditions, to ensure it's muzzled, to make sure that it's never out in public

CORRECTED

under the care of somebody who's under 18. There's a series of rules in place if you own a restricted dog. The issue, I think, we're talking about here is when a restricted dog comes into the system, when it's been surrendered by its owner and it's in the pound system or a council pound. Because, under the Act, the ownership cannot be transferred, then, unfortunately, euthanasia is the ultimate outcome. So I think, just to clarify that, we are just talking about restricted breeds that have come into the system and are ownerless at this point.

Mr RON HOENIG: Can I just clarify one thing. I've got a note to say that I misspoke earlier, that I said I opposed demerger of Inner West. I meant I opposed the merger.

The Hon. SCOTT FARLOW: The merger, not the demerger.

Mr RON HOENIG: The merger, rather than demerger.

The Hon. SCOTT FARLOW: I thought you were making a big stand there. I think Dr Cohn might've already tweeted that in terms of The Greens' constituency. Minister, I might just ask you. You talked about governments putting their noses into local government for too long. You've got the Premier now telling councils that they may face the nuclear option when it comes to housing approvals. What's your view in terms of local government when it comes to housing approvals?

Mr RON HOENIG: I think that's a question that you need to ask the planning Minister, not me. I'm talking about the governance and management of local government. Planning matters are for the planning Minister.

The Hon. SCOTT FARLOW: So you have no perspective when it comes to State Government intervention in local planning powers when it comes to local councils.

Mr RON HOENIG: It really is a matter for the planning Minister. It's not for the local government Minister to intrude in those areas.

The Hon. SCOTT FARLOW: But you are the Minister for Local Government. I know some have called you the Minister fighting against local government. But—

Mr RON HOENIG: Only the National Party, I think.

The Hon. SCOTT FARLOW: The Mayor of Tamworth. I don't know if he's a National or not. But, Minister, not everyone in the country is a Nat, as I'm sure you have discovered. Minister, don't you see you have a role in advocating for local government when it comes to their sovereignty, as you spoke of before, and their democratically elected right?

Mr RON HOENIG: There's a difference between, for example, the functions of local government under the Local Government Act, where I have the responsibility to ensure compliance, and the Environmental Planning and Assessment Act or even the rural fire services Act, as vested in the emergency services Minister. It's a matter for the planning Minister. You should direct those questions to him. He's the one that has to give effect to government policy in the planning space.

The Hon. SCOTT FARLOW: Minister, may I congratulate you, the first Vice-President of the Executive Council from the Legislative Assembly in over 100 years? Was this a position you requested?

Mr RON HOENIG: Those decisions are made by the Premier. Appointments are made by the Governor.

The Hon. SCOTT FARLOW: It was something that you didn't request, Minister?

Mr RON HOENIG: They're decisions made by the Premier.

The Hon. SCOTT FARLOW: Minister, can you outline your roles in terms of the Vice-President of the Executive Council and what you're required to undertake in that position?

Mr RON HOENIG: The role of Vice-President of the Executive Council is to preside at meetings of the Executive Council in the absence of the Governor or the Lieutenant-Governor. I don't think that has eventuated for some decades, has it?

The Hon. SCOTT FARLOW: Well, I am sure, as the Vice-President of the Executive Council, you have undertaken some research into that, but we do, indeed, congratulate you on being the first non-Legislative Council member—from us members of the Legislative Council here—to take on the role of the Vice-President of the Executive Council in a hundred years, from the Legislative Assembly.

Mr RON HOENIG: That is research I haven't done. Thanks for that. I am glad I have done something historic.

The CHAIR: Are there any questions from the Government?

CORRECTED

The Hon. PETER PRIMROSE: No, we are very satisfied with all the Minister's answers.

The Hon. MARK BUTTIGIEG: Not unless you want any questions, Ron.

The CHAIR: In that case, we break for morning tea. We will be back at 11.15 a.m.

(Short adjournment)

The CHAIR: Welcome back to budget estimates inquiry. I will now throw directly to the Opposition.

The Hon. SCOTT FARLOW: Minister, you outlined, before, the constraints on your time and being able to meet a whole range of people when it comes to local government matters. You met with the Cornerstone Group on 29 September to discuss TG Millner Field in Marsfield. What did you discuss in that meeting?

Mr RON HOENIG: They complained about how long it is taking to get development approvals from local councils. For example, they were housing constructors, and they said that, from one particular council, it takes them nine months to get development approvals for just a house. They also raised with me the fact that I hadn't signed off on commencing the compulsory acquisition on TG Millner Field, because I wanted to be satisfied that the council had the financial ability to pay the valuation, should it proceed down that path. And they gave me their estimate as to what the valuation was, which I thought was far more than the advice I'd been provided beforehand.

The Hon. SCOTT FARLOW: What is the process that you're undertaking with respect to TG Millner, following that meeting?

Mr RON HOENIG: I have actually asked Ms Fishburn to correspond with Ryde council to ask them how they propose to fund the compulsory acquisition, because, generally speaking, the process to commence compulsory acquisition is a guideline process. The guidelines had been complied with, but, ultimately, bearing in mind the financial position of Ryde council and a range of other problems it's faced, I just wanted to be satisfied that they're able to make the financial contribution.

The Hon. SCOTT FARLOW: Minister, while you have chosen to meet with the lobbyist for the proponent of that development, will you now meet with the mayor of Ryde council and the member for Ryde, who also requested to meet with you about that matter?

Mr RON HOENIG: I don't recall refusing to meet a single member of Parliament or a single council or mayor that's requested to meet with me. And if they have made such a request and it has not been agreed to, I would like to know about it, because it's been a specific requirement of me. Mayors and council general managers have access to the Minister for Local Government, and members of Parliament certainly have. If that seems to be the message they're getting, it is not from me.

The Hon. SCOTT FARLOW: I'm sure you'll get additional requests from them today. Minister, can I also ask, with respect to TG Millner—it was a commitment of Labor, prior to the election, to save TG Millner—will you and your Government continue to guarantee the space of TG Millner Field for public open space in the City of Ryde?

Mr RON HOENIG: I have to make certain determinations in accordance with certain legislation, and I will comply with my statutory requirements. I can't adopt or even agree to a policy position which may be inconsistent with my statutory responsibilities, as you would appreciate.

The Hon. SCOTT FARLOW: Have you had discussions with the Minister for lands about this matter?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: No?

Mr RON HOENIG: Yes, I have, actually.

The Hon. SCOTT FARLOW: What were those discussions?

Mr RON HOENIG: I think he asked me—

The Hon. SCOTT FARLOW: To take the meeting?

Mr RON HOENIG: No. He was asking for an update on what I was proposing to do with it, and I don't think, at that stage, I'd had the opportunity of meeting with Ms Fishburn to obtain advice from the department about it.

CORRECTED

The Hon. SCOTT FARLOW: So your meeting wasn't a result of Mr Kamper's previous meeting with the same proponents on 24 August?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: Minister, before, with respect to the Inner West Council, you talked about the engagement of Deloitte in terms of looking at the financial viability of the demerger. Is that correct?

Mr RON HOENIG: Yes, I read about that in the media, would you believe.

The Hon. SCOTT FARLOW: So that wasn't something you knew of prior?

Mr RON HOENIG: No, I read it in the media, which caused me to cause an inquiry with the Office of Local Government. I assumed that it related to the boundaries commission requesting an assessment be made of the Inner West business case, but I thought I'd confirm it. I didn't know about it until I saw it in the media.

The Hon. SCOTT FARLOW: Minister, what's the cost of that engagement with Deloitte?

Mr RON HOENIG: I don't know. It's published.

KIERSTEN FISHBURN: I would have to take that one on notice, unless Mr Whitworth is able to find it. We'll take that on notice and come back to you.

Mr RON HOENIG: I think it was in the newspaper.

BRETT WHITWORTH: It was. I can get the exact number. It is under \$150,000, and it was in relation to—it was requested by the boundaries commission. It's work that's been requested by the boundaries commission and that needs to go through the Department of Planning and Environment procurement process.

The Hon. SCOTT FARLOW: Minister, were you considering the stated position of your Government with respect to the usage of consultants? Were you concerned that a consultant was engaged for this matter?

Mr RON HOENIG: The boundaries commission, chaired by Peter Duncan, who is acting head of the Premier's Department, that has on it a member of the Office of Local Government staff, Mr—what's his name?

BRETT WHITWORTH: Mr Gleeson.

Mr RON HOENIG: Mr Gleeson, whom I've met with once, who is a very impressive individual, and Rick Firman, who is the Mayor of Temora, and the Mayor of Cowra. I really have great faith in those members to responsibly assess business cases. They're hardly associated with the Labor Party either, any of those people, to my knowledge.

The Hon. SCOTT FARLOW: With respect to this engagement, you have said it is one from the boundaries commission, so it was one that was not initiated by the Office of Local Government?

Mr RON HOENIG: I assume it has been initiated by the boundaries commission. I'll just confirm that.

BRETT WHITWORTH: That's correct, Minister.

Mr RON HOENIG: That was the inference I drew.

The Hon. SCOTT FARLOW: Do the boundaries commission have any ability to access the Office of Local Government's advice with respect to their analysis? As you outlined before, \$4½ million—you were one of the winners in this budget in terms of getting additional resources for the Office of Local Government.

Mr RON HOENIG: I'm not going to utilise that \$4½ million for the boundaries commission, I can assure you, because I need that for the purposes of the priorities to start cleaning up some of the mess I have inherited.

The Hon. SCOTT FARLOW: What are some of those priorities for you, then, that that \$4½ million will be directed to?

Mr RON HOENIG: The first is the code of conduct, which is just a completely broken system, that has paralysed local government and the Office of Local Government. It has to be reviewed. The second thing that has to happen is I need to change a culture and impose far more transparency on local government in their deliberating process, which has changed substantially in 10 years' time. I also need to do a complete review of the way in which the local governments' finance system—they apply the Australian Accounting Standards, but their finance systems are, to elected people, completely opaque, let alone to the public. They're three really major priorities I really have to address. What I want to do is I want to empower democratically elected councillors with greater oversight and control of their council, which has systematically been taken away from them. If you're asking me what one common theme is relating to councillor sustainability, efficiency and reputation, the one theme in my

CORRECTED

opinion is basically the lack of empowerment of elected people to properly shape their communities in the way in which local government is supposed to achieve, and the ways in which their communities demand it.

The Hon. SCOTT FARLOW: Minister, while you talk about that lack of empowerment, you have a government that is at this moment telling councils that there is a nuclear option on the table when it comes to planning matters. You said that that's not in your bailiwick—that that's nothing to do with you—yet you're meeting with lobbyists about their concerns with the planning system. What's your view when it comes to councils and their role in terms of the planning system in New South Wales?

Mr RON HOENIG: If people ask to speak to me or, for example, businesses seek to speak to members of the Cabinet, then those meetings are facilitated in an open way and they're disclosed. I don't see anything sinister about that. As you could appreciate, those questions you ask are really matters for the planning Minister. They are within his portfolio. They are within his judgement under the Environmental Planning and Assessment Act, and you need to—

The Hon. SCOTT FARLOW: Minister, with all due respect, while you've got lobbyists coming to you and knocking on the door and saying they've got concerns with the planning system, I'm sure you've got councillors as well who are knocking on the door and saying they have concerns with what the Government is potentially doing when it comes to decision-making in their communities. You are the Minister for Local Government, and I'm sure you're being asked by them to have a voice around the Cabinet table. Isn't that correct?

Mr RON HOENIG: No, they don't ask me to be their voice around the Cabinet table, but councils, members of the community—I'm also a local member as well and many of these decisions impact upon my electorate as well. This is Legislative Council estimates. You're asking about my portfolio, not about Mr Scully's portfolio.

The Hon. SCOTT FARLOW: I'm asking about you as Minister for Local Government and what you're doing as the Minister for Local Government.

Mr RON HOENIG: It's not my statutory responsibility to be making determinations under the Environmental Planning and Assessment Act. It is not my responsibility as a Minister of the Crown. Mr Farlow, you'll have to direct those questions—you probably have—to Mr Scully, who is far more qualified to answer that question and who is accountable to Parliament for those decisions. I'm not.

The Hon. SCOTT FARLOW: But you're accountable to local government in New South Wales, Minister.

Mr RON HOENIG: Yes, and I will have my conversations with local government and I will direct them, as I did recently when I spoke to the Local Government Professionals association, to Mr Scully.

The Hon. SCOTT FARLOW: Minister, do you have the same view as the Premier that when it comes to housing supply, mayors only have two answers, "No" and "Hell no"?

Mr RON HOENIG: I'm not going to comment on matters that specifically relate to local government planning. I'm prepared to say to you—

The Hon. SCOTT FARLOW: That is about not just local government planning; that's about local government itself.

Mr RON HOENIG: But I am prepared to say to you that there are things that are within my remit. For example, I recently asked for a guideline to be implemented in relation to the withdrawal of development applications so that I could apply the Local Government Act where complaints had been made that councils were encouraging applicants to withdraw development applications. That was within my particular remit.

The Hon. SCOTT FARLOW: I think we've got some questions on Ms Fishburn's advice from the other day to ask your bureaucratic officials about this afternoon as well. Minister, with respect to the misconduct framework that you were talking about as well, the previous Government of course commissioned a report. Have you seen that report and have you read it?

Mr RON HOENIG: Yes. That's the Kellar report.

The Hon. SCOTT FARLOW: A number of recommendations were made and accepted by the previous Government. Will you continue to implement those recommendations?

Mr RON HOENIG: I think Dr Cohn asked me questions about that before the break. My answer is no, I'm not going to. I think it is just too bureaucratic. We have got to start again. The system doesn't work.

The Hon. SCOTT FARLOW: So you're just throwing it all out completely in terms of that review?

CORRECTED

Mr RON HOENIG: No, but the recommendations just add another layer of bureaucracy to an already broken system. It just won't fix the problems. I'm not seeking to take up your time, but I think one of the problems has been the under-resourcing of the Office of Local Government for a long period of time. Every time there was a problem, the Office of Local Government didn't have the resources to address them, and the reports were outsourced and reports are written. As smart as Mr Kellar is—he's got a public service medal—the culture, for example, in Queensland local government is completely different to that of New South Wales, which is completely different to Victoria, which is completely different to South Australia, which is completely different to Western Australia. Often those types of suggestions don't necessarily meet the requirements of our own Local Government Act or the culture that exists in local government that has since the beginning of the twentieth century.

The Hon. SCOTT FARLOW: Minister, considering those complaints about the resourcing of the Office of Local Government, you've gotten \$4.5 million. Is that enough?

Mr RON HOENIG: It will be a great start, bearing in mind that there's been a continuing diminution of resources to the Office of Local Government for a long period of time.

The Hon. SCOTT FARLOW: Minister, with respect to that, have you requested more money through ERC for the Office of Local Government into the future?

Mr RON HOENIG: Like all Ministers, I've asked for considerable allocation of resources and I was very pleased with this allocation so I could start resourcing the Office of Local Government, so I can begin the process of long overdue reform.

The Hon. AILEEN MacDONALD: I just have one question and it goes back to the demerger. You had consultants engaged to do the report on councils' financial state. You've read the report, which you've said, but then you've said that you won't be releasing it to the councils.

Mr RON HOENIG: I'm sorry, I don't quite follow you, Mrs MacDonald. Which report are you talking about?

The Hon. SCOTT FARLOW: This is the Cootamundra-Gundagai report?

The Hon. AILEEN MacDONALD: Yes, sorry—for the Office of Local Government to report on councils' financial state and on other merger costs. You confirmed you had read the report but that you were not going to release the reports to the councils. Can I ask why that is so?

Mr RON HOENIG: Well, I think I'm probably adhering to the same decision made by my predecessor—I suspect. Often these things are part of previous administrations and even though I'm really angry at the mergers and the effect of these mergers and the results—we forecasted what was going to happen and the anger of the community, which is now in my lap. Apart from that, I'm just trying to, on a bipartisan basis, provide some sort of consistency in government administration wherever I can, where my views can be consistent with my predecessor because otherwise it's too hard for government administration to work. My predecessor, despite my sometimes criticism of her, is experienced in local government. I met with her recently and I understand she certainly faced problems similar to the problems that I'm facing, and she didn't have a great deal of time or resources to be able to resolve them.

The Hon. AILEEN MacDONALD: Is it because you disagree? What parts of it do you disagree with? Actually, I think I've run out of time.

Mr RON HOENIG: Well, it's not just that I disagree. I don't want to prejudice the Government's position. I don't want to prejudice its legal position. I don't want to prejudice the position in the event there's any litigation. But, as I say to you, you utilised Standing Order 52 and they can be produced on a privileged basis and you can see them. I don't mind members of the House, either House, seeing them; I just don't want to publicly make these documents available. If I'm wrong and you proceed down the Standing Order 52, then at least a determination will be made and if I'm wrong, I'm wrong.

The CHAIR: Minister, a \$5 million Companion Animal Care and Rehoming Competitive Grant program was introduced by the former Government and that provided vital funding to rehoming organisations in New South Wales. At the moment adoptions and donations are down, surrenders are up, rescues and pounds are reporting that they're both full and struggling to rehome animals. The funding from the grants program was essential to keeping many of these rescues open. Will you commit to making sure that that funding is ongoing, particularly while we still have this crisis of the rescue organisations' over-capacity?

Mr RON HOENIG: There's \$5 million to support companion animals care and rehoming by animal rescue groups; \$2.6 million to maintain delivery of other companion animal related services; and \$26 million to enhance enforcement of animal cruelty laws.

CORRECTED

The CHAIR: Yes. I'm just talking about the \$5 million grant.

Mr RON HOENIG: So you're asking about the \$5 million?

The CHAIR: Yes.

Mr RON HOENIG: I might get Mr Whitworth to answer that rather than reading it from a piece of paper.

The CHAIR: Sorry, just to clarify, Minister, my question was are you committed to making sure that that funding will be ongoing, rather than this one-off grant? I don't think that Mr Whitworth—I'm sure we can talk about the grant itself this afternoon, but—

Mr RON HOENIG: Look, I don't think I can give you that commitment at this stage. It's too early in the government process. We're about to again begin the next round of budget processes for next year, so you just need to give me time before I can—

The CHAIR: Could I ask you to advocate within the Government for further funding for rescue organisations?

Mr RON HOENIG: I continually advocate, usually after meeting with you, Ms Hurst.

The CHAIR: That's good. Are you aware, Minister, that Maitland pound is currently closed due to a deadly parvovirus outbreak?

Mr RON HOENIG: No, I wasn't aware of that. Are you aware of that?

BRETT WHITWORTH: No, I am not.

The CHAIR: Mr Whitworth, can I just clarify, is OLG notified when pound facilities close in New South Wales?

BRETT WHITWORTH: I'd like to take that on notice. I mean, every council has an obligation to have pound facilities in place under the Companion Animals Act. Now, the question as to how they operate that—some councils share those pound facilities with others, or they outsource, such as Sydney Dogs and Cats. So it may well be that the pound facilities close, but the council has arrangements in place with another council. But we'll make inquiries and we'll come back to you this afternoon.

The CHAIR: Thank you. Minister, currently many pounds don't vaccinate the animals that come in or even desex them. This is obviously a very preventable welfare issue and stopping overbreeding if they're desexed. Is that something that you're willing to look into in regards to setting some expectations on supporting pounds to vaccinate and desex animals?

Mr RON HOENIG: I'm really looking to the comprehensive solution arising out of the review of the Companion Animals Act and the review of the POCTA Act to see whether or not a whole-of-government approach can be obtained to obtain first-class animal welfare responses rather than what seems to be ad hoc—or historically ad hoc—decision-making processes. So it's not something that I've considered. It's not something that's been raised with me, but I'm pleased that you have so I'll pursue the issue.

The CHAIR: You've talked a little bit about a review of the Companion Animals Act. Do we have any kind of time line around that or any idea of how the work on that will start?

Mr RON HOENIG: Of the first two things, one is a pounds inquiry. The second relates to cat containment. I want to see results. As you know, the Companion Animals Act provides for the fact that you can't let your dog leave the premises, but there's no provision about cats. Cats are an A class predator, and the RSPCA tells me that there are ways in which you can make a home cat-proof. The councils want some mechanism of exercising control over cats.

The CHAIR: Sorry, I just want to go back and refocus on the question because I guess when we're talking about a review of the Companion Animals Act and, as you say, there's that pound inquiry, there is an inquiry into what you're discussing now about whether laws are suitable for cat containment.

Mr RON HOENIG: And registration processes and how you go about that registration process. I mean, at the moment there's a whole stack of money going for the Pet Registry for the transfer of material from the Companion Animals Act register into the pet register, and there's lifetime registration.

The CHAIR: Yes. But I guess, Minister—

Mr RON HOENIG: Yes, but what I was going to say to you—I'll talk to you after about it, too—is that you've got all these animals on the pet register. They've got lifetime registration. You aren't even going to know how accurate that is, so what's its value? A number of decisions have got to be made so that there's a

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comprehensive review. Secondly, some come at a cost. Do you compel people to have their cats desexed or their dogs desexed? If so, who pays for it?

The CHAIR: I guess this is the thing, Minister. Obviously, there will be the pound inquiry, but there is a whole range of other issues—

Mr RON HOENIG: There is.

The CHAIR: —outside of what will come out of those two inquiries. Will there be an actual review of the entire Companion Animals Act as well?

Mr RON HOENIG: Yes. We have committed to do that—

The CHAIR: But we don't have a time line on it?

Mr RON HOENIG: No.

The CHAIR: Has it started or not?

Mr RON HOENIG: They'll say they have, I imagine.

BRETT WHITWORTH: We always have things under review.

Mr RON HOENIG: They've been saying that for years.

BRETT WHITWORTH: There's always a review, Minister.

Mr RON HOENIG: For as long as I remain in this portfolio, I'm determined to begin the process to resolve some of these really difficult questions. I'm actually looking to the committees of this House to resolve particularly what financial burden do you impose upon an owner of a companion animal, either in the registration process or the desexing process or the containment process. What's reasonable? Otherwise you'll end up with a mini greyhound moment, and I don't want to put the Government in that situation either. I'm actually looking at the members of this House to solve that issue for me, because I don't want the Government to start proclaiming standards on people that may well be uninformed and have unintended consequences.

The CHAIR: On vaccines, and I understand this is more of a Federal issue, but I'm hoping you have heard about the fact there is a massive shortage in Australia of vaccines for cats.

Mr RON HOENIG: No, I hadn't heard that.

The CHAIR: It has actually stopped the RSPCA from taking cats and kittens in. Organisations like the AVA are saying that there are fears of a pandemic spreading. This is going to be a huge problem going forward for pounds and rescue organisations. The shortage is predicted to last until early next year. I guess my question to you, understanding obviously that it is a Federal issue to be able to import those vaccines, is will you advocate or write to the Federal Government to try to get some assistance to fast-track some of those vaccines into Australia so that we can avoid a pandemic spreading in New South Wales?

Mr RON HOENIG: I have been advised—I have just been given a note—that the Australian Veterinary Association are prioritising kitten vaccinations and delaying adult boosters.

The CHAIR: I understand the background, because there's a big shortage. My question is will you advocate to the Federal Government to try to help fast-track vaccines coming into Australia so we can avoid a pandemic spreading in New South Wales?

Mr RON HOENIG: I'm happy to do that, but I don't want people to panic about it, because vaccination supplies are confirmed. The issue has been prioritised, with some vaccine supply to be available by late 2023, and should normalise in early 2024. There is no evidence being presented to suggest a vaccine shortage contributing to the unnecessary euthanasia of kittens or cats.

The CHAIR: With big organisations like the RSPCA no longer taking cats and kittens in, obviously that will put a lot of pressure on rescue organisations. Is anything being done there during this period of shortage?

Mr RON HOENIG: Do you know anything about that?

BRETT WHITWORTH: No. But, again, this is also territory that my colleague, Mr Hansen, may know more about, because it goes to the veterinary elements of animal welfare.

The CHAIR: You can finish the answer if you have one.

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SCOTT HANSEN: Just to reiterate what the Minister said, which is this has been prioritised. The Federal Government is very aware of it and have been working collaboratively with States and companies to try to ensure a supply, with forecast of normality of that supply chain by early next year.

Dr AMANDA COHN: The Minns Labor Government went to the election with a promise to end privatisation, ruling out any further privatisation of State-owned assets. Do you support this position?

Mr RON HOENIG: Yes.

Dr AMANDA COHN: The aged care royal commission recommended a preferred model of aged care being through public ownership, resulting in higher levels of care and outcomes for patients. A clear example of this is the services provided by Blue Haven aged care and by Kiama Municipal Council. This service is one of the largest publicly owned aged care providers in New South Wales. It employs half the council's workforce and services approximately 2,000 families across the Illawarra. The council, with the support of Labor councillors, is moving to privatise this service. I'm pleased that you support the position your Government took to the election of ending privatisation. What action have you taken to stop the privatisation of this major health and aged care provider?

Mr RON HOENIG: Dr Cohn, firstly, we need to understand that councils are democratically elected to make decisions in their own area. I can't, as Minister for Local Government, just impose my political philosophy on another democratically elected organisation; otherwise, they're no longer the genuine third tier of government in Australia. In relation to that particular council, absent there being some statutory failure that empowers my intervention, my role and function is limited. I have been given some material by the USU, who have raised their concerns. They have drawn to my attention Labor's policy, though they are an affiliated union to the Labor Party, as you can imagine. I'm also really concerned because that council has got disclaimed audits by the Auditor-General. Its finances—they lost it in their computer system.

Dr AMANDA COHN: I'm glad that's where you're going with this, Minister, and I want to ask a more specific question because you mentioned statutory opportunities for you to intervene. Kiama council was placed under an improvement order by the previous Minister for Local Government.

Mr RON HOENIG: Yes.

Dr AMANDA COHN: One of the key requirements for that was for the council to presents a business case paper to the public considering all options for the aged-care service, including maintaining the service in public hands, entering a joint partnership, leasing it on contract to private providers, or selling the service. A document provided in the council papers for the community to consider only made an argument for its sale. Why did your office not take any action on what appears to be a failure to comply with the improvement order?

Mr RON HOENIG: That is something that I'm currently having the Office of Local Government currently look at, together with some other issues that particularly I'm concerned about in relation to their financial operations—which I should not probably prejudge at this stage.

Dr AMANDA COHN: I share the concerns that you're alluding to regarding the audit of Kiama council's finances. My concern is that this aged-care facility is slated for sale within the next couple of months. Will you intervene under the improvement order to delay that sale until the process of examining that audit has been carried out?

Mr RON HOENIG: I have asked the Office of Local Government to look at a range of matters that have been brought to me again recently, and as late as yesterday or the day before. I'm also very concerned, bearing in mind their financial position, in relation to other asset sales that have been occurring, because I want to be satisfied—not directly related to Blue Haven, but generally speaking—whether or not the council are getting a fair return for the other assets that they are selling—whether or not they are a fire sale of assets. I'm looking at it. The ability of me to intervene in Kiama depends upon whether or not the material that I end up with gives me the statutory power to do so. If I don't have the statutory power to do so, I can't. If I do have the statutory power to do so, then it will enable me to consider it.

Dr AMANDA COHN: The issues you're alluding to—as I understand, recent ABC reports revealed that the audits conducted by the Audit Office showed significant issues at Kiama council, including overvaluation and double counting of assets, which I think you just alluded to, as well as a senior staff member contracting work to his own business, which has been reported to ICAC, and the council engaging the same firm to broker the tender process as wrote the report for the council that recommended the sale.

Mr RON HOENIG: And as has just been brought to my attention as well, Dr Cohn, only two days ago—which I'm not sure if it's accurate or not. I'm not going to ask Mr Whitworth now, but I'm told that that very issue—the last issue that you raised—is subject to a code of conduct complaint that has not been determined. Now, I was

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not aware of that until that was brought to my attention two days ago. I'm not sure whether that's true. But that becomes an issue of considerable concern, bearing in mind what you've raised with me, what the USU has raised with me, because you can't have these things determined in isolation. The issues you raise are concerning and I have to resolve them to determine whether or not I actually have the authority to intervene.

Dr AMANDA COHN: If you do indeed have the authority to intervene, will you intervene in time to stop the privatisation of this aged-care facility?

Mr RON HOENIG: If something occurs and I have the authority to intervene, then I'll exercise authority and I'll make that decision based upon the material that I have available to me. I can't prejudge a decision I may or may not be able to make, depending upon whether or not I may or may not have authority. That becomes hypothetical.

Dr AMANDA COHN: What are you doing to ensure a more diverse representation of women, young people and people from diverse backgrounds on New South Wales councils?

Mr RON HOENIG: There has been a substantial, or an increase in the number of female candidates and female councillors at the last election. In 2001 the local government election saw a significant increase in diversity of candidates. Women candidates at local government election increased from 1,558, or 38 per cent, to 1,622, or 42 per cent, between the 2016 and 2017 elections. There are now 490 women councillors, representing 39 per cent of all councillors, across New South Wales, which is an increase of 8 per cent.

Dr AMANDA COHN: I'm interested in any proactive work being done to actually improve that diversity.

Mr RON HOENIG: I recently have met with a women's electoral lobby group that made some suggestions, or other suggestions that they didn't know that they can currently achieve—or that are currently provided for, for example, in section 252 policies in the Local Government Act. I've got to consider whether or not code of conduct had impact upon—an adversary democratic environment inhibits women, for example, from seeking election in local government.

Dr AMANDA COHN: Thank you for raising that. I've certainly heard and experienced that it does. I might ask you about a more specific initiative. The previous Government introduced optional superannuation for New South Wales councillors, which certainly was a step in the right direction, but, as I'm sure you would understand, this option is often dismissed by older or more financially secure councillors who see it as a perk rather than absolutely essential, particularly for younger councillors, for women and for people from diverse backgrounds. Will you change this provision to compulsory superannuation?

Mr RON HOENIG: My view always was—and, in fact, it was tax advice I was given, and the legislation could have changed—that it was always open for councils to make superannuation payments by determining under Commonwealth tax legislation that councillors were employees. Then they would have been entitled to the compulsory superannuation. The deterrent for so doing meant that they were then subject to fringe benefits tax, because councillors aren't subject to fringe benefit tax unless they're deemed to be employees.

Dr AMANDA COHN: Could you see the benefit for diversity of that actually being compulsory across the State?

Mr RON HOENIG: There is an independent tribunal that determines councillors' remuneration. That's been taken away from politicians. I need to get advice on what does the community think in relation to it. The community are pretty cynical about elected representatives giving themselves any benefit, even if it's a legitimate benefit. I can't commit to doing it on a compulsory basis, but I well and truly appreciate input from people—women who have served in local government—who tell me that superannuation is one of the factors that deters them. That's something that I can take into consideration because I can never be in the position that you were, Dr Cohn. So my experience and reflection is only a reflection from half of the people who have served in local government.

Dr AMANDA COHN: I appreciate you considering it.

The Hon. AILEEN MacDONALD: I just wondered about rural and regional New South Wales cost of living, but what is your view on the red fleet?

Mr RON HOENIG: My responsibility in relation to the red fleet, or the Rural Fire Service assets, is to ensure that councils comply with the local government accounting standards—ASA116B. That is, that they record their assets and their depreciation schedule. They are required to do that. Very shortly after I became local government Minister for my sins was I presented with a draft report from the Auditor-General that showed 43 councils had not done so and had received qualified audits. The Auditor-General had been seeking to explain to the local government that they needed to comply. Local government had complained to my immediate

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predecessor, who provided them with a variety of information and tables from the Treasury that they needed to comply.

Local government representatives by the score came to see me to complain about the red fleet. I have said to them, "I'm obliged to tell you, first, you are required to comply with the accounting standards." It doesn't matter how many times I say this, and the Auditor-General says this and my predecessor told them, it does not affect their bottom line. It's not a cash depreciation of their asset. They have trouble understanding that. Secondly, they don't understand they've signed a service agreement whereby each of them has obligations and they have delegated authority to the Rural Fire Service. Thirdly, they didn't know that they received substantial grants from the Rural Fire Service towards the maintenance of the fleet that they didn't know that they were maintaining. Fourthly, they didn't know that local government owns the red fleet because local government asked for it.

In any event, I have spent some months trying to get the whole history of the red fleet. I ultimately contributed to a private member's bill of Adam Marshall to put onto *Hansard* the entire history. The other thing that I have done is I have referred the whole issue to the Legislative Assembly Public Accounts Committee, and also with the SES, to give local government the opportunity of having their say and to allow everybody to be informed. I've probably gone beyond my role as the local government Minister and intruded into the emergency services Minister's role. He didn't mind. I'm trying to resolve this issue in the local government's interest, so I've gone down that particular path.

One of the things I can't work out, which is really significant—I know Dr Cohn said to me some time ago, when she met with a number of MPs and the Auditor-General, that things have changed. I know that local government in 1997, and again in 2000 in a Legislative Council inquiry—because the State wanted to take the red fleet, and local government wanted it, and they were insistent on doing it. Bob Debus amended the bill with the concurrence of the then Opposition to allow them ownership. In 2000 there was a dispute as to who—I don't want to take your time, but I just want to give you the history.

The Hon. AILEEN MacDONALD: I was going to say I probably don't need to have that whole history.

The Hon. SCOTT FARLOW: It sounds like the second reading debate on the red fleet bill.

The Hon. AILEEN MacDONALD: I might stop you there. I note that a large number of councils, especially in rural and regional New South Wales, are applying for special rate variations. I'm aware that recommendations from the IPART review have included the emergency services levy in their methodology. Is that correct?

Mr RON HOENIG: Yes. IPART's review of rate peg methodology, which was commenced under the former Government, was reported recently and was adopted by Cabinet on Monday. I advised IPART yesterday—it wasn't on their website this morning—that the Government had approved it. Arising from that decision-making process, things like ESL, for example, the full amount will be incorporated by IPART when it makes its determination as well as the funding basis, which will be forward looking rather than rear looking. This issue started when they gave them 0.7 per cent when there was a hyperinflation period so that shouldn't happen to them again. Refreshingly, each council will have its own rate peg determination. The asset base which is utilised by IPART will also be different for a rural council, a regional council and a metropolitan council, so it'll be a better and fairer forward-looking system for rate peg. If you're going to have a rate peg, this is going to be a fairer way of determining it.

The Hon. SCOTT FARLOW: How are IPART including the ESL in that determination?

Mr RON HOENIG: The cost of the ESL will be a straight-out consideration or calculation in their determination, the full amount.

The Hon. SCOTT FARLOW: To each council. Okay. In terms of the financial viability of the council—unfortunately we don't have the benefit of the report to be able to look at it in terms of IPART, but do you have any concerns for the financial viability of councils because of this ESL decision?

Mr RON HOENIG: Not by the ESL decision, but I am concerned with the—as I said to you the first report I got was from the Auditor-General. Generally, that's been tabled in Parliament anyway, the Auditor-General's final report. Can I just say that I think Ms Crawford, when I gave her my take on it, said to me that she was appreciative that the Minister understood the gravity of councils' positions. What I have actually done is I have asked IPART to do a review of councils' financial sustainability, looking at both their income and their expenditure with a view of getting to the bottom of why they are in the position that they are. Financially, the industry generally is in a fair bit of crisis in terms of their financial sustainability. I want to get to the bottom of what that is. The solution is not always just throwing money. The solution is obviously, I think, to give councillors greater oversight and control of their expenditure.

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The Hon. SCOTT FARLOW: Where can you see there's constraints at the moment in terms of their control and oversight, with expenditure?

Mr RON HOENIG: The accounting system gives them no idea where their money's going. Councils are supposed to determine their priorities and where money is to be allocated and be identified to them—the funding sources. They should be given the opportunity of determining the funding priorities. The accounting system that is provided to them doesn't give them that opportunity. In practice what's happening in many councils is they're getting the councillors behind closed doors in a briefing session and telling them what's in the finance. The councillors are just checking whether their pet projects are funded. They're walking in there and voting for \$50 million or \$100 million in five or 10 minutes. That's not treating elected people with the respect that they're entitled to, and the accounting system is not treating them with the respect that they're entitled to because any councillor—you don't need to have a university degree—can determine funding priorities if you offer it to them in a way they understand. That's what they're democratically elected to do.

The Hon. SCOTT FARLOW: Minister, on the back of that, what are the reforms you're proposing?

Mr RON HOENIG: I'm wanting to change the accounting systems to make them more transparent. I'm not sure how to achieve that, but I know I have to. I've talked to the Auditor-General about ways I can do that. Their function is to oversight the accounting standards, but I need to empower them to have more of a management accounting standard so that they can actually determine themselves their priority. For example, I spoke to one rural council—their local member was in financial difficulties—and I said, "Mr Mayor, you're funding four museums in a town of 40,000 people. You've got a right to do that and you're elected to do that, but you can't fund four museums and then say you haven't got money for something else." If you look at their accounting system, you can't work that out.

The Hon. SCOTT FARLOW: Minister, returning back to the emergency services levy, how much is that for this coming financial year?

Mr RON HOENIG: They've got an increase of 19 per cent. The increase that they have for this financial year was an increase that the previous Government determined.

The Hon. SCOTT FARLOW: But the upcoming financial year in terms of that determination?

Mr RON HOENIG: It's too early for us to tell but I would like to think that we could create some efficiencies that our predecessors didn't create so that it is not this continuing burden on local government.

The Hon. SCOTT FARLOW: What are those efficiencies, Minister?

Mr RON HOENIG: I think you probably need to direct those questions to the Treasurer and the Minister for Emergency Services.

The Hon. SCOTT FARLOW: In terms of the local government impact, this is the first time that ESL will be considered when it comes to IPART's determinations for the rate peg. What's the impact going to be on ratepayers?

Mr RON HOENIG: That's probably too early to tell. I'm not anticipating—

The Hon. SCOTT FARLOW: But isn't there a recommendation out of this IPART report?

Mr RON HOENIG: Yes, but there are a range of factors that get taken into consideration when they make a determination. I can't anticipate IPART's work and their calculations, but I can say that one of the reasons there is a rate peg is to provide some sort of oversight as to levels. There is a substantial cost-of-living concern to communities that have just had their mortgages put up, so any system that gets imposed that ends up with massive rate increases in this environment is likely to prompt government intervention. I'm sure IPART would take that into consideration too—the capacity of people to pay.

The Hon. SCOTT FARLOW: Minister, you're saying that if there are significant increases in rates the Minns Government will intervene?

Mr RON HOENIG: I don't know. I have to wait and see what IPART—it's something that IPART, in any event, take into consideration. They take into consideration those policies. They know that.

The Hon. SCOTT FARLOW: Aren't IPART implementing this in the next rates cycle, when it comes to—

Mr RON HOENIG: Yes.

The Hon. SCOTT FARLOW: When do you expect that determination to be made?

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Mr RON HOENIG: They usually make that in time for councils to be able to adopt their budget.

BRETT WHITWORTH: The IPART will make that determination. They'll make a rate cap determination probably before the end of the year. The way the new methodology will work is that the rate cap, as the Minister has identified, has multiple components, one of which is the ESL factor. The ESL factor won't be known until April and the determination of that is something, as the Minister said, for the Treasurer and Minister for Emergency Services.

The Hon. SCOTT FARLOW: Just walk me through this for a second. IPART will make a determination before the end of the year, and then the determination with respect to the ESL will be made in April? So the IPART determination will not be made with respect to the ESL determination? Is that correct or am I wrong here?

BRETT WHITWORTH: The methodology that IPART uses, which has been supported and endorsed by Government, is to identify a rate cap based on multiple factors. One factor is a base-cost model. That will have variations for different cities and nature of local government area. There is a population factor and then there is an ESL factor. Those three things provide the rate cap for each individual council area.

The Hon. SCOTT FARLOW: Minister, considering that you've asked IPART to make that report public, in terms of our ability to potentially ask questions of the bureaucrats this afternoon, would you be happy for that report to be furnished to us?

Mr RON HOENIG: Yes, it is published.

The Hon. SCOTT FARLOW: It should be on the website today?

Mr RON HOENIG: It should have been on the website yesterday. It should be on there today. If not, I'll have it provided to you.

The Hon. SCOTT FARLOW: Thank you, Minister. I appreciate that.

BRETT WHITWORTH: I can confirm it's on the website. I have checked it myself, and I've had about three people just email me to tell me it's on the website.

The Hon. SCOTT FARLOW: In the break, we'll go and get a copy of it, so thank you for that.

BRETT WHITWORTH: Mr Farlow, I confirm that as we move through, the ESL will be based on the previous year's number, but we'll take you through that in the break.

The Hon. SCOTT FARLOW: Thank you very much. Minister, in terms of what you can foresee, you foresee that there will be rate increases as a result of this changed methodology?

Mr RON HOENIG: No, I don't think I could foresee that, but I would say that the determinations for each individual council of a rate cap will be fairer.

The Hon. SCOTT FARLOW: Fairer in what sense?

Mr RON HOENIG: Fairer in how it's calculated, because each council will have their own determination.

The Hon. SCOTT FARLOW: Fairer in terms of the council's financial viability or fairer in terms of the rates that people will pay in each council?

Mr RON HOENIG: Fairer in terms of how IPART determine what their individual rate cap should be.

The Hon. SCOTT FARLOW: What plans does the Government have in reviewing the financial model of councils going forward?

Mr RON HOENIG: That's why I've asked IPART to do the review of councils' financial sustainability, and I have to work out what sort of financial model. The Act requires a huge amount of review—for example, the obligations upon them, having these operational plans and a whole range of other statutory documents for the purposes of transparent publications. But they're not used as management or accounting tools by the individual councils. They're getting consultants to write them for them at huge costs. I would like to empower them to run their own finances in their own transparent way, without imposing upon them these huge bureaucratic obligations, which are of no financial benefit to them.

I'll wait for IPART, to see what they say in the council financial review, and I've got to get some advice as to what's a good model. I don't like to go back to the old days, but in the old days, before the 1993 Act, there were these detailed draft estimates where every councillor knew where every cent was going. I was the recipient of these questions like, "What is this \$600 being spent on voucher number 732?" Then I'd have these three local papers writing stories about "mayor wasting money on \$600". I hated that. Then when the new Act and the system came in, it was good for me because they didn't get that information anymore, and I got not more bad stories. The

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council bureaucrats were careful about spending money because they're likely to get a question from the Opposition councillors. I think there was something in the old days that our forefathers knew about, which over the last 30 years we've forgotten.

The Hon. SCOTT FARLOW: In terms of this financial viability question, have you sought any assistance from the Federal Government and the Federal Minister for Local Government, with respect to the financial viability of New South Wales councils?

Mr RON HOENIG: There have been some conversations with the Federal Government over Financial Assistance Grants. There is almost a billion dollars provided to New South Wales, and that amount gets distributed via a grants commission. I found my old friend and the former member for Coogee Notley-Smith on the grants commission. I hadn't seen him for a while, until I met the grants commission. You guys hide people in a variety of places.

The Hon. SCOTT FARLOW: You just appoint them to secretary roles.

Mr RON HOENIG: Or as general manager of Liverpool. That is an issue. I've had some discussions with Linda Scott, the President of the Australian Local Government Association. The Federal Government are not doing their fair share of local government assistance. That's a matter that we are pursuing, both through the Federal local government Minister and through the Australian Local Government Association as well.

The Hon. SCOTT FARLOW: Minister, with a cost-of-living crisis—State and Federal—we've seen real incomes decrease by 5.1 per cent in the last year. Are rates going up?

Mr RON HOENIG: Are rates going up? I don't anticipate them going up. I don't anticipate them going up as much as they have been in the past, under this very efficient Government of ours.

The Hon. SCOTT FARLOW: We'll wait and see.

Mr RON HOENIG: We'll wait and see. We will.

Dr AMANDA COHN: I understand that the funding for Community Recovery Officers into councils is due to expire at the end of the calendar year, just as communities are facing another particularly devastating fire season. Will you be extending the funding for those Community Recovery Officers to make those positions permanent.

Mr RON HOENIG: Mr Whitworth, do you know?

BRETT WHITWORTH: I believe that's a matter I would have expected for the NSW Reconstruction Authority. So that's probably a matter for the Minister for Emergency Services and the Minister for Planning and Public Spaces. They're not funded through the Office of Local Government.

Mr RON HOENIG: But we'll take on them on notice and get you whatever information you need, Dr Cohn.

Dr AMANDA COHN: In your opinion, should those positions be extended?

Mr RON HOENIG: It's not within my portfolio. I shouldn't be expressing opinions in somebody else's.

Dr AMANDA COHN: The 2021 audit of pecuniary interest declarations showed quite low levels of compliance. Have things improved? What actions did the department take as a result of those findings?

Mr RON HOENIG: It is not only that. I should say to you that the Information Commissioner came to see me several months ago. Some councils are refusing to put those disclosures on the internet or refusing to disclose information that they're required to disclose. That's a matter for the Attorney, and that's being pursued. I think there are a couple of outstanding councils as well. Mr Whitworth, are you aware of the process?

BRETT WHITWORTH: We have reinforced the importance of making those pecuniary interest declarations available. Many councils do it, but there were a number of councils that the information privacy commissioner identified were problematic. We have recently—I think in the last week or two weeks—released a circular, and I also have the request from the information privacy commissioner to look into it in more detail, which we're still doing.

Dr AMANDA COHN: What penalties currently apply to a council that doesn't comply following this circular?

Mr RON HOENIG: Not a lot, and I think that's the problem.

Dr AMANDA COHN: I agree.

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BRETT WHITWORTH: It's not necessarily a decision of the councillor. This was the point of the information privacy commissioner: that these are council decisions about how this information is made publicly available.

Dr AMANDA COHN: Minister, you may be aware of the controversial project that's proposed by The Hills Shire Council, which is entering into a partnership with Eastwood District Rugby Union Football Club to deliver an elite rugby union facility to the former Pony Club grounds at Fred Caterson Reserve. I've had issues raised with my office about this proposal. Specifically, that includes that there was no specific resolution of the council authorising the development of that facility; that there was no direct correspondence with local residents or proactive community consultation; that environmental reports have been completed but that council has refused to release them to councillors and the public; and a whole list of issues with the procedure that was followed for this development. In that context, would you conduct an inquiry under section 430 of the Local Government Act to establish whether the council is acting appropriately in the expenditure of public funds on this project?

Mr RON HOENIG: Of all the concerns with The Hills Shire Council, that's just one addition to some very serious matters that are being investigated by the Independent Commission Against Corruption. I asked the Office of Local Government to conduct a preliminary investigation in relation to some very serious allegations that were made by the member for Castle Hill in the Legislative Assembly. The Premier and I were written to by the Independent Commission Against Corruption, who said that they were conducting an investigation which was now overt, requesting that I not have a public inquiry, as it might interfere with their investigation. I acceded to that request.

I've met with the chief commissioner and Commissioner Murrell as to the difficulties I then have, of not using my statutory power while they're conducting what they're conducting. They can't tell me what they're doing, under their Act. They can't give me a time frame, under their Act. So pursuing a 430 inquiry, even a preliminary inquiry, may be difficult. If you make available to me those issues or those complaints, I will check with the chief commissioner as to whether or not any inquiry that the Office of Local Government engages with conflicts with any of their investigations. If I'm able to proceed and at least do a preliminary investigation into those complaints, I will do so.

Dr AMANDA COHN: Thank you, Minister. I'm relieved that you're aware of the many issues happening at The Hills Shire Council. It's certainly not my intention to impede an ICAC investigation today, but I would imagine that it would concern you that this development might be proceeding amidst all of the other investigations that—

Mr RON HOENIG: There are a number of matters that I have been concerned about in relation to Hills council, that may or may not be quite independent of the Independent Commission Against Corruption's investigations. There were some planning issues that concerned me, as well. But, bearing in mind the nature of the matters that they're investigating, they take priority over many others.

Dr AMANDA COHN: I'm happy to provide you with the information that I've got about this particular development, and I look forward to your attention to it. What checks are being kept on councils who've received major projects funding—for example, WestInvest or City Deals funding—to ensure that they meet the Office of Local Government's Capital Expenditure Guidelines?

Mr RON HOENIG: I'll have Mr Whitworth—you can answer.

BRETT WHITWORTH: The Capital Expenditure Guidelines are a requirement for councils to prepare appropriate business cases and so on. You've talked about the City Deal funding and—I can't remember—the WestInvest? There will be obligations that those councils need to meet under the guidelines and the grant processes for those programs. Are you asking whether we need to ensure that every council has provided us with documentation of their capital?

Dr AMANDA COHN: Yes, I'm interested in—there's requirements under those Capital Expenditure Guidelines for things like quarterly reporting, strategic planning, community consultation. What checks are actually done that that's proceeding for councils that have received that significant project funding?

BRETT WHITWORTH: My understanding is that, where a council is undertaking work based on a grant that they've received, as I said, they need to follow the processes under the grant process, not necessarily the capex guidelines that we have in place. I can tell you from past experience, as an example, that, where funds are provided to councils to build infrastructure as a result of Housing and Productivity Contributions and the former State infrastructure contributions, they needed to do and go through the assurance process of Infrastructure NSW to comply with the program guidelines. That would be the same application here, where money's coming from the State through a grant process.

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KIERSTEN FISHBURN: Can I just add to clarify, as well, neither of those grants programs are run through Office of Local Government. WestInvest, I believe, is Treasury. I'd have to check that for you. The City Deal is run through my office.

Dr AMANDA COHN: That's all right. You've led me straight into my next question. Did the Office of Local Government have any input into the design and rollout of WestInvest—noting that it's not run by the Office of Local Government?

BRETT WHITWORTH: That predates my involvement with the Office of Local Government. I'd like to take that on notice, and I can come back to you this afternoon.

Dr AMANDA COHN: Thank you. Please do. I'm interested if there was any discussion, including with councils, about councils' ability to deliver staff and maintain the facilities that were promised with WestInvest funding and discussion of future costs, as well.

BRETT WHITWORTH: I again would like to take that on notice, but I think there's a broader issue there about—and this goes to some of the very issues the Minister was talking about before, with the expenditure and the expenditure review of councils, that, where councils are receiving grant funds and where they're actually building new facilities and new assets, there is not just the lovely money to build it, but you need the money to maintain it and operate it into the future. Again, councils are independent, local. They're run by locally elected, democratically elected councillors. It's their job to ensure that, when they engage in these projects, they can actually run them, as well.

KIERSTEN FISHBURN: Can I just provide a bit of further clarification about WestInvest? It was, at the time, run out of the Premier's department. So, obviously, those questions would need to materially go to the Premier's Department. I can confirm, though, having worked with that unit in my previous role, that they certainly did communicate regularly with councils, and they were able to do that outside of the Office of Local Government relationships, as well.

Ms ABIGAIL BOYD: Good afternoon, Minister. I'm sure you're aware of the terrible incident at Bourke council pound in 2021, where, I think, well over 10 dogs and puppies were shot. It attracted quite a lot of attention, and we had quite a lot of discussion in estimates with the previous local government Minister in relation to this. In May this year, nine dogs were found in a terrible state at the pound, having contracted parvovirus, and the council hadn't attempted to contact veterinarians. It's a second time they've been found to have been breaching POCTAA. What are you doing to ensure that these violations stop happening at this pound?

Mr RON HOENIG: I'll get Mr Whitworth to correct me if I'm wrong, but POCTAA enforcement are not matters for my portfolio.

BRETT WHITWORTH: That's correct.

Mr RON HOENIG: It's under the portfolio of the Minister for primary industry. Under the POCTA legislation, the enforcement of animal cruelty is actually outsourced, specifically in the Act, to the RSPCA, Animal Welfare League and police.

Ms ABIGAIL BOYD: I understand the way that the Act divides up the responsibility but, as the Minister for Local Government, you are responsible for what councils are doing in relation to their council-run pounds. We have had many conversations over the last four years with the previous Minister in relation to this issue and other issues with council pounds. We have codes of practice that haven't been updated for 20 years that are relevant to this. What are you doing to ensure that the animals in the care of councils aren't euthanised by shooting and aren't left in this sort of state of neglect?

Mr RON HOENIG: My advice is that my responsibility under the Local Government Act is to ensure that councils have a pound, and the enforcement of how animals are kept are matters for the POCTA legislation. If you say to me there's other material that says the advice I've given is wrong, then I'm prepared to check that.

Ms ABIGAIL BOYD: Unless there's been some change of responsibility—in the last term of Parliament, the Minister for Local Government had responsibility for animal boarding establishments and companion dogs and cats. In particular—I understand this is from 1996—the NSW Animal Welfare Code of Practice on dogs and cats and animal boarding establishments was the responsibility of the previous Minister for Local Government.

Mr RON HOENIG: That's not the advice I've been given, but I will check to make sure whether that's correct or not. But I've been given clear, specific advice in respect of my ministerial responsibility.

BRETT WHITWORTH: Where there is an animal welfare issue with the operation of any establishment, the POCTA Act has enforcement mechanisms which involve enforcement agencies, being either the New South Wales police, the Animal Welfare League or the RSPCA. Those matters are managed by the Department of

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Primary Industries. We have my colleague the Director General of the Department of Primary Industries, if I could throw over to him.

Ms ABIGAIL BOYD: I will ask Mr Hansen.

SCOTT HANSEN: So far, just agreeing with all the advice that's been provided down the table. In fact, that code No. 5 is actually referenced under the POCTA.

Ms ABIGAIL BOYD: Yes.

SCOTT HANSEN: With regard to the two pieces that you raised about the Bourke pound, as you'd be aware, the 2021 incident was investigated by one of those compliance agencies, being the RSPCA, and no breach of POCTAA was found with regards to the 2021 incident.

Ms ABIGAIL BOYD: Extraordinary, but go on.

SCOTT HANSEN: The 2023 incident is currently under investigation and we're not aware of any further updates on that at this point in time, nor could we comment on it.

Ms ABIGAIL BOYD: Does Minister Moriarty think it's her responsibility to regulate council pounds?

SCOTT HANSEN: It is for Minister Moriarty, as the lead Minister on the Prevention of Cruelty to Animals Act, to ensure that any activities in the State, whether they be in council pounds or whether they be in commercial-run facilities, are in compliance with the Prevention of Cruelty to Animals Act, regardless of the location.

Ms ABIGAIL BOYD: And who has responsibility over companion animals—cats and dogs?

SCOTT HANSEN: Compliance with the Companion Animals Act sits with the Minister for Local Government.

Ms ABIGAIL BOYD: I have been struggling to understand why there are so many issues coming out of our council pounds, year on year, and we have things like the code of practice in relation to pounds not having been updated for 27 years. Do you think that is a product of this division of responsibility? Is anyone taking responsibility for the state of animals in our council pounds?

Mr RON HOENIG: I suppose when you've got a gap in responsibility something's going to slip through it, isn't it?

Ms ABIGAIL BOYD: Yes.

Mr RON HOENIG: The Government's committed to a review of the Companion Animals Act, which is in urgent need of review, and the Government is committed to review the POCTA Act, and we intend to proceed to go through that path. I have got to say the Hon. Emma Hurst has got me on board in respect to some of the major failings, because she sees me now and then and tells me things I didn't know. There are a range of issues that have got to be resolved, but I can just say to you that the days of kicking the can down the road and saying, "There's a review. There's a review," are certainly not going to apply, as far as I'm concerned. You weren't here earlier when I tried to raise this issue, but there are a number of difficult decisions that have to be made that will form the basis of those reviews. Two of the substantial issues that I need to have resolved are in committees of the Legislative Council, such as the pound review and the cat containment review.

Ms ABIGAIL BOYD: True.

Mr RON HOENIG: That will inform me, at least. I don't think I'm qualified to make that decision, but this place has the opportunity of being able to hear from the public and local government and make decisions that may well be sustainable. But I don't want this system to keep going on.

Ms ABIGAIL BOYD: No, exactly, because it has not been working. Thank you, Minister. The way that you've responded to that is encouraging, so I'm hoping that we do see some proper reform. Do you know what actions the Blue Mountains council is currently undertaking in relation to its animal rescue services, now that the RSPCA will be withdrawing from that area after July next year?

Mr RON HOENIG: No, I don't. I know what they're doing in relation to cat containment.

Ms ABIGAIL BOYD: Yes.

Mr RON HOENIG: No, I don't know.

KIERSTEN FISHBURN: We might have to take that on notice and see if we can get you some information in the break or come back when we provide answers to questions.

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Ms ABIGAIL BOYD: Thanks. Over recent months we've witnessed a bit of a media circus covering a tussle between Bathurst and Orange councils in relation to securing a proposed new greyhound track. A number of land parcels, I understand, have been offered to Greyhound Racing NSW and the Greyhound Breeders, Trainers and Owners Association. I know you don't have responsibility for greyhounds, but as Minister for Local Government do you know whether Orange council has already entered into some in-principle agreement with the sale of land in relation to that project?

Mr RON HOENIG: Actually, no. Do you know?

BRETT WHITWORTH: No.

Mr RON HOENIG: It would not be a matter that they would necessarily tell us about. They're their own democratic masters. Unless they infringe the statutory processes, I don't have a role.

Ms ABIGAIL BOYD: I'm interested in it, obviously, because it's public land. Also, I understand that there's not been transparency around those decisions and that there have been closed meetings to discuss it, presumably because they're trying to not give it away to their opposing council. Do you have any information at all in relation to that issue that you can share?

Mr RON HOENIG: Not about that, other than, as I have told this Committee before, this failure by councils to comply with chapter 4, part 1 of the Local Government Act—of transparent meetings, both council committee meetings—or looking for devices to get around those statutory provisions is one of the persistent failures of the sector and has led to a lot of unsustainability problems, and it's led to a number of failures. ICAC, only yesterday, made some observation about lack of transparency. So I want to get to the stage of just preventing this. There are very limited occasions—under chapter 4, part 1—where a council committee can exclude the press and public from its decision-making process. They have worked a way around it by briefing sessions and then deferring matters to briefing sessions. I don't blame the councillors because it suits the bureaucracies to get them behind closed doors, and I think that's a significant issue. Whether they've breached the issue or not, I don't know, but it's a major local government problem affecting the sector.

The Hon. SCOTT FARLOW: Minister, just going back to the question with respect to the IPART report, effectively, from having a look at that methodology—I'll credit the shadow Minister in doing this—the ESL, the RFS and the SES are all included in that. With those costs all increasing substantially, isn't it going to be that the ratepayers are going to be picking up the bill for the State Government?

Mr RON HOENIG: If you look at the current emergency services levy, local government have been paying towards that levy now since the 1800s. Local government have always been making a contribution to the emergency services levy. I'm not anticipating there being rate increases as a result of IPART, but that's a matter for them to make their determination. I suppose we'll know in a month, won't we?

The Hon. SCOTT FARLOW: We will indeed. Turning to more important matters, how did you celebrate world Hobbit Day?

Mr RON HOENIG: World what?

The Hon. SCOTT FARLOW: Hobbit Day.

Mr RON HOENIG: How did I celebrate world Hobbit Day?

The Hon. SCOTT FARLOW: What did you do?

Mr RON HOENIG: I don't recall.

The Hon. SCOTT FARLOW: That's very disappointing, Minister. I thought that we might have had some details of you and Frodo Baggins.

Mr RON HOENIG: Out of everything that gets posted on my Facebook page, you're asking me about world Hobbit Day?

The Hon. SCOTT FARLOW: Well, Minister, we have two and a half minutes left.

Mr RON HOENIG: You must be running out of questions.

The Hon. SCOTT FARLOW: I've got more questions, but these are the important ones to ask you today. You have quite a prolific social media presence, with the second-highest following in the Government. Congratulations.

Mr RON HOENIG: I don't think that's right.

The Hon. SCOTT FARLOW: On Facebook. We've done extensive research on this.

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Mr RON HOENIG: It's not good enough—

The Hon. SCOTT FARLOW: You want to be number one.

Mr RON HOENIG: —because both the Premier and the member for Wallsend have got a higher presence than I. They've got double the presence that I have.

The Hon. SCOTT FARLOW: You've got some work to do. I want to know, in terms of this material that you produce—the "Rontent"—is this done by yourself or do you have members of staff do it?

Mr RON HOENIG: No. I do nearly all of it.

The Hon. SCOTT FARLOW: You are, indeed, a social media god, many would say.

Mr RON HOENIG: I've heard that expression, "Rontent", out of Young Labor, so I don't know where you've got it from, Mr Farlow.

The Hon. SCOTT FARLOW: We might have heard it from Young Labor as well. You advertised Halloween festivities. Did many trick or treaters come by your office to celebrate Halloween?

Mr RON HOENIG: Yes, my staff said they did.

The Hon. SCOTT FARLOW: You weren't there?

Mr RON HOENIG: No, I wasn't there.

The Hon. SCOTT FARLOW: I was hoping you were dressed up as a vampire, as was advertised.

Mr RON HOENIG: I wish I could get to my electorate office more often than I'm able to, I can tell you.

The Hon. SCOTT FARLOW: Indeed. Importantly, will we see a return of the graphics, the green screen and the microphone with a rebrand to local government news.

Mr RON HOENIG: Would you like that, would you?

The Hon. SCOTT FARLOW: I think it would be good.

Mr RON HOENIG: Okay.

The Hon. SCOTT FARLOW: One thing I would say, in terms of the "Rontent"—maybe there's not enough on local government outside of Bayside these days. Maybe a broader local government news focus would be well-received by the local government community across New South Wales.

Mr RON HOENIG: Mr Farlow, you might be relieved to know that my target audience happens to be my electorate. It's not designed for any other purpose.

The Hon. SCOTT FARLOW: You do have many followers outside of your electorate, though.

Mr RON HOENIG: Well, I'm pleased you're following me.

The CHAIR: Minister, I just have a follow-up question—

Mr RON HOENIG: I've got pictures of dogs on my Facebook page, Ms Hurst.

The CHAIR: That's good. They always do the best.

Mr RON HOENIG: And rescue greyhounds.

The CHAIR: Good. That's what we like. Minister, just following on from some of the questions from the Hon. Scott Farlow, concerns have been raised with my office about a lack of transparency and detail in the budget reporting that comes from councils, particularly large councils like Canterbury Bankstown with significant expenditure. Councils are not required to provide a detailed budget each year about how money is being spent in their operational plan as well as the number of full-time equivalent employees. As the Minister, is this something that you're willing to look into in regards to reporting and transparency around the budget and operational plans?

Mr RON HOENIG: You are, Ms Hurst, 100 per cent right, and I think I might have observed this to the Hon. Scott Farlow, that I think that's one of the substantial failings in local government. Not only aren't they published, the councillors aren't, from my experience, told either. That's part of the problem.

The CHAIR: Fantastic. And so that's something that you're looking into?

Mr RON HOENIG: I am. I've been talking to the Auditor-General about some other sort of system. The Auditor-General's responsibility is to ensure that the current Australian standards apply. I need to change the

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system, but I need to get advice. I've been talking to a couple of very experienced general managers to try and find a way to go back to the future, really.

The CHAIR: The previous Government commissioned a draft report produced by an independent economist for the Centre for International Economics titled *Rehoming of Companion Animals in NSW*. The main recommendation of the draft report is:

The NSW Government establish an ongoing funding arrangement for a community cat program which councils can apply to and could be run in partnership with RSPCA or a similar experienced body.

Is that a recommendation that you are aware of from that report?

Mr RON HOENIG: I recall the report. I don't necessarily recall what's in it. Do you know, Mr Whitworth?

BRETT WHITWORTH: As Ms Hurst said, there was a draft report, but it hasn't been finalised.

The CHAIR: That's right. Sorry, I might just go back to the Minister because there's only two minutes left.

The CHAIR: Minister, the main recommendation from that draft report—and I don't believe it's left that draft stage—is that the New South Wales Government establish ongoing funding arrangements for a community cat program with councils. It's talking about desexing and things like that. Is that something you're interested in and open to looking into?

Mr RON HOENIG: I'm looking at an entire solution in relation to cat containment, desexing, registration, veticare—a range of issues in relation to the future of the cat containment problem.

The CHAIR: I don't think it was talking about cat containment, specifically. It's talking more about desexing.

Mr RON HOENIG: Yes, I know, but if we can get cats desexed early in the piece, then the subsequent issues don't arise. But whether that's possible or not, I'm waiting on your committee.

The CHAIR: We've talked a lot about the Companion Animals Act and how desperately it needs to be reviewed. The NSW Animal Welfare Code of Practice for dogs and cats in animal boarding establishments was written in 1996 and hasn't been updated. Is that something that's also being updated?

Mr RON HOENIG: That I don't know.

SCOTT HANSEN: That's part of the reform process that is part of the election commitment from the Government, and I think Ms Moriarty spoke to the time frame of 2024 for those.

The CHAIR: Minister, in 2014 a draft consultation titled *Dogs and Cats in Council Pounds and Animal Shelters Guidelines 2014* was circulated with pounds and shelters, but it has never progressed. I'm wondering if you've heard of this report or if you know what's happened to it?

Mr RON HOENIG: I don't, but Mr Hansen seems to.

SCOTT HANSEN: The background to that is as exactly as you outlined. It was then subject to a series of inquiries, as you'd be aware, that sort of took precedent. It's also part of the reform package that's proposed and being consulted over the last two years, as you're aware, to hopefully lead to reforms in this next year.

The CHAIR: Thank you. Are there any questions from the Government? No, nothing. In that case, that ends our time with you, Minister. Thank you so much for coming in this morning for budget estimates.

Mr RON HOENIG: Thank you for your invitation.

(The Minister withdrew.)

(Luncheon adjournment)

The CHAIR: Welcome back to the budget estimates afternoon session. We will start straightaway with questions from the Opposition.

BRETT WHITWORTH: Madam Chair, if it's okay, I have a couple of answers to questions. In terms of Mr Nylund, I did provide Mr Nylund with a letter. I think Mr Nylund was in the room this morning, but I have had a subsequent conversation with him and invited him to put his concerns to me and we will potentially have a meeting. But he is talking about matters that are related to industrial relations issues with his former employer, so we need to treat that quite carefully.

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In terms of the Deloitte study, the actual number is \$145,000, but it's GST added on top, so that's \$155,000. In terms of Maitland pound, we are aware that it did close to the public on 17 October. There are no animals at the facility with canine parvovirus. The last animal to test positive at the facility was on 28 October. The facility will remain closed to the public for a two-week period since the last positive case. There is a proposed reopening date for tomorrow, pending no cases. The facility is still operating in providing care for animals in its care as well as accepting seized and surrendered animals through appointment only. No public access is permitted.

In terms of the Hills proposal, that's quite complicated. I'm happy to go through that now, or I'm happy if Dr Cohn wants to take up more time later. My advice is that there is not yet a development application that has been lodged, so when there is a development application there will be community engagement to that extent. But there was a master plan for the Fred Caterson Reserve that was adopted by council on 24 November 2020 and that followed public consultation.

The final is the Blue Mountains pound. We understand that the RSPCA is intending to cease its service in July 2024. It will be up to Blue Mountains council, as I said earlier, to ensure that they're continuing to meet their obligations under the Companion Animals Act, which includes providing care for seized or surrendered companion animals. It's probably a little bit too early to speculate on what Blue Mountains council will do—whether they will seek another provider, whether they will join with another council, or whether they'll open up their own pound facility.

The CHAIR: Thank you. Is there anything further?

BRETT WHITWORTH: No, not at this point. I think we have a couple of others, but we're still waiting for advice.

The Hon. AILEEN MacDONALD: Just in terms of DLOs, has the Minister, or the ministerial office to whom you report, ever requested specific public servants to fill DLO roles in your office?

BRETT WHITWORTH: No.

The Hon. AILEEN MacDONALD: You've sworn an oath, and you have no knowledge or awareness. That's fine, so I will move on. To the deputy secretary, what are your major concerns in local government?

BRETT WHITWORTH: What are my major concerns in local government?

The Hon. AILEEN MacDONALD: Yes. Very broad, I know.

BRETT WHITWORTH: Very, very broad. I have been the Deputy Secretary for Local Government since the beginning of this year. I am a long-term career public servant. I have worked with local councils just about every day of my career because I spend a lot of time in the planning department working closely with councils. Local government, as the Minister will tell you, is an essential—he calls it the third tier of government. I like to think of it as the tier of government closest to the community, so the important role for the Office of Local Government is to make sure that there is a framework for local government in New South Wales that is strong and robust so that we can build the capacity of local government to operate within that framework, but to recognise that that framework needs to ensure that those councils can act as independent local authorities and that they have their own democratically elected governors, their councillors, their governing body.

We need to make sure that the council is well run, well organised and able to deal with what I've been talking about when I go out and talk to councils and joint organisations: I talk about being able to deal with over-the-horizon issues. In some cases, it's not that far over the horizon, if not already with us. We know that housing affordability is an issue. We know that economic development is an issue. We know that cybersecurity is an issue that councils need to be prepared for and to be organised for. We know that we have climate change and a changing climate which means an increased risk of natural disasters that we need councils to be planning for and to be more resilient: so the disaster adaptation planning that the NSW Reconstruction Authority is leading.

These are all important issues that councils need to be ready for, all the while dealing with important local services, be it development assessment services, be it regulatory services, environmental health, be it the provision of community services, library services—not to forget making sure that people can get from one place to another on roads, making sure that garbage is collected, making sure that parks are places that people want to go to and enjoy. They're all quite significant challenges.

The Office of Local Government is not a large organisation. We've almost got 10 per cent of the Office of Local Government here today, so we are not a very large organisation at all, yet we are working—and I call it the custodians of the sector—with 48,000 people, spending somewhere in the vicinity of \$13 billion a year on services. We need to ensure that we can create a regulatory role that creates a strong framework, that builds capacity and

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capability and has an intervention process that is used as sparingly as possible, hopefully because councils, as locally independent authorities, are getting on and doing the job appropriately.

The Hon. AILEEN MacDONALD: Do you believe that the Office of Local Government is adequately resourced to do all of those functions and to assist council in their roles?

BRETT WHITWORTH: I'm yet to meet a public servant that said that they were adequately resourced.

The Hon. SCOTT FARLOW: Do you want to be the first?

The Hon. MARK BUTTIGIEG: You should talk to upper House MPs.

BRETT WHITWORTH: Obviously, the Office of Local Government, as I've said, is a very small organisation. We were lucky to achieve an additional \$4.5 million this year to help create the strategic policy unit, as the Minister's identified. But are we adequately resourced? Or do we have the right resourcing structure, is probably the other question that you could ask. I feel that we need to be looking at that. I have been undertaking work to look at—sorry to use sort of technical language—the program logic of the Office of Local Government, looking back at what the legislative obligations of the Office of Local Government are. Are we best structured and organised around those? Are we best delivering? Are we in a situation where we can help the sector deal with those over-the-horizon issues that I talked about? Obviously, I am concerned that there's a better way of doing things. I feel that that's probably the best answer I can give you.

The Hon. AILEEN MacDONALD: Yes. Have you talked to the Minister? You would meet regularly with the Minister?

BRETT WHITWORTH: I meet regularly with the Minister. I meet very regularly with the Minister's office. They're aware of those issues.

The Hon. AILEEN MacDONALD: As part of that, are you concerned about the financial viability of councils, especially in rural and regional New South Wales?

BRETT WHITWORTH: I'm concerned about the financial viability of councils, yes. The Government made and identified as an election commitment a review of councils' financial sustainability. The Independent Pricing and Regulatory Tribunal's report on the rate peg methodology has identified that they would be welcome to assisting the Government with undertaking further work on a financial sustainability review process, which I'm happy to explore with you and in a bit more detail if you'd like. I'll also just flag that in discussions with my colleagues—deputy secretaries, executive directors, directors of offices of local government around Australia—the financial sustainability of local government regularly comes up.

But it's no surprise that that happens because any government at the moment is dealing with financial pressure. Costs are something that need to be continually managed. We need to be careful about drawing money from the public. Taking money from the community—you can't just keep asking for more money. It's got to be within an appropriate framework. It's important that we understand, as a sector, what money is being spent, both now and into the future. I think Dr Cohn raised the issue this morning about councils obtaining money through grants to build infrastructure and new facilities. That's all well and good, but it's also important to understand the maintenance costs for those and the servicing costs for those into the future.

The Hon. AILEEN MacDONALD: Would you say that you would proactively monitor councils' financials or do you wait for a complaint before any action is taken?

BRETT WHITWORTH: A part of the Audit Office recommendations, coming out of the performance audit, is to take a more regulatory approach and a more risk-based risk-management approach. We do regularly look at councils' quarterly business returns. I'd like to ask Ms Bishop to talk about the risk management framework that we have been employing.

KARIN BISHOP: As Brett mentioned, we have received the report from the Audit Office and we are looking at a number of opportunities to improve the way we do risk assessment and monitor councils. I should say that we have a performance team as part of the sector performance and intervention division, which does a lot of regular monitoring of council performance. We look at their financial data. We have, in the past, really looked closely at their annual accounts. Increasingly, we are starting to look at more timely data, such as the quarterly business reviews you mentioned, and other reports that we can get. We are also very often quite proactive in reaching out to councils. If we see something that seems to be a little irregular or of concern, we will write to a council. We will seek more information. We reach out to councils on a regular basis to get that additional information.

One of the things that the Audit Office identified was to develop a risk assessment tool to support councils to do their own self-assessment. This is part of capacity-building in the sector. We are looking to do that. One of

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the first things we are doing is the self-assessment checklist, which we will have available to councils. The Audit Office had asked that we develop that by December 31, and we are on track to deliver that. It is building on a very successful program we had in the past called Promoting Better Practice, in which council staff visited councils and looked at the systems and processes that they had in place and provided advice on areas for improvement. We are now proposing to revise and update this tool and make it available to councils so that they can undertake their own assessments and identify some of their key risk areas. We're also capitalising on the recent initiatives in relation to audit and risk committees. Councils now have those in place. OLG has recently supported new guidelines for those committees. I am happy to pass to my colleague Mel Gibbs to talk more about audit and risk, if that's appropriate.

The Hon. AILEEN MacDONALD: Sure.

BRETT WHITWORTH: Ms Gibbs, can you talk about the audit and risk framework that we are putting in place for local government?

MELISSA GIBBS: Yes. The Office of Local Government has, over the past several years, been consulting with the local government sector about introducing an internal risk framework. It was informed by recommendations from the ICAC and a number of other reviews that were undertaken in the past, and it was legislated in 2016. A lot of councils already had internal audit committees—about 80 per cent at the time—but they were operating under different frameworks. So now we have been working with the local government sector to develop a consistent framework that all councils will be operating under. We have also been consulting with Treasury colleagues and other industry experts.

We released the draft framework last year, just before December, and a number of councils have been operating under that framework. All councils have to have an internal audit committee from 30 June last year, and they need to comply with the mandated framework by 1 July next year. Councils have time. They know what is going to be in the framework. It is now just about to be released and mandated, so they have had plenty of time to get used to it. In developing the framework, we had to ensure that we responded to all of the recommendations and that it was internationally robust and appropriately constituted, but we also had to be aware that there are 128 councils in the State. They all have varying degrees of capacity. In developing a consistent framework, we had to be aware that this framework will be operating in the City of Sydney and in Brewarrina, so we've had to incorporate some flexibility into the framework.

Councillors are really looking forward to seeing the final framework. All councils now have an audit committee in place. Those that have struggled, we've been more interested in helping them to comply rather than giving them a whack if they haven't complied. We've encouraged them to come to us if they're having trouble getting committee members. We've been working with them to make sure that they're able to comply. Councils can share audit and risk committees, and a number of councils have done so. There's a notable example in the far west of New South Wales—in the northern part of the far west—where Cobar, Brewarrina and Bourke are sharing an internal risk committee. There has been a lot of innovation in the sector on how to comply with that new framework.

The Hon. AILEEN MacDONALD: With that framework, does that add extra cost to the councils in terms of staff or software or a lot of other capacity and capability? Like you said, those councils out in the north-west are sharing. Is that because of their capacity to do it standalone—that they wouldn't be able to do it?

BRETT WHITWORTH: I'll get Ms Gibbs to answer probably in a little bit more detail, but this is one of those challenges. We're talking about spending public money. There is an expectation that it be accounted for properly, and that we have appropriate accounting processes. But we do recognise the costs associated with the audit and risk framework and have sought to identify options for councils to help minimise those costs. I'm aware, for example, of certain councils in the Riverina where they are utilising the expertise of general managers so that they can serve on another council's audit and risk committee, and they do an exchange. That is minimising the cost for the provision of that audit and risk committee. There will need to be an independent chair, but if you're able to do that, you're able to bring down the cost of the audit and risk committee. Ms Gibbs, is there anything else that you wanted to add to that?

MELISSA GIBBS: Only that that is correct. Yes, there are costs, but in our guidance we have provided advice on how to minimise those costs. As Mr Whitworth said, for a large council, they would probably employ an internal risk coordinator. We're saying in our guidelines that you need to have somebody who is responsible for internal audit, but it doesn't necessarily need to be an additional staffing resource. It could be added to the responsibilities of existing staff. Yes, it is that balance that we face all the time in the Office of Local Government, where we are dealing with councils that are largely funded by ratepayers with public funds and through grants, which are often provided by other levels of government. We need to ensure that we've got that accountability and transparency without overburdening the sector with unnecessary red tape.

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The Hon. AILEEN MacDONALD: You mentioned that the councils will have the ability to self-assess. Is that optional? If a council didn't want to go down that avenue, what other options do they have?

BRETT WHITWORTH: Sorry, I wasn't sure about the self-assessing—

KARIN BISHOP: Perhaps to clarify the comment I made, we were talking in response to the recommendations from the Audit Office report that you referred to earlier, Mr Whitworth, where one of the recommendations was that OLG develop a self-assessment tool for councils. That's something we are just simply developing that will be available to councils as a service.

BRETT WHITWORTH: So an expansion almost of the Your Council website—and this goes to the performance ratios—where councils or a councillor or a member of the community feel that, based on the information that they can obtain from the council quarterly business returns, there is a concern about the financial operation of that particular council and raise it with the councillors, or the councillors raise it in their meeting, and so on, but that wouldn't remove our ability to come and ask questions as to the financial performance of the council.

The Hon. AILEEN MacDONALD: The IPART report was published yesterday, you said.

BRETT WHITWORTH: Yes.

The Hon. SCOTT FARLOW: I've got a copy now.

The Hon. AILEEN MacDONALD: They've made recommendations to change the methodology. When do you expect that those changes will be implemented?

BRETT WHITWORTH: First of all, the independent pricing and regulatory—I always say "regulatory" and I think it's "regulation", but IPART has the responsibility, in fact the delegation from the Minister for Local Government, to set the rate cap. That's a delegation that goes back to 2010. What IPART has done is come to the Government saying, "This is a new rate peg methodology. This is the first time it's been thoroughly reviewed since it was first set in 2010. We are now going to use that to set the new rate cap." Councils will be anxiously waiting for that decision from IPART between now and Christmas and I think it's a matter for IPART to identify when that will happen. My understanding is that they have been working on the basis that either the new methodology will be used or the old methodology would be used for the 2024-25 budget year, so I expect that they're quite close with an announcement.

The Hon. AILEEN MacDONALD: I think that's all of my questions.

The Hon. SCOTT FARLOW: I would just add, Mr Whitworth, in terms of the gravity of that change, how significant do you think that will be for councils in terms of that change to methodology in terms of the rate cap?

BRETT WHITWORTH: What it does do is take us from a backward-looking methodology to a more forward-looking methodology. It enables us to understand cost pressures that are closer to State-based cost pressures. Simple examples, moving from labour costs that are now reflected on the basis of the Local Government (State) Award rather than an average of Federal awards, for example. I can go into a bit more detail if you'd like. I can ask Mr Baxter to come and talk in a bit more detail.

The Hon. SCOTT FARLOW: We're at the end of our time now. We might in the next session.

The CHAIR: Mr Whitworth, if a council is not complying with the provisions of the Companion Animals Act regarding the seizure, holding and rehoming of animals, I'm wondering what can be done about that?

BRETT WHITWORTH: The power available to me, as the departmental chief executive, is to make preliminary inquiries of a council, so, if there is an issue or a concern, to make preliminary inquiries under 734A of the Local Government Act. As a result of those enquiries—and it's an enquiry with an "e"—if there is a concern, we can do a section 430 investigation, which is more detailed. As a result of a section 430 investigation, the Minister then has the power, effectively, to talk about a performance improvement order, if that is what's needed. There are also, I suppose, provisions to take action against egregious breaches of legislation in terms of legal power—sorry, when I say that, in the court—but that is extremely rare because I suppose the evidentiary basis would need to be quite substantial. We tend to rely on the building of information through the preliminary inquiry process.

The CHAIR: And that is the only sort of avenue available, isn't it, under the Companion Animals Act?

BRETT WHITWORTH: I believe that that's linking the Companion Animals Act with the Local Government Act. The operation of a pound, for example, is one of the actions of a council. But it's a challenge because we could be talking about the Companion Animals Act. We could be talking about how a council

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undertakes a development assessment process under the Environmental Planning and Assessment Act or Protection of the Environment Operations Act in terms of environmental management. We would be loath to put ourselves into the shoes of the council as the regulator of other people.

The CHAIR: I definitely understand the complexities. We've heard in my office about repeat offenders in councils, for example, within the Companion Animals Act, that are ignoring the Act and that are euthanising animals without making efforts to rehome them. Is that something where you would then use that escalation process if there were repeat concerns, if it was brought to your office?

BRETT WHITWORTH: I suppose it would be. We talked about that this morning with the Minister, and Ms Boyd raised the issue about who has what responsibility. If it's about an animal welfare issue in how the council is operating a pound or how they're undertaking their functions under the Companion Animals Act then that would be more a matter for the RSPCA, the police or animal welfare.

The CHAIR: It is my understanding—and I can check with Mr Hansen—that, obviously, if there is an animal welfare concern, it falls under POCTAA, but in regards to the Companion Animals Act and anything that wasn't the Companion Animals Act, the RSPCA and the Animal Welfare League have no enforcement powers under the Companion Animals Act.

BRETT WHITWORTH: If there is an inappropriate treatment of an animal in a hypothetical council pound, that's a matter for POCTAA—even though that council pound is a requirement to have under the Companion Animals Act.

The CHAIR: But the example I gave you of animals coming in and being euthanised immediately without any efforts to rehome them wouldn't fall under POCTAA, and the RSPCA and the Animal Welfare League can't do anything about it.

BRETT WHITWORTH: No, because that is a statement that the council is not following the relevant provisions—I think they are 64 and 64B or 64A—of the Companion Animals Act. So, yes, if there is evidence of that, we would certainly receive that and we would undertake a review that would then lead potentially to a preliminary inquiry if it was of concern.

The CHAIR: I believe that the authorities have actually contacted OLG to request changes in regards to making sure that they can also investigate and take action under the Companion Animals Act. Has that come to your attention?

BRETT WHITWORTH: Sorry, which authorities?

The CHAIR: The authorities under POCTAA.

BRETT WHITWORTH: So the Animal Welfare League, RSPCA and the police have asked—

The CHAIR: I am not aware of the police, but I'm aware that authorities have.

BRETT WHITWORTH: All right. I am not aware—I'm getting a nod from people saying, no, they're not aware of that request. I'm actually going out to sit on a panel for the Animal Welfare League annual conference next Friday, so I am sure that I'll get up—

The CHAIR: I'll see you there.

BRETT WHITWORTH: I wasn't intending to stay for the dinner, but, yes.

The CHAIR: Does the Office of Local Government ever visit or conduct audits of local pounds to check the facilities?

BRETT WHITWORTH: No, because, again, what standards we would be assessing against would be standards that are around animal welfare, which would be matters for—

The CHAIR: No, sorry, in regards to being compliant with the Companion Animals Act.

BRETT WHITWORTH: But the Companion Animals Act says that they need to have a pound. What issues would we be inspecting?

The CHAIR: My understanding is there's quite a bit of description in the Companion Animals Act around the conditions that they're held in, around the sizes of facilities and things like that.

BRETT WHITWORTH: The sizes of the facilities?

The CHAIR: The sizes of the enclosures.

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BRETT WHITWORTH: I would have thought that those would have been—because my understanding is that there's not a lot of detail around those issues because they're more related to the standards that link back to POCTAA and the animal welfare standards. I'm happy to be taken to a particular section of the Companion Animals Act if—

The CHAIR: I might look it up in a moment rather than trying to do it now. I might ask Mr Hansen if he knows if any of the POCTAA enforcement agencies are conducting routine regular audits of pounds to ensure they comply with the boarding code and other animal welfare standards.

SCOTT HANSEN: They do, and I think there was nine investigations carried out in 2022-23 in addition to routine inspections. Four of those—

The CHAIR: Sorry, what are the routine inspections? Is that something the authorities do?

SCOTT HANSEN: That's right. My understanding is that'd be—

The CHAIR: How routine are they?

SCOTT HANSEN: I'd have to come back to you as to how they set that. It's normally based on the fact that the compliance agencies—both RSPCA and Animal Welfare League—being scattered across the State in terms of people on the ground, have good intel in terms of what's happening in their local communities. It's probably triggered off what they hear and what they see in terms of those inspections that they do of council pounds. As I said, there were nine investigations in the last financial year that finished 30 June 2023. The vast majority of those inspections or investigations lead to on-the-site advice about recommended actions to take or amendments that need to be made that are promptly carried through. We can get you some more details with regard to the number of inspections undertaken over the course of the last couple of financial years. Again, so when they're going to look, they're going to look for compliance with the Prevention of Cruelty to Animals Act.

The CHAIR: Yes, I understand that. There's definitely a big gap there in the fact that there's these two Acts and they can only act on one. In regard to the staffing ratios at pounds, do they exist at all? Is there a staffing ratio requirement?

BRETT WHITWORTH: Again, not under the Companion Animals Act. The question that you'd have to ask is, if you're concerned about a staffing ratio in relation to its financial viability, in relation to its legislative compliance or in relation to its animal welfare component—and I'm sorry, we'll be a little bit of a broken record. If it's about animal welfare and those standards about animal welfare then it would need to derive from the obligations under POCTAA.

The CHAIR: So essentially there would need to be an animal welfare problem before anything could be done. If they had one staff looking after 300 dogs, eventually, you would imagine, there would be a welfare problem but nothing could be done until the welfare problem actually occurred.

BRETT WHITWORTH: Again, if the council is so failing in the ability to provide a pound—because they've only allocated one person—then that would be something we would want to ask council questions about.

The CHAIR: So you could investigate that?

BRETT WHITWORTH: We would ask them questions about that, yes, certainly. But again, it's more about one person—there's a whole range of other risks there in terms of workplace health and safety. There's risks in terms of financial compliance et cetera.

Dr AMANDA COHN: Yesterday the ICAC stated that there were too many councillors with links to development applicants and that this presented a systemic problem due to the risk of corruption. This morning I asked about how it's determined that someone is a real estate agent or a property developer. I asked this because councillors are required to declare if they're a close associate of a property developer but not if they're a close associate of a real estate agent.

BRETT WHITWORTH: Yes.

Dr AMANDA COHN: I understand from your response this morning that you're conducting an audit and crosschecking with the Planning Portal but it didn't quite get to my questions. I'm hoping we can talk about this a bit further. If you receive a complaint that a councillor has failed to declare a close association with a property developer, how do you determine if that's correct?

BRETT WHITWORTH: There's a couple of components there. Firstly, complaints about councillors need to go through the code of conduct process and the procedures for the administration of the model code, which means, if it's about a councillor, a complaint to the general manager, and then the general manager has the requirement to identify whether that's an issue that needs to be investigated. They seek the advice of a conduct

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reviewer. There's a preliminary view. The conduct reviewer may say that this isn't proven or they may say that there's more to investigate. Then there's an investigation. The Office of Local Government is only informed if the complaint is about a pecuniary interest or if the council has made a resolution that is contrary to what the conduct reviewer recommended. Sorry, I know that's not quite what you asked but that's important context.

The hypothetical that you're giving me is—and this is a hypothetical so we've got to be careful about engaging in those—that a councillor has engaged with a developer and is that a pecuniary interest or is that a non-pecuniary interest. It's not always clear-cut. I think even ICAC, in at least two of their reports, have identified that. At what point does a councillor have a pecuniary interest? If they are a developer then that's quite clear. If they're friends with a developer, then that would be a non-pecuniary interest. The ICAC has identified that there are examples where that line is even greyer in terms of some of the inappropriate payments that have been made. First of all, that's corruption and action needs to be taken. I'll maybe ask you come to back to the question because I'm trying to work out what it is that you want from—

Dr AMANDA COHN: I'm interested in the issue of real estate agents and the issue of close associates. You probably would be aware that Local Government NSW has campaigned for banning real estate agents, property developers and their close associates because it often creates conflict of interest. I'm interested, particularly, in the question of real estate agents. If you're crosschecking with the Planning Portal but someone submits an application that's not in their name—they might be coordinating the application or they might be deriving substantial profit or income from that development—are they then considered a property developer by yourself? How do you actually determine any of that?

BRETT WHITWORTH: I have reviewed and I have not read every word of Operation Tolosa, but I do know that one of the recommendations out of Operation Tolosa is that there is that concern that trusts—family trusts, property trusts—might not be clear and it's important that they be part of the pecuniary interest declaration. Your fundamental question to me is should we be banning real estate agents from being on council. I think, respectfully, that's a matter for government. That's a policy question that you can't necessarily ask a bureaucrat what their opinion on it is because it's a policy question. It goes to—

Dr AMANDA COHN: I didn't ask you your opinion. I'm trying to work out what's currently happening. You're right; I'm trying to establish that it's not working to capture real estate agents, but I'm not asking you to opine on it.

BRETT WHITWORTH: Real estate agents are legitimately allowed to be councillors, so what we need to do is to make sure that the interests that a councillor has are clearly identified. There are procedures and there are hard mechanisms to identify conflicts, but conflicts occur every day. You develop conflicts as you move through life because you develop relationships and entanglements.

Dr AMANDA COHN: Sure. So what's the definition of a property developer that you're using at the moment?

BRETT WHITWORTH: There is a definition that we draw from. I think it's the—Ms Bishop?

KARIN BISHOP: It's the New South Wales electoral Act, which I'm happy to define for you if you like. I happen to have it here. The New South Wales electoral Act defines what a property developer is. This is obviously for the purposes of identifying candidates. As you'd be aware, anyone who wants to run for council has to fill in the candidate form. One of the questions on that is "Are you connected to a property developer? Are you a property developer?"

They're defined as—each of the following persons is a property developer for the purposes—an individual or corporation if, one, the individual or corporation carries on a business mainly concerned with the residential or commercial development of land, with the ultimate purpose of the sale or lease of the land for profit, and, two, in the course of that business one relevant planning application has been made by or on behalf of the individual or corporation and is pending or three or more relevant planning applications have been made on behalf of the individual or corporations, and have been determined within the preceding seven years. Then (b) is a person who is a close associate of an individual or a corporation referred to in paragraph (a). That's the definition we use as well. As I say, candidates are a matter for the Electoral Commission. However, once somebody is elected to council, they are required to fill in a written return of interest, and in that form there is a question very similar to the candidate form, which is, "Are you a property developer or are you related to a property developer?" We use the same definition.

Dr AMANDA COHN: What's the penalty for false disclosure on that form?

KARIN BISHOP: That would be subject to a complaint and potentially investigation. Depending on the seriousness of that, there would be a range of penalties. If you go to the full range, the ultimate would be a

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suspension for up to three months, or it could be more serious. That's getting very hypothetical. There isn't a single fine as such. A failure to properly disclose on a form would probably elicit a formal complaint and then go through the process of a preliminary inquiry investigation to determine whether some kind of penalty was warranted.

Dr AMANDA COHN: I'm interested in coming back to the code of conduct. I know we already had some questions about this this morning. I've received feedback that the application of codes of conduct is widely variable and that the code of conduct reviewers appointed by councils often have extensive experience on matters in the private sector, not necessarily local government. Is there a standard around training or any regulation around code of conduct reviewers in local government?

BRETT WHITWORTH: I'd like Ms Gibbs to help me with the answer. The process of appointing a conduct reviewer is set out in the procedures for the administration of the model code. I do know, building on the concerns of the Minister from this morning, that there are many people that are acting in this code of conduct space as conduct reviewers. I have seen the work of some, and I've seen the work of our investigators. You're right: There's a high degree of variability there, and it doesn't necessarily help us with both the speed and the certainty of dealing with code of conduct matters, because so much of the code of conduct process is tied to the work of the conduct reviewer. Ms Gibbs, is there some process that is used by councils typically to identify an appropriate conduct reviewer?

MELISSA GIBBS: Councils are required to appoint a panel of conduct reviewers. I'll have to take on notice and I'm getting some information sent through about the qualifications of the conduct reviewers. I have been told that people in councils talk to each other, and they know the good ones and they know the ones to avoid. So it's almost like a self-regulating system. I'll get the specific criteria for you and come back to you, if that's okay.

Dr AMANDA COHN: Yes, thank you. With regard to your comment about it being self-regulating, there are very different opinions about what constitutes a good conduct reviewer, and I think that's part of the problem.

MELISSA GIBBS: Depending on who's being—exactly.

The Hon. SCOTT FARLOW: To return to our IPART report and our modelling and the like, has there been any modelling done in terms of the impact on rates that councils will find this year?

BRETT WHITWORTH: That is a slightly hypothetical question in that there isn't yet a rate cap that has been determined. There is a rate peg methodology. But we did ask IPART to give an indication as to whether they felt that the new rate peg methodology would lead to an increase or a decrease on ratepayers, and their view was that it was going to lead to a decrease.

The Hon. SCOTT FARLOW: Lead to a decrease?

BRETT WHITWORTH: Lead to a decrease, but that's also reflecting that we've come from a—if you think of an economist curve, we've had costs going up. We've got costs there at the peak we'll expect to come down again. So we're looking forward now rather than looking back.

The Hon. SCOTT FARLOW: When you're talking about a decrease, are you talking about an overall decrease or a decrease in terms of an increase in the rates, so to speak? Are we talking about how we're going to see a reduction in rates of 5 per cent or are we going to see that rates, instead of increasing by 5 per cent, will increase by 3 per cent?

BRETT WHITWORTH: I don't want to get into hypotheticals around numbers, just to put that on the table.

The Hon. SCOTT FARLOW: Indeed.

BRETT WHITWORTH: The rate peg is always a rate peg around what the increase in the rates can be that a council can charge. I've not seen a minus rate cap.

The Hon. SCOTT FARLOW: Yes, indeed. So this is increasing at a decreasing rate?

BRETT WHITWORTH: Yes. The other thing that I think is important to reflect is that just because there is an increase in the rate cap does not mean that a council needs to take up that rate increase. The council can choose to keep its rates at its previous year's level.

The Hon. SCOTT FARLOW: How many councils have you seen—I know that there are some who have, and I know some of the ones that have, but it's not a high proportion of councils that do make that determination.

BRETT WHITWORTH: I wouldn't say it's a high proportion, but I do understand that it has happened. It's not theoretical.

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The Hon. SCOTT FARLOW: I'm aware Ryde, for instance, I think, did that recently.

BRETT WHITWORTH: I seem to remember Blacktown doing something similar as well.

The Hon. SCOTT FARLOW: In terms of the IPART report, it specifically states that the Government decision not to subsidise the emergency services levy will see an increase in rates, which will be spread over several years. What sort of modelling has been done on that and its impact on rates and that determination?

BRETT WHITWORTH: That's a statement from IPART, and IPART are the experts on this process. We did not do modelling. That's probably a question better put to IPART.

The Hon. SCOTT FARLOW: So the Office of Local Government has done no modelling on that? That's a 54 per cent increase, wasn't it, in terms of the emergency services levy payments in 2023?

BRETT WHITWORTH: The emergency services levy is not set through the Local Government portfolio. The Minister made that clear this morning. Sorry, I missed that. So any changes to the emergency services levy is a matter for the emergency services Minister and the Treasurer.

The Hon. SCOTT FARLOW: But this will be picked up by the ratepayers of New South Wales, in terms of that on-cost, won't it, with the emergency services levy? There's no subsidy to local government to be able to pay for it from the State Government. So that burden will fall on ratepayers.

BRETT WHITWORTH: The emergency services levy is split three ways. The payment of the emergency services levy comes off the basis that 73.7 per cent is paid by insurance companies—people through their insurance process. The Government makes a 14.6 per cent contribution, and local councils make an 11.7 per cent contribution. So any increases on that will be shared using that approach. The other thing is that IPART is recognising that this is moving to a new approach and wants to look back. While I said that the rate peg methodology is forward looking, they're also recognising that they can't get a forward look on the emergency services levy because the time frames for its release are different to the rate peg time frame. The emergency services levy is set in April, so on that basis we have to use the last year. That's a matter that IPART wants to undertake further discussions, considerations and engagement on with councils and emergency services authorities and so on.

The Hon. SCOTT FARLOW: Effectively, you line them all up at the same time, is it? Is that the ambition?

BRETT WHITWORTH: I don't know that it's about lining it up, but the emergency services levy is a fascinating area of public policy because you've got the split across the different people that make a contribution. You've also got the split about what creates the need for the contribution. State Emergency Services, the Rural Fire Service and New South Wales fire brigades each have a different methodology for calculating what their charge on the emergency services fund would be.

Part of that has led to some interesting outcomes and I do feel sorry for Coolamon. I always choose Coolamon, but Coolamon happens to have the regional headquarters for RFS. If you know Coolamon, it's a lovely town, but it's not a huge town. If you look at the emergency services levy amount, it's quite high for Coolamon because of the RFS. So they have an arrangement of cost sharing with Junee and Wagga because it's actually providing for that. I raise that as an example of what IPART wants to do to try and get a better understanding of what those cost-sharing arrangements are and what the actual underlying emergency services levy amounts are.

The Hon. SCOTT FARLOW: I will now go to the Office of Local Government's capacity when it comes to investigations and the like. Thank you for your discussion previously with respect to Mr Nylund and what you've undertaken to speak to him about. Had he previously sought to meet with the Office of Local Government about his matter?

BRETT WHITWORTH: He had previously sought to meet with the Minister. The Minister asked that I correspond with him. I did provide him with a response. At that point it was a fairly high-level request. My advice to him was—I do have it; it was emailed to me earlier if you want me to read it out—essentially identifying my concern. Actually, I won't read it out because this is a private piece of correspondence.

The Hon. SCOTT FARLOW: That's fine. You can summarise what you wish for the Committee.

BRETT WHITWORTH: I acknowledged the upsetting situation that he's in, acknowledged also, however, that the issues that he was raising are matters for the council, and we are aware that there are certain legal activities on foot—and I really feel uncomfortable now. We did not feel it was appropriate to be conversing about those while those matters were on foot.

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The Hon. SCOTT FARLOW: Mr Whitworth, what is the role of the Office of Local Government when it comes to the investigation of complaints about councils, or councillors, for that matter?

BRETT WHITWORTH: Complaints is such a broad word in the lexicon of local government. There are concerns about the performance of a council, which people might categorise as a complaint, but they are concerns about a council. We have the power to undertake a preliminary inquiry. We have the power to undertake a more formal investigation, which then leads to any enforcement action or any intervention action that the Minister might want to take. In terms of the conduct of a councillor, there are complaints that are made under the Procedures for the Administration of the Model Code. The procedures set out a mechanism for complaints to be made to the general manager about a councillor, to the general manager if it's a complaint about a staff member, and to the mayor if it's a complaint about the general manager. Complaints then are dealt with under the procedures.

However, you need to see a bit of a fork in the road. If it's a staffing matter, it gets dealt with by the council general manager because those are award matters that get dealt with. They're either award matters or they're contractual. Managers for senior staff are under contract. If it's about a councillor, then it gets dealt with as a code-of-conduct matter. There is also the ability to undertake other investigations of councillors, which happen from time to time if there are referrals from integrity agencies or public-interest disclosures that are made that we feel that we need to take action on.

The Hon. SCOTT FARLOW: In a sense there are people who, like Mr Nylund—I take his circumstance to be somewhat unique in this—where a complaint is made to the Office of Local Government about the actions or the behaviour of some council staff or the like, and then that is referred back to the council that is complained about to investigate. Do you think that's an appropriate pathway?

BRETT WHITWORTH: The council is a body that is a locally and democratically elected governing body that represents their community and operates under the provisions of the Local Government Act and other pieces of legislation, which says that they are local authorities and have responsibility for their own actions and activity. The structure of local government and the way that the State and local government and councils have interacted over many, many tens of years, if not a hundred-odd years now, because we've had local government in place since 1850, I think—

KIERSTEN FISHBURN: Maybe 1857. We'll take that on notice.

BRETT WHITWORTH: I think City of Sydney was the first.

The Hon. SCOTT FARLOW: I think a Google search will help us with that one.

BRETT WHITWORTH: But it has always been that local government is a—there are locally elected people that are councillors that serve the community and govern their council for the community. It's never been the intent that the department or the Office of Local Government steps into the shoes of the council and investigates what are, effectively, staff matters, for example. And the importance—

The Hon. SCOTT FARLOW: I understand that ICAC recently handed down a report on Georges River Council. Complaints about that council, similarly to what was put to the ICAC, were made to the Office of Local Government, and no investigation was undertaken by the Office of Local Government at that time.

BRETT WHITWORTH: I don't agree with that characterisation. You say "no investigation".

The Hon. SCOTT FARLOW: Outline what was undertaken with respect to that.

BRETT WHITWORTH: First of all, we did receive concerns. We identified that the appropriate way of dealing with those concerns was through the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW. We then received further information. We wrote to council and sought information. This is where it becomes somewhat challenging, because a third party—we now know that third party was the Independent Commission Against Corruption—identifies that. "We want to have a look at this." So this then becomes a challenge for us. You heard the Minister give a real, live example with the Hills, where we were poised to start a process of preliminary inquiry. We were encouraged by the Independent Commission Against Corruption not to take action, on the concern that it might interfere with its process of investigation and its collection of evidence.

The Hon. SCOTT FARLOW: Mr Whitworth, in terms of the Hills evidence, I understand that to be the case. Was that the case with Georges River Council as well? Was that what occurred, that led to the Office of Local Government not conducting an investigation?

BRETT WHITWORTH: I think the evidence from Operation Galley, and the outcome of Operation Galley and the report demonstrates that that was the outcome.

CORRECTED

The Hon. SCOTT FARLOW: Was that the case in terms of why the Office of Local Government didn't conduct anything further at that time?

BRETT WHITWORTH: Hypothetically, what you're asking me to say is, "Did the Independent Commission Against Corruption say, 'We don't want you to be investigating'?" What I'm saying to you is that the Independent Commission Against Corruption will, from time to time, highlight to us that it wants to ensure that its process of investigation is not—tainted is not the right word—that there is no parallel investigation process, there's no way in which there is a concern that we may interview a witness that the ICAC has already started to interview or is intending to interview that would then intervene or interfere with its ability to collect evidence from that person. If you want to go through what we did with Georges River in more detail, I'm happy to ask Ms Bishop to do that.

The Hon. SCOTT FARLOW: If you could, that would be helpful, just in terms of understanding. I do this not to litigate the past but in terms of understanding what the role of the Office of Local Government is in these investigations and how they are conducted and the threshold, so to speak, because there are concerns sometimes that are raised about the administration of councils, which are not necessarily concerns that would intrigue the ICAC, for instance, but may still be of concern at a certain threshold to the Office of Local Government.

BRETT WHITWORTH: I am not coming here proclaiming the brilliance of the code of conduct process or our investigation. The mere fact that we have been working with multiple governments now, and recognising that both parties identified, as an election commitment, the desire to improve the councillor conduct framework—the existence of work that was done for the previous Government and work that I'm doing for the incoming Government on improving councillor conduct. I am struggling with a system that we have, and people are working very hard to make that work. But I also think there are expectations that need to be clearly set here. The Office of Local Government is not some—come in with a sword and a shield and address councillor misconduct. Councillors are responsible for their own conduct. Councillors have an obligation to represent their community, to engage in political debate and to represent and ensure that their councils are being managed in the best possible way.

I think that looking at how we can improve that would be by making sure that we have a code of conduct that is clearer in terms of what their obligations are, and then making it quite clear. Dr Cohn has raised concerns about pecuniary interests, and I think the Minister said that this morning—making it quicker and faster for us to address those pecuniary interests. We moved very quickly yesterday when we found a councillor, on the recommendation of the Independent Commission Against Corruption, who should be suspended for corrupt conduct. We received that report—technically, it was handed down at 11 o'clock and, by 3 o'clock, there was a letter that had gone to that councillor.

The Hon. SCOTT FARLOW: I commend you for that as well, Mr Whitworth, and the Minister too. With respect, in terms of that process—and I know the Minister was outlining before the previous work that, effectively, has been abandoned, in terms of the code of conduct and the new work that is being initiated on it, and his new view. What are the time lines that you're working to with respect to that code of conduct being in place?

BRETT WHITWORTH: I don't believe I ever heard the Minister say that he had abandoned the Kellar, and there may well be things that we can pull from that report and that process. What the Minister said is that he wants to think about this afresh and that he wants to make sure that—he said it to me multiple times, and I'm sure the people have heard him talk, in public forums, about wanting councillors to be transparently in control of their council, which means not just that they're in control of their council, but that they're seen to be in control of their council. He wants codes of conduct that are clear about what a councillor should engage in debate on. He wants stronger meeting codes of practice so that the way in which councillors engage in debate during a meeting is politically robust albeit respectful and fair, and he wants to make sure that where there are pecuniary interest issues those are addressed.

Those are fairly high-level parameters that we're working towards. We have the creation of the strategic policy unit, which has come about as a result of the September budget—was it only September?—which we're moving to put in place now. In addition to doing the day job, that area of reform is one of the highest priorities for us. I don't have a time frame for you, but I want to be able to have the Minister engage in this fairly quickly.

KIERSTEN FISHBURN: Can I come back with your answer about the incorporation of councils, because I feel, Mr Farlow, it is my responsibility to work with you.

The Hon. SCOTT FARLOW: We have history.

CORRECTED

KIERSTEN FISHBURN: We have history of history. As Brett detailed, the City of Sydney, as they were named, the Sydney Corporation, was first formed in 1842. However, the material Act was the Municipalities Act, which was 1858. Sorry, I was a year off, but I was pretty close.

The Hon. SCOTT FARLOW: Yes, close.

KIERSTEN FISHBURN: And that allowed for the establishment of municipalities. The Local Government Act first came in in 1906, was reformed in 1919 and then lasted until 1993, which is the Act that the Minister has particular interest in.

The Hon. SCOTT FARLOW: Thank you very much. Of course, I'll still remember, for the trivia question, that Cessnock was the last council to have its planning powers.

KIERSTEN FISHBURN: Yes, thank you—2010.

The CHAIR: I just want to talk about the euthanasia statistics. A concern that's regularly raised with my office is around euthanasia statistics from council pounds and the accuracy of the statistics. Can I ask in what format OLG actually receives these statistics from councils? Is there a standardised format?

BRETT WHITWORTH: I'll ask Ms Bishop to answer that.

KARIN BISHOP: Apologies, that was statistics around what?

The CHAIR: Euthanasia.

KARIN BISHOP: I will have to take that on notice, I'm afraid. We do receive details about pounds, but I will take that on notice, and I will check with the team and come back to you as soon as I can.

BRETT WHITWORTH: Sorry, if the question's confusing. Maybe it's because we would receive information through the Pet Registry and the Companion Animals Register about animals that have been euthanised and so are deceased. Maybe that's what you're asking.

The CHAIR: So OLG doesn't receive statistics annually from councils around euthanasia?

BRETT WHITWORTH: I've not seen any euthanasia statistics that have come across my desk. I've seen many other statistics, but maybe if I can ask Mr Baxter to come and talk about the return.

KIERSTEN FISHBURN: Yes, Mr Baxter is aware of that. He's just whispered in my ear that it's the pounds return.

KEITH BAXTER: We do get an annual pounds return, but I'd prefer to take on notice the detail on how we receive that. Councils send a pounds return to the office on a regular basis, but, on the detail, I'll let Ms Bishop chase that.

KARIN BISHOP: I'll find out exactly how we get those figures, but it has just been drawn to my attention that they're available on the website as part of the annual pounds data. Whether we collect that quarterly and how it's sought, I'll get more detail.

KIERSTEN FISHBURN: We'll find out.

The CHAIR: Yes, I wanted to get the background information from that data. I have a couple more questions, and I'll put them on notice if it's not something that's handy. Is there a standardised form that is received in? And what kind of checking is undertaken by OLG in regards to cross-referencing or verifying the statistics, if any?

KIERSTEN FISHBURN: We'll take both those on notice, if that's okay, Chair.

The CHAIR: And are any councils required to keep records regarding animals that come in and out of their pound facility, on top of those other statistics? Are statistics sent directly from ranger or shelter managers, or do they need to be signed off from somebody within council, like a general manager, before they are submitted? Sorry about all these questions. They'll also get sent to you, so you don't need to write them down.

KIERSTEN FISHBURN: Yes. We're happy to provide you the information. It's just that there's a level of granularity there that we just want to check so we're not giving you inaccurate information.

BRETT WHITWORTH: There are probably a few people in a room who are writing these down furiously to see if there's an answer to them.

KARIN BISHOP: Probably jumping up and down with the answers.

CORRECTED

The CHAIR: There are two more as well. What happens within pounds that are run by a third party like the RSPCA or Sydney Dogs and Cats Home and is it the same process for them? And when can we expect to receive the pound data report for 2023-23? I think the most recent one is before that. Is that right, Dr Filmer?

KIM FILMER: The 2021-22 is the latest.

The CHAIR: I understand the Office of Local Government publishes a document titled *Guideline on the Exercise of Functions under the Companion Animals Act*. Are you able to tell me when this guideline was last updated?

BRETT WHITWORTH: Ms Gibbs or—the guidelines themselves, if they're on the Office of Local Government website, should have a date on them.

The CHAIR: The one I found online is October 2015. Would that be the latest one?

BRETT WHITWORTH: If they're on our website, that would be the latest. It's important that the latest information is on our website, yes.

The CHAIR: Obviously there's been some significant changes to the Companion Animals Act since 2015. Are there plans to review or update that guide at the moment?

BRETT WHITWORTH: I think that guideline would be part of the update to the companion animals review as well. There's also the Pet Registry build that we're undertaking at the moment. It would be important to make sure that we complete the build and update the guidelines to reflect what the updated Pet Registry says, and its user interfaces and its processes and so forth.

The CHAIR: So that guideline won't be updated until after the Pet Registry's complete and the Companion Animals Act review is complete?

BRETT WHITWORTH: Yes. It would seem to be the logical flow to do the policy work and then to provide the guidance around how the policy operates.

The CHAIR: I don't know how much this guide's used, but it is quite out of date with what's in there, that's all. I don't know what the time line is for the Companion Animals Act review, but the Minister did say this morning that there isn't a time line.

BRETT WHITWORTH: It's certainly an election commitment, so it's a commitment that the Government has made for this term of government. As you've heard the Minister say this morning, he's keen to get an understanding from the various other inquiries and processes that are going on at the moment. We have the pounds inquiry that you're conducting through the Animal Welfare Committee.

The CHAIR: No, through this one.

BRETT WHITWORTH: Through this committee, sorry. There is the—

The CHAIR: The cat one is through the Animal Welfare Committee.

BRETT WHITWORTH: Yes. I think it's important just to flag that the Coroner has taken an interest as well in a number of dog deaths, or deaths as a result of dog attacks—sorry, I should be clearer there. There are a number of policy imperatives that will be coming our way, so to jump in and amend the Companion Animals Act before that—

The CHAIR: Sorry, I was just suggesting an update of the guide.

BRETT WHITWORTH: But I don't see that there's a lot of value in updating the guide until we've got clearer policy. I don't know how many times I'll say this, but we're not a large organisation. Putting focus on resources on updating a guide when we know that the work is going on in such a way that the policy is likely to either shift or adjust or change, or be reflected as a result of various other sources, it would be a little bit of a waste of our resources, I would suggest.

The CHAIR: Mr Hansen, do you ever have meetings with OLG to discuss various matters where there is that sort of strange gap between the Companion Animals Act and POCTAA, like the boarding code, which is obviously enshrined under POCTAA but is directly relevant to local council pounds?

SCOTT HANSEN: We do. Whilst Brett and I will catch up on a regular basis, probably the operational level meetings are the more important ones on that front. I might just get Dr Filmer to step you through what those are.

The CHAIR: Yes, certainly.

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KIM FILMER: One of the things that I sit on, one of the OLG committees—I'm not on the committee but I attend—is the responsible pet ownership group meetings. They're held regularly throughout the year. I attend those meetings. Recently the DPI had a buying and selling puppy campaign.

The CHAIR: And OLG was included in that?

KIM FILMER: OLG and the Office of Fair Trading were both included in that. We collaborated with both of those agencies for that project, which was very successful. DPI is always providing input into functional requirements and development in terms of the new Pet Registry. We've had some input into that, had a look at it, and we're trying to utilise that as a tool to make improvements in terms of tracing animals, finding animals, tracking animals and making it easier for people to find their lost animals, and also making it easier to comply with POCTAA in terms of selling animals. There's a fair bit going on in that space. In terms of general policy, OLG and DPI work closely together in terms of developing policy.

The CHAIR: I'm aware of the upgrades to the Pet Registry. This is a pretty broad question, but I only have a few seconds, so I might just ask if there is a time line for the completion and implementation of the Pet Registry yet.

BRETT WHITWORTH: I'm tempted to say, "Yes, there is," but you probably want the outcome of that. It will be delivered progressively. It's always been to deliver it progressively. We'll see some public-facing opportunities in 2024 and it will be delivered in stages after that as well.

Dr AMANDA COHN: I have a number of questions that I understand are to do with the Department of Planning, but I'll preface them by saying I'm interested in any potential collaboration between your departments on these issues. Have there been any meetings or work to address the concerns of councils and councillors with the Planning Portal?

BRETT WHITWORTH: Yes. There are two elements to that—three probably. Firstly, you're talking to someone that almost—I think I am probably the longest-serving Department of Planning and Environment—

KIERSTEN FISHBURN: Yes, Mr Whitworth is the last standing.

BRETT WHITWORTH: I am also on the e-Planning Steering Committee, which we've renamed to the Planning Portal Committee, or something like that. I undertook a number of meetings with councils last year about the API work, the advanced programming interface, and the link between their systems and the Planning Portal to identify and understand what the concerns were. These were councils that had taken money from the department to provide that interface and hadn't been able to deliver it, or were saying that they were unable to do it.

I will say that I do remain and have some ongoing concerns that the issue sits across a number of people, but the technology providers have said, "Well, we're not going to connect to the Planning Portal," in many cases, or, "If you do want to connect, you've got to upgrade to our latest software and go to the cloud," et cetera, meanwhile saying, "You can go and work with a third party provider and they'll do the interface." I was concerned that there was not that clarity about how that could work more effectively. I was up-front with the councils. I did have an ulterior motive, because if I can make the Planning Portal work in that sense, we can also get to a point where, rather than having quarterly business returns, I can get to the point of actually being able to get access to council financial data more instantaneously, and we can then better run a risk management profile.

So, yes, I'm aware of the concerns that exist in councils. I also will say that some councils say, "We can't make it work", "It doesn't work", and "We can't make our system talk to their system." It links around the rating and property issues quite often. But what they can do is still use the Planning Portal based on the cloud, and they can still access that data and download that data and put it into their system. It's different ways in which it operates. I do acknowledge that it's a challenging space because the technology providers aren't necessarily helping and we are doing everything we can. Ms Fishburn might jump in if she wants and tell me, but we're doing everything we can, in terms of the Planning Portal, to make it easier to connect. Because that's the whole point of the Planning Portal, to be able to both have data coming in and data going out. The information we've been able to glean about what's going on in the assessment of developments since the Planning Portal is tremendous.

KIERSTEN FISHBURN: I can confirm as well—it's a little bit out of the scope of this particular Committee because it essentially is a planning question—in the spirit of your question being whether we speak to local government about issues they may have or ideas they may have about improving the Planning Portal, outside of the significant work that Brett does and the OLG team, the planners themselves do regularly meet with local government. I have spoken to many councils about issues they have and areas they see for improvement. There is an open door for communication there and I'm not unaware of some of the frustrations that Brett detailed as well.

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Dr AMANDA COHN: Similarly, another planning issue is now being called zombie developments, which are DAs that were approved more than 30 years ago under totally different regulatory settings. What conversations have taken place between the OLG and the planning department about addressing this issue?

BRETT WHITWORTH: That's entirely a planning department DA issue. I mean, the planning department doesn't need to seek the Office of Local Government's advice because the planning department has its own direct engagement with councils. I say that as a former regional director, executive director, deputy secretary of the planning department where I spent my time directly engaging with councils and, in many cases—not in many, in a couple of cases over zombie DAs as well.

KIERSTEN FISHBURN: Yes, happy to confirm that the planning department has a separate, sometimes interconnected as you would imagine, relationship with local government. The issue of zombie DAs is one that has been live for a number of years. I think you might recall in the planning Minister's area, we did talk about ways that we'd attempted in the past to overcome some of the zombie DAs. Not as successful as we'd like them to be so there is more work that needs to be done there. But in relation to un-activated DAs and, indeed, paper rezonings, which is another challenge within the planning system—

BRETT WHITWORTH: Paper subdivisions.

KIERSTEN FISHBURN: Paper subdivisions. The planners will be regularly speaking to their relevant counterparts—the Director of Planning or, in my case, the general manager of those councils.

Dr AMANDA COHN: My third planning issue was the planning time frames, particularly in the context of a shortage of statutory planners in the local government sector. I understand a number of councils have had challenges recruiting and that there's an issue of deemed refusals because of the time frames. What engagement have you had with the planning department?

KIERSTEN FISHBURN: That's entirely a planning matter, really, and the questions really are for the Minister for planning. But I will just say again that the planners speak regularly to councils. We are aware that there is a planning shortage. We have provided some funding to get more planners trained up, which I think is a good outcome. In relation to deemed refusals, deemed refusals have always been in the system and it's been part of the planning process. Things go to the Land and Environment Court on occasion because some developers choose to activate on deemed refusals, others don't. But, really, in summary to your question—I'm assuming your question is do the planners discuss these matters with councils? Honestly, on a daily basis, yes.

Dr AMANDA COHN: Thank you. My questions have all been about local government engagement, but you've sort of led into my next question. I wanted to ask about some of the statewide workforce issues. You've just mentioned some support for trainee planners. I'm interested in what work is currently underway to increase traineeships through councils. You mentioned planners. I also had on my list engineers and early childhood educators.

BRETT WHITWORTH: There is an election commitment that was identified to increase the number of traineeships and apprenticeships in the local government sector. To sort of break it down, the concern is that we are seeing an aging of the local government workforce. When Ms MacDonald asked me about the concerns about local government, I failed to add that the aging of the workforce is also one of those over-the-horizon issues that I'm concerned about as well. The aging of the workforce means that this is the time to make sure that we can grab the knowledge, the experience, the expertise of those people that have been in local government for some time and get them to help train up the next generation of workers.

We've been engaging with Training Services NSW. A process has been put in place to bring in the central agencies, so the Cabinet Office as well, to discuss how we might move on this piece of work. It's off the back of the other election commitment that the Government made about increasing the number of trainees within government enterprises. I don't have a clear plan that I can lay out for you, but it's something that we are definitely concerned about and it's something that we talk about, particularly as we have a group called the employment matters group with the unions and Local Government NSW primarily where we talk about workforce issues. The conversation has been had in that forum. They're working on some ideas and we're working on some ideas and want to bring them back together.

Dr AMANDA COHN: Thank you. I will ask you about that next time. My final question about workforce is that I've heard some reports that the senior public servant wage freeze has inadvertently had an impact on the engineering capacity in the local government sector. Is there any data collected by the OLG that would support or refute that?

BRETT WHITWORTH: We don't collect a lot of data in that sense on that degree of workforce activity. I know that there was an Australian Local Government Association workforce report. It's about two years old and

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we're using that as part of the traineeships and apprentices. But I think where your question may be coming from and what might be leading up to it, I suppose, is those employees in local government that are on contracts, their contract is tied to the senior officers remuneration tribunal. Because the Government has put a freeze on senior executive pay increases, that has flowed through that there's no SOORT determinations, and so therefore no increases in the contracts. We have put a circular out to local government to identify that it is possible through the performance provisions of a contract to increase the pay of a person on a senior officer contract every year. We've helped to identify that.

The Hon. AILEEN MacDONALD: Just following on from the Chair's question with regard to the Pet Registry and the time line for completion, do you think it will be December this year?

BRETT WHITWORTH: No. It was never December this year in terms of completion. I think someone's heard that it was going to be December. It was never December in terms of time frame. There were a number of different elements that were going to be rolled out. I mean, we've already had a pilot program for the Pet Registry, a proof of concept, so I'm wondering whether Ms Bishop—she's just sorting herself through in terms of her notes—would be happy to take that question in a bit more detail.

KARIN BISHOP: Yes. I think I can talk to your question and if there's anything else, I'll need to look it up. The Pet Registry is well underway. It's going to be a staged rollout. The initial connection will be between breeders to new owners and the transfer of registration. The next stage we'll be looking at how we bring in vets and then rehoming organisations. It's going to be rolled out in stages, probably starting early next year for that first stage, and then through till ideally the end of next year, maybe a little after—so a staged rollout, but it is progressing well. One of the things that we've done—

BRETT WHITWORTH: It's—

KARIN BISHOP: Sorry?

BRETT WHITWORTH: I was going to say, Ms Bishop, I understood that—just for the benefit of the Committee—we were looking at potentially being able to roll something out by the end of this year, which would have involved user acceptance training. But the concern about doing user acceptance training over the Christmas period, we felt using a steering committee that has overseen the build of the Pet Registry that it would be more effective to do that early in the new year.

KARIN BISHOP: Yes.

The Hon. AILEEN MacDONALD: When did the pet advisory group last meet?

BRETT WHITWORTH: The responsible pet owners group? They have not met in this term of government. The responsible pet owners group is a group that, by tradition, is chaired by an MP. Mr Clancy chaired it for the former Government. We have not resurrected that group but we're in the processes of pulling together advice to the Minister to do so. But I do understand that the members of the group have been instrumental in helping the Pet Registry build.

The CHAIR: I just have a couple more on the Pet Registry. The last time we spoke, the registry was looking at breeders only at that first stage. Obviously, there's those ongoing issues with rescue groups who have to transfer animals through paperwork that's still hand-delivered to councils. When can we expect a version of the trial for the rescue groups?

BRETT WHITWORTH: Ms Bishop?

KARIN BISHOP: On the current project time line, we'll be looking at probably the second half of next year.

The CHAIR: And there was another group. The first part was the breeders. There was a second group before rescue, wasn't there? Is that right?

KARIN BISHOP: We're looking at bringing in vets as well—

The CHAIR: Yes, vets.

KARIN BISHOP: —so that they can have access to the registry to be able to put information around desexing and things like that as part of the whole registration process.

The CHAIR: Thank you. Right now there is also a potential overlap between the Pet Registry and the Greyhound Register. Some concerns have been raised about a legal loophole in greyhound protection whereby owners of retired racing greyhounds are re-registering the animals as companion animals so that they're then able

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to actually just euthanise the greyhounds that are coming straight out of the industry. You look very confused by this. My question is are you aware of the issue?

BRETT WHITWORTH: Ms Bishop?

KARIN BISHOP: I'm happy to talk to that. GWIC, the greyhound welfare organisation—they have responsibility, as you'd be aware, for greyhounds that are coming out of the racing industry. Trainers are required to advise GWIC when they retire a greyhound. GWIC then registers the greyhound with the companion animals register if the greyhound is rehomed as a pet.

The CHAIR: Sorry, the problem that we're hearing—and I have met with GWIC on this, and they said that it's a problem on the pet register end. Because greyhounds are coming straight out of racing, being added in as a companion animal, and then killed straightaway.

KARIN BISHOP: I think, just to clarify that, GWIC works with the trainers. If the trainer—obviously, even if they re-register their animal as a pet and then later euthanise it, GWIC should be monitoring, through the trainers, the ongoing welfare of that animal.

The CHAIR: They said that once it's transferred they don't have—it's no longer—

KARIN BISHOP: No, GWIC does have access to the database—to the companion animals register—and are able to track the animal that way.

BRETT WHITWORTH: I think part of the policy intent here is to have greyhounds as pets, so we'd want them to be registered under the companion—and the Pet Registry.

The CHAIR: That's not what I'm suggesting. I just mean that there is a loophole.

BRETT WHITWORTH: I appreciate that. I just am concerned that we'd end up with a policy outcome where we're saying we don't want to register them—because we do want them registered.

The CHAIR: I'm just saying that there is that loophole that has come up. There have been several cases.

KARIN BISHOP: The companion animals registry team does liaise with GWIC and have heard these allegations. We're not aware that it's a huge issue, but certainly we're looking at options for keeping that communication open.

BRETT WHITWORTH: And we can confirm that the GWIC team has access to the Pet Registry.

KARIN BISHOP: To be able to track the animals.

The CHAIR: Thank you. We now have a short afternoon tea break, and we will be back at 3.45 p.m.

(Short adjournment)

The CHAIR: Welcome back. Do we have any updates on answers before I throw to the Opposition?

KARIN BISHOP: I can provide a couple of the answers around the pounds data. Councils do upload the pound data annually directly to the companion animals registry. We don't go through and verify it. The deadline for the extension of final data is actually close of business today. So for 2022-23 we should be able to get that together soon. In terms of the other questions, the granularity about the collection, we'll come back to you.

MELISSA GIBBS: I have an answer on the criteria for appointing reviewers under the procedures for the Model Code of Conduct. I'll read it—I hope you don't mind:

- 3.5 To be eligible to be a conduct reviewer, a person must, at a minimum, meet the following requirements:
 - a) an understanding of local government, and
 - b) knowledge of investigative processes including but not limited to procedural fairness requirements and the requirements of the Public Interest Disclosures Act 1994, and
 - c) knowledge and experience of one or more of the following:
 - i) investigations
 - ii) law
 - iii) public administration
 - iv) public sector ethics
 - v) alternative dispute resolution, and
 - d) meet the eligibility requirements for membership of a panel of conduct reviewers under clause 3.6.
- 3.6 A person is not eligible to be a conduct reviewer if they are:
 - a) a councillor, or
 - b) a nominee for election as a councillor, or
 - c) an administrator, or
 - d) an employee of a council, or

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- e) a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or
- f) a nominee for election as a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or
- g) a person who has a conviction for an indictable offence that is not an expired conviction.

The CHAIR: Thank you.

The Hon. AILEEN MacDONALD: Ms Fishburn, in your role how much time do you allocate to local government?

KIERSTEN FISHBURN: To Office of Local Government or to local government generally?

The Hon. AILEEN MacDONALD: Office of Local Government.

KIERSTEN FISHBURN: I meet with Brett—my chief of staff will correct me if I'm wrong—on a fortnightly basis, as I do with all of my relevant deputy secretaries. Brett is a member of my executive leadership team as well and we have fortnightly executive leadership meetings, which are anywhere between 90 minutes and 120 minutes. I always tell people Brett's my favourite deputy secretary. Informally we meet every time we're in the office together and we'll talk about matters. We're both pretty passionate about local government so we do talk about matters and I seek his advice informally on a range of occasions.

BRETT WHITWORTH: You've put on *Hansard* your—

KIERSTEN FISHBURN: Yes, it's on the record that I have a favourite in Mr Whitworth.

BRETT WHITWORTH: Thank you.

The Hon. SCOTT FARLOW: At least it's better to be open and honest and transparent about it rather than just having everyone think that.

The Hon. AILEEN MacDONALD: That's true.

KIERSTEN FISHBURN: It's a running joke. Brett and I have had a long history together.

The Hon. AILEEN MacDONALD: Then how often would you meet with the Minister?

KIERSTEN FISHBURN: The Minister for Local Government, less regularly. Generally the way a secretary will operate is that the deputy secretaries take the meetings with the relevant Ministers. I'm obviously the secretary of a number of different portfolios across five Ministers. I would speak to the office, I don't know, I guess on a fortnightly basis when something came up. But generally Brett and his team will take those meetings with the Minister.

The Hon. AILEEN MacDONALD: From that I understand that the day-to-day running of OLG is left to Mr Whitworth?

KIERSTEN FISHBURN: That's correct, yes.

The Hon. AILEEN MacDONALD: I'll ask you the same question that I asked the dep. Do you think that the Office of Local Government is adequately resourced?

KIERSTEN FISHBURN: You're asking me that question as the secretary?

The Hon. AILEEN MacDONALD: Yes.

KIERSTEN FISHBURN: No, I would concur with the Minister that the Office of Local Government has been under-resourced for quite some time. I'm very pleased that we have received more money. It is, I think, one of my few agencies that actually received additional funding in this particular budget, which does speak to a general enthusiasm to improve local government. I would like to work with the Minister and with Mr Whitworth to determine what adequate resourcing is and then to make representation through the Minister.

The Hon. AILEEN MacDONALD: That answers my next question—what efforts are you making? So it sounds like you're—

KIERSTEN FISHBURN: I'm not sure because, sorry, I was absent. I had an urgent planning matter, but Mr Whitworth may have detailed that we are undertaking some work to understand what the requirements for the Office of Local Government are. When that's completed, Mr Whitworth will obviously present that to me and I'll discuss that and we'll work on conversations with the Minister and the Minister's office around how we make representation.

The Hon. AILEEN MacDONALD: Because I'm rurally based—regional and rural councils are extremely concerned about their financial viability. What is your department doing to address this concern?

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KIERSTEN FISHBURN: I might ask Mr Whitworth. That's an OLG-detailed question.

BRETT WHITWORTH: I think the Minister identified this morning, and I talked about it in some of my earlier evidence about the Government's election commitment to undertake a financial sustainability of councils. The IPART has flagged, as part of its rate peg methodology report, that it would be keen to undertake that work. As part of the structure of the Office of Local Government, we have engagement managers, we have what we call the performance team and we have the investigations team. If I take a particular council, like Snowy Monaro, we've been actively meeting with Snowy Monaro around some of its financial challenges and seeking to work with it on how it can address those.

I think from a high-level perspective, understanding the costs that the council has, understanding the service delivery expectation that the council has—the Minister's example this morning of a council that was running four museums was not a throwaway line. It's a genuine—if that council is experiencing difficulty in matching its expenditure with its revenue and revenue is challenging to obtain, it's not appropriate to go looking necessarily for grants because that might have a downstream impact on your operational expenditure. It's not necessarily appropriate to go to the community and say, "We'd like to increase rates through a special rate variation". I know that a number of councils are going through that process of engaging with their communities about whether a special rate variation is appropriate.

If a council has done that and the community is saying, "We don't want to do it", and the council has decided not to do it, the next step is to look at expenditure and to look at service levels and service delivery. Those are the challenges. We have been also doing a lot of work with Central Darling, as an example. Again, that is a council that is—broad-scale numbers—just north of \$25 million in terms of overall operating sort of tempo, yet it can only obtain \$900,000 in rates. It can obtain up to about \$2 million in own source revenue. So the remainder of its operations are funded through grants. We've been looking at whether there are ways of—and grant revenue will, by its nature, be lumpy in terms of when grant opportunities arise. We've been working with our State colleagues to see whether there might be opportunities to equalise that out.

The final area—and this is staying within the sort of rural and regional perspective—is the financial assistance grants that come from the Commonwealth. Again, they have been forward funding a number of those so that's created a degree of uncertainty in when the funds will come. But the Minister has identified a concern that—we've been working on the basis that no council would be left worse off, but that is actually, by its very nature, creating some councils to be worse off. The larger, richer councils are receiving higher amounts of funding. That's not a New South Wales perspective; that's also an across-the-nation perspective. We had the senior officials group meeting of local government just yesterday and, as I said earlier, financial sustainability was clearly on the agenda and what can be done to assist those rural and remote councils in particular. There is a hope that maybe the Commonwealth can assist us to a degree in that area.

The Hon. AILEEN MacDONALD: On that, you've got the Local Government Grants Commission. Are you asking the Federal to step in further or separately from—

BRETT WHITWORTH: I think the way in which the financial assistance grants operate is there is a grants commission, and the grants commission is an independent authority that provides advice on the formula for the distribution, but they work within a broader Commonwealth set of parameters. If you've got a question about how financial assistance grants are distributed, we're happy to take that on notice because that's something we'd put to the grants commission.

KIERSTEN FISHBURN: The formula's quite complicated.

The Hon. SCOTT FARLOW: We were talking about the constraints on local government and the expense policies for councillors. We had an inquiry earlier this year you're probably familiar with in terms of Canterbury Bankstown council and some of the information that came out of that in terms of expenses and the use, for instance, of designer clothes such as Hugo Boss, Van Heusen, Armani and Michael Kors. In response to the inquiry and the information that came out of that, has the Office of Local Government done any work to ascertain and monitor expenses being charged by councillors?

BRETT WHITWORTH: We are working on that. As you say, there was a parliamentary inquiry with recommendations to do that. Also, that is a matter that has been flagged in other situations. I would ask Ms Gibbs to talk to this. I think it's also important to flag that the media had suggested that the mayor had exceeded the council expenses policy. We did seek further information from the council, and the actual costs incurred by the mayor—and this was for professional development—was \$2,545 in the 2017-18 financial year, which was below the \$3,000 annual limit. So there was a little bit of media talking around the story. I would ask Ms Gibbs to talk about the work that we're doing to update the councillor expenses guideline.

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MELISSA GIBBS: Thank you, Mr Whitworth, and thank you for the question. The expenses and facilities policy, and training and professional development policies, are currently under review. The first is in response to recommendations of the parliamentary committee earlier this year. For the second, as Mr Whitworth said, our guidelines clearly state that in undertaking professional development, there should be an allowance that's capped. In the case of Canterbury Bankstown the allowance was capped at \$3,000 per year, and Councillor Asfour's professional development came under that cap. Our inquiries, as we understand it, showed that it was in accordance with the expenses and facilities policy and the training and remuneration budget. However, the other aspects probably weren't. So we have in our work program to undertake a review of the expenses and facilities policy, commencing in the new year.

The Hon. SCOTT FARLOW: So that will be commencing in the new year. When do you expect that to be in place? In time for the new local government terms in September?

MELISSA GIBBS: That would be the intention, yes.

The Hon. SCOTT FARLOW: So it will be implemented by then. Have you had any discussions with the Premier or the Minister about their expectations when it comes to this policy and what should be included?

BRETT WHITWORTH: I'm not sure Ms Gibbs would want to answer that question in terms of conversations with the Premier. No, the Minister is very clear on the importance of the council adopting a council expenses policy under section 252 of the Local Government Act. I think a number of times I've heard the Minister say that the role of councillors is to serve their community and to do it appropriately, with diligence and with care for the civic service that they're providing. I think that he wants to reinforce with us that the expenses need to be appropriate, but they shouldn't be around extravagance, either. It's not appropriate for extravagance in an expense environment.

The Hon. SCOTT FARLOW: In terms of the funding for Lucy's Project, there was some \$750,000 announced over a three-year period. Are you aware of that announcement previously?

BRETT WHITWORTH: Yes, I am.

The Hon. SCOTT FARLOW: Why were the terms changed to a two-year period and not in line with the original decision for three years?

BRETT WHITWORTH: I'm sorry, but when you say the terms were changed—

The Hon. SCOTT FARLOW: I believe it's now a two-year commitment rather than a three-year commitment.

BRETT WHITWORTH: I'm sorry, I don't—where was the identification of the original commitment being three years?

The Hon. SCOTT FARLOW: I can maybe come back to you on that.

KARIN BISHOP: Perhaps I can clarify. Lucy's Project was one of the animal welfare grants that were made as part of the broader animal welfare package that was announced earlier this year and was delivered in June. But it was a one-off payment for this financial year.

The Hon. SCOTT FARLOW: Were any changes made from its original announcement and its original allocation?

KARIN BISHOP: No, I don't know where the idea of a three-year or a two-year came from. If you can provide some more information—

The Hon. SCOTT FARLOW: I will see what I can do to provide clarification.

BRETT WHITWORTH: Just to be clear, those grants—and that was, I think, 46.5 or thereabouts, which included a number of different grants, the grants of 20.5 for RSPCA, the \$12 million for Sydney Dogs and Cats, the 5.5 for Animal Welfare League, the Lucy's Project, Greyhound Rescue, Cat Protection Society and the contestable fund that we talked about earlier—they were all in last year's allocation to the Department of Planning and Environment for the 2022-23 budget. We needed to, for example, carry forward the Sydney Dogs and Cats over a longer period because it's obviously a build, but that money was all put to those agencies before 30 June.

The Hon. SCOTT FARLOW: With respect to disaster funding that's been provided through the Office of Local Government, can you give me an update on the Lismore council funding and the progress that's been made to assist Lismore council in its quite unique circumstances?

BRETT WHITWORTH: I can. I would ask Mr Baxter to come up because he is the expert on all things Lismore and disaster funding.

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KEITH BAXTER: The council is continuing to work through the work project. If you remember, the Government gave \$20 million to Lismore council over a number of years to undertake work to build capacity and capability of the council to support the recovery activities. This was in addition to the funding under disaster recovery amounts. There is a committee of the council of the whole that is essentially the project management group. They are working through the projects. They're delivering the projects on time. There are some projects that council has asked to bring forward, and others to bring back, which we are continuing to look at on a case-by-case basis. But council's delivery of the projects so far has been fine. We got another quarterly report, I think, two days ago, under the schedule, and all the payments to date have been made, consistent with continued successful delivery.

The Hon. SCOTT FARLOW: Mr Baxter, is the funding envelope sufficient in order for them to be able to deliver the projects?

KEITH BAXTER: Yes. There has been no—

The Hon. SCOTT FARLOW: No request for any variation?

KEITH BAXTER: Council has asked for us to ask for another six months in terms of the project term.

BRETT WHITWORTH: I do think, though, that "Is the funding sufficient?" is a question for Lismore rather than for us. Perhaps, "Have we been asked for additional funds?" The answer would be no.

KEITH BAXTER: It is important to note that that was a specific identified need by the Government, working with the council to identify that need for Lismore, and it was because of the particular circumstances facing Lismore council and its community.

The Hon. SCOTT FARLOW: With respect, Mr Whitworth, with the work that the RSPCA has been doing in terms of enforcing laws around cruelty to animals and the significant funding that it's received over recent years, has there been any bids to increase or to continue that funding to the RSPCA?

BRETT WHITWORTH: I actually think that this is probably more a question for Mr Hansen as part of the animal welfare reform.

The Hon. SCOTT FARLOW: I was noticing Mr Walther limbering up in the background as well. Mr Hansen?

SCOTT HANSEN: As you'd be aware, the Government's made a commitment around reviewing the ongoing funding for the charitable organisations—both RSPCA and Animal Welfare League. That'll be tied up with the animal welfare reforms that have been talked about today. So it's reviewing that funding and looking at what's required, going forward, tied to what is expected of the RSPCA, Animal Welfare League going forward, will be key parts of the reform next year.

The Hon. SCOTT FARLOW: Mr Whitworth or Ms Fishburn, you might want to answer this in the capacity now in local government, with respect to the Housing and Productivity Contribution and distributions to local government. Has the Office of Local Government done any work as to how that's going to look and what the grants process will look like?

BRETT WHITWORTH: That's a matter for Planning, that question.

The Hon. SCOTT FARLOW: I think, actually, Planning said it was a matter for the Office of Local Government in last week's questions.

BRETT WHITWORTH: No. I won't tell you which—sorry. I think it was the withdrawal of DA guidelines.

KIERSTEN FISHBURN: Yes. That was the question, and that is a matter for Office of Local Government. In relation to the allocation of Housing and Productivity Contribution, that's a matter for the Treasurer and Minister Scully to discuss. I should stress, though, because I think some of the questions have been how much do we engage as a department—as I did say, Mr Whitworth sits on my executive team. The executives in the planning area and Mr Whitworth would speak, I think fair to say, on a daily basis. As we discussed, Mr Farlow, the interdependencies of local government into the planning system—you can't unpick those. While OLG won't be making that allocation, we, of course, have conversations with our colleagues at OLG to understand the local government environment as it stands.

The CHAIR: I just have a follow-up question from something the Hon. Scott Farlow was asking in regards to the RSPCA funding. I just wondered if either Mr Hansen or Mr Whitworth have any background information. I have been talking quite a lot, and other members have been asking about that division of the Companion Animals Act and the RSPCA and where all the powers fall or don't fall or where there are gaps. My understanding is that

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the RSPCA funding was announced with the local government Minister. I'm wondering why it came from Local Government instead of the agriculture Minister.

BRETT WHITWORTH: Can I say that that was an announcement originally made by the previous Government and the previous Minister for Local Government. I'm not sure where I stand in terms of budget estimates, in terms of answering questions on behalf of this Minister or the previous Minister. Certainly there was a funding package that was announced. There was, certainly, engagement at a whole-of-government level around what was in that funding package, and the former Deputy Premier would've been part of those conversations, and the announcement process would've been organised appropriately within government. It's not really appropriate for me to speculate on why it was the Minister for Local Government and not the Deputy Premier who made the announcement.

KIERSTEN FISHBURN: That decision isn't in our hands to make.

The CHAIR: I know the decision is not in your hands. I was just curious if you have any background information, given there is so much of this fuzzy area between the two spaces. I have two more questions on Pet Registry. One of the recommendations from the puppy farming inquiry is that there also be discussion on ensuring that the Pet Registry could work to ensure interoperability between the NSW Pet Registry and online sites, such as Gumtree and the Trading Post, to reduce the ability of unethical breeders to sell online. I know Minister Dominello was particularly keen on that recommendation when he was somewhat involved in the Pet Registry. Is that something that's going to roll out as the Pet Registry or is it too early in the stages to tell?

BRETT WHITWORTH: I think that our first job is to build the Pet Registry and get it up and running. It is being built by the Department of Customer Service so that it is interoperable with the Department of Customer Service's platforms. It is, in fact, being built on a Department of Customer Service platform. When we talk about the future stages and components, then I think there would be some degree of potential there. Ms Bishop?

KARIN BISHOP: I think that's probably a stage that is in the future. At this point, we're looking at really focusing on being able to build a good, functional registry which has a lot of user accessibility, ease and improves recording. One of the things in relation to this issue about Gumtree is that we have the opportunity through the new Pet Registry to do a lot of education for owners and for people buying new dogs and cats. We do see this as a really good opportunity to be able to improve owner education and raise awareness around making sure that they choose a breeder who has a proper breeder identification number and that they take steps to ensure that their breeder is reputable, and that sort of thing. Whether it's integrated with Gumtree or Facebook or any of those, at this stage it's, as I say, further down the track. I will note that I think it's a requirement that there is a breeder identification number on Facebook and Gumtree. I'm not sure if that's enforced. That's something that's outside of our remit. But, at this stage, what we're really looking at is an opportunity to educate new owners to ensure that they do their research and make sure that the breeder they're buying from is reputable.

The CHAIR: How many full-time equivalent staff are working on the Pet Registry upgrade?

BRETT WHITWORTH: I would like to take that on notice, because any questions around staffing are always somewhat challenging. Ms Bishop, can you give a flavour for how many people we have working?

KARIN BISHOP: Yes, I can. We've got two full time, and we're currently recruiting, and just about to appoint, another three. I should stress that that is from the OLG side. There are a number of staff, obviously, working from DCS around the technical build. We've got experts on the Amanda platform. They've got design, technical and software people on that side as well. I'm not sure exactly the numbers on that side but can come back to you.

BRETT WHITWORTH: Of course, the whole point of the Pet Registry is that it underpins the responsible pet ownership principles of the Companion Animals Act. People across the Office of Local Government are involved in its design and its development as well. Again, there are focus people but then there are people who are involved with its policy development.

The CHAIR: I've got some questions for Mr Hansen around the boarding code, if we can talk about that. It's 25 years or so out of date. I've had quite a few complaints and concerns brought to my office about how out of date some of the requirements are, and the fact that there are no minimum kennel sizes and no minimum qualification for staff or staffing ratios, for example. First of all, I'm wondering if there is any routine, regular auditing of boarding facilities in New South Wales?

SCOTT HANSEN: I might ask Dr Filmer if she has any details on that one. I agree with you; it's been a long time coming for a review of that code. We are hoping that the inquiry on pounds, for which you've got the first hearings next week—and I note in a number of the submissions that there are suggestions around updating

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and potential amendments to the boarding establishment code. Its usability for pounds and shelters are reflected in there. But I might ask Ms Filmer if there is any information in regards to inspections or compliance checks.

KIM FILMER: I will have to take that on notice, sorry.

The CHAIR: That is okay. I am wondering if there has been any discussion about a registration system for boarding facilities like there is in Victoria and if that is something that has ever been considered to ensure that there is a certain standard and qualifications to run facilities. I am looking outside of that pound and shelter system and also at boarding facilities where people leave their animal, say, if they are travelling overseas. That is where I have had a lot of concerns and complaints, because the code is so out of date. To give you an example, I heard from a couple who had left their dog at a boarding facility and the dog became sick. The boarding facility didn't take the dog to the vet because there was only one person that was on. They couldn't take the dog to a vet because they couldn't abandon the other dogs. That dog actually died and passed away. It is not an unusual case. I have been hearing a lot of these, because there are no staffing ratios in these boarding facilities. Is that something that is being brought to the attention of the DPI, or is that something you are also looking into in the boarding code?

KIM FILMER: Any of those sorts of problems come under POCTAA. If people have experienced problems like that, those complaints should go to the enforcement agencies. They should be reported to the RSPCA, the Animal Welfare League or the New South Wales police.

The CHAIR: In the cases I have heard, they have been taken to the RSPCA for investigation, and the information that they have got back is, because the code doesn't require staffing ratios or because it doesn't require X, Y or Z, there was no action that could be taken. I'm not putting that as a question to you, but it is another one that urgently requires updating. Has there been consideration or discussion within DPI at all about a registration system for these sorts of boarding facilities in the same way that there is one in Victoria?

SCOTT HANSEN: I know it has come up in a number of the discussions and it will be part of the consideration as the code gets looked at and obviously with what comes out of the discussions out of the inquiry as well. The code, for its age and the fact that it hasn't been updated for 26 years, does still hold obligations on people to provide prompt veterinary and appropriate treatment in case of injuries or injury. Whilst it doesn't have a staffing ratio requirement, the scenario you just outlined of the inability to provide prompt veterinary treatment for an injury is something that can have action taken against it because it is obviously in breach of the code.

The CHAIR: Is it just injury in the code, or is it anything. I don't think it was an injury. I just wanted to check.

SCOTT HANSEN: It's illness or injury.

The CHAIR: Apologies for my question before; that was my mistake. It is the boarding code that has the no minimum kennel sizes rather than the Companion Animals Act. My question should have been more about the audits in regards to the rehoming practices under the Companion Animals Act. Mr Hansen, in regards to the POCTAA review, with the removal of the director of animal welfare role, who within the DPI will lead on that POCTAA review?

SCOTT HANSEN: That will actually be led by both the Chief Animal Welfare Officer plus our director of strategy and policy. As we talked about in Minister Moriarty's hearing, whilst that role has changed, there is no decrease in the actual resourcing of the reform. It's just a reorganisation as to the resources applied to it.

The CHAIR: Have the changes in the roles created any change in time line for the review?

SCOTT HANSEN: No.

The CHAIR: So that stays the same?

SCOTT HANSEN: No.

The CHAIR: Could I get on notice what the remuneration was for that role, the director of animal welfare?

SCOTT HANSEN: I'll take that on notice, yes.

The CHAIR: Is Ms Suzanne Robinson still employed now? You said that she now has other responsibilities.

SCOTT HANSEN: That's correct.

The CHAIR: Could I get her title and what her responsibilities are now?

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SCOTT HANSEN: Yes. I'm happy to get those for you. She is currently assisting us with the independent Biosecurity Commissioner's work—so supporting Marion Healy—and the reforms that, hopefully, you'll see soon in the upper House for consideration. But in terms of the actual title of that role, I will come back to you on that.

The CHAIR: Is that a contract role or a casual role?

SCOTT HANSEN: No, that's ongoing.

The CHAIR: It is full-time?

SCOTT HANSEN: Yes. As you can imagine, we deploy directors across a range of tasks depending on where priorities arise. With the suite of election commitments on animal welfare, there's obviously a whole bundle of pieces that need to be picked up and driven. There's a team that has been formed to assist in driving the animal welfare reform pieces that pick up all of those election commitments as well. At the same time, we have election commitments around the independent biosecurity commissioner and the independent agriculture commissioner, and those ones also need resourcing to be able to deliver against. That is where we look for the opportunity to deploy directors across the business.

The CHAIR: Have you had any discussions with any Minister about a new role for an independent commissioner for animal welfare?

SCOTT HANSEN: No, not at this stage.

The CHAIR: I just want to ask some questions about the *Animal Welfare Code of Practice Breeding Dogs and Cats*. This code of practice was a way to ensure any breeding facilities that apply for a DA are at least required to comply with more robust standards than the current code, but it has no caps on litters or staffing ratios and allows dogs to be kept in cages for 23 hours and 40 minutes a day. I'm just wondering if there's any progress updating that code. I know there was a small update in 2021, but I assume that there will be more work on that?

SCOTT HANSEN: The breeding code will need to be looked at as part of the suite of reform, especially given one of the election commitments around puppy factories or puppy farms. So you can assume that there will be reforms in those codes that follow on from those regulatory reforms that will be required.

The CHAIR: That is definitely still going to be reviewed other than the small update that happened in 2021?

SCOTT HANSEN: Yes. As we've talked for the last little while about the reform of the legislation—I know the Committee looked last year at a draft bill and gave us some advice in terms of what should be amended. We now have additional pieces with regards to election commitments that need to be factored in. Out of that then comes regulatory changes that need to be made to clean up and make sure that we have a seamless operation on animal welfare in this State. Out of that also then comes standards and guidelines and codes of practice. All of those need to be harmonised once you have your foundation legislation and regulations built.

The CHAIR: Has the DPI received any instructions from the Minister to start work on the puppy farm legislation?

SCOTT HANSEN: Not from the Minister of Local Government, no.

The CHAIR: I'm wondering if OLG or DPI have offered any assistance or guidance to councils on the ongoing issues they are facing regarding puppy farms and large breeding facilities?

BRETT WHITWORTH: The Office of Local Government certainly hasn't. This is where the conversation this morning with the Minister about the assessment of development applications—and being a planner of longstanding, I'd be interested to see the legal advice that the councils have. Just because something is permissible in a zone doesn't necessarily mean that it is suitable for that and should automatically be approved, unless it's housing, in which case—

KIERSTEN FISHBURN: Thank you, Mr Whitworth, for that message.

BRETT WHITWORTH: If there are concerns about operation et cetera—again, if there are concerns from councils, we are happy to pick those up through our conversations with our engagement managers, and I am sure that the councils are listening in on these estimates and will raise them.

KIERSTEN FISHBURN: Ms Hurst, for fullness of answer, I can confirm that the planning department proper has had conversations with councils about this matter and provided similar assessment-type advice to that, which the Minister and Mr Whitworth have alluded to. I don't know whether they have this year, but certainly previously when I was in the planning delivery unit, my staff there had conversations with councils about this matter. That is so you've got the full record.

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The CHAIR: Thank you. Is that something that comes to DPI?

SCOTT HANSEN: Sorry?

The CHAIR: In regards to councils having problems with large breeding facilities or puppy farms?

SCOTT HANSEN: Only if they feel as though there is a breach of the POCTAA—Prevention of Cruelty to Animals Act—in which case, if they come to us, we provide them copies of the codes. We answer any questions they have with regards to what they should be looking for and we can assist them in making contact with the compliance agencies to have a look at it.

The CHAIR: My office has been contacted recently quite a lot by cat carers and community members. They are concerned about what they are proposing is a rise in cruelty to stray and homeless cats due to some of the rhetoric that has been put out by councils and the Federal Government about cats and cat containment and wildlife. I am wondering if you have received, or if you have any record of receiving, an increase in cruelty to cat complaints?

KIM FILMER: No, we haven't. Those sorts of complaints should be directed to the enforcement agencies. If people are concerned about cruelty issues, they should be directed to RSPCA, Animal Welfare League or New South Wales police.

The CHAIR: Obviously every individual case does not get referred, but the complaints that have come to my office are that they have felt that there is a rise in cruelty complaints. But that hasn't come to DPI?

KIM FILMER: We haven't had that information provided to us, no.

The CHAIR: Have you spoken to the POCTAA agencies about it?

KIM FILMER: Not specifically, no.

SCOTT HANSEN: But they would normally—

The CHAIR: Reach out to you?

SCOTT HANSEN: We have pretty regular conversations with them. If they saw a rise in a particular area of concern, it would be the kind of thing they would raise with us.

KIM FILMER: Absolutely.

SCOTT HANSEN: But it is not something we have specifically asked them.

KIM FILMER: I also have those stats that I took on notice for the audits of boarding facilities. RSPCA did 12 in the last financial year and the Animal Welfare League did six in the last financial year.

The CHAIR: Thank you. In regards to the companion animals fund, there was \$6.3 million in existing funding from the companion animals fund earmarked to help councils improve education and care for registered dogs and cats. I am just wondering what that program looks like and are there any other specific programs or steps councils are required to take?

BRETT WHITWORTH: I think, Madam Chair, you are talking about what's in the budget papers. When a cat or a dog is registered, the registration fee comes through the Office of Local Government. At the moment we are allocating 80 per cent of the companion animal register fees to councils, and we retain 20 per cent for education and for the build of the Pet Registry. That is a forecast of what we would expect to receive and then provide to councils. However, in previous years it has been different. Instead of the expected sum of around \$7 million coming in, we have actually had \$11 million coming in, so the actual amounts that we provided to councils have increased as a result.

At the moment the money basically comes in and goes back out to councils on a pro rata basis on how many animals were registered. I do feel that that's an area that we can look at to improve, because in some cases we are giving those councils that have large amounts of animals that are registered a reasonable amount of money, and those councils that don't have a large number—I have signed off on returns that have been as little as \$29 for a quarter, which doesn't really do much. I do feel that there is an opportunity there to look at how we can get more bang for our buck, working across with joint organisations, for example, or working with groups of councils.

The Hon. SCOTT FARLOW: I might ask Mr Gleeson to come forward, if that is possible.

BRETT WHITWORTH: I do want to warn that Mr Gleeson, being a lawyer, will have a limited range of responses that he will be able to provide.

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The Hon. SCOTT FARLOW: We will run through the questions and we will see what Mr Gleeson can add to it. This is very much around the issues that we were talking about previously with the Minister with respect to de-amalgamation procedures.

BRETT WHITWORTH: I would like the questions to be directed through me and to Mr Gleeson if that is okay.

The Hon. SCOTT FARLOW: We will indeed, Mr Whitworth. I will ask through you and then you can direct as you see fit. With respect to the anomaly in the Local Government Amendment Bill, particularly 218CC, when did that first become evident to the department?

BRETT WHITWORTH: It has been an issue, I suppose, when we went to seek orders for proclamation to give effect to Minister Tuckerman's decision. It became evident that there was insufficient power for us to be able to obtain a draft of the proclamations. Any further and we would be revealing privileged legal information that we received from Parliamentary Counsel.

The Hon. SCOTT FARLOW: You said when that was. Is there a date or a month you could provide us with in terms of that?

BRETT WHITWORTH: The Minister's decision in relation to Cootamundra-Gundagai, I don't know that I have a time frame. It was 24 August when the former Minister, Minister Tuckerman, made her decision to demerge, so it would have been somewhere after that.

The Hon. SCOTT FARLOW: With respect to that, was it then made clear that new legislation would be required to give effect to any demerger?

BRETT WHITWORTH: Again, show me a public servant who hasn't identified legislative change as an option to a Minister and I am showing you a public servant who is not trying hard enough. Certainly we would have identified, yes, there is a legal issue and that legislative change is one of the options available.

The Hon. SCOTT FARLOW: And that advice was provided to Minister Hoenig?

BRETT WHITWORTH: Again, Minister Hoenig was provided with advice that identified that legislative change was one of the approaches, but he has given you pretty clear and comprehensive responses as to why he has chosen to go through the path that he identified and he found through his review and analysis of the Local Government Act.

The Hon. SCOTT FARLOW: Minister Hoenig outlined this morning as well that he had requested senior counsel advice on this matter. Is that correct?

BRETT WHITWORTH: It is within the purview of a Minister to seek additional advice, yes.

The Hon. SCOTT FARLOW: And it was obtained through the Office of Local Government?

BRETT WHITWORTH: If you are obtaining external legal advice that is on a matter like this, you need to go through certain processes, which include seeking that advice through the Crown Solicitor's Office.

The Hon. SCOTT FARLOW: In terms of that, has the office abandoned any work being done on any further legislative amendments to the Act?

BRETT WHITWORTH: Well, "abandoned" suggests that we'd started.

The Hon. SCOTT FARLOW: Is the Government pursuing any investigation of any legislative changes with respect to the Act?

KIERSTEN FISHBURN: That is a matter for the Minister.

BRETT WHITWORTH: That is a matter for the Minister. That is a matter for Government policy.

The Hon. SCOTT FARLOW: I'll probably get the same answers to my next question, so I might leave that line of inquiry there. Thank you for coming to the table, Mr Gleeson; you didn't have to answer anything.

GRANT GLEESON: Thank you.

The Hon. SCOTT FARLOW: I am glad we could get your steps up for a brief part of the day. Back to withdrawals—eagerly anticipated!

BRETT WHITWORTH: Eagerly anticipated withdrawal guidelines.

KIERSTEN FISHBURN: My apologies, Mr Whitworth.

CORRECTED

The Hon. SCOTT FARLOW: At least you got a heads-up in terms of it. In terms of the new withdrawal guidelines that have been issued, can you tell us what the substance of those guidelines has been?

BRETT WHITWORTH: The guidelines are issued under section 23A of the Local Government Act. They're issued by the departmental chief executive, so I exercise that power to issue the guidelines. In doing that, I needed to obtain the concurrence of the Minister for Planning and Public Spaces because it referenced a planning function that councils have, and that concurrence was obtained. What the guidelines do is identify for councils a number of key principles around, first of all, setting out the importance of providing for additional housing, and housing affordability is a significant challenge. I think, as I've said to Local Government NSW and to general managers and so on when they've questioned me, any lever that is within our reach we will pull. In this case, it was about making sure that there is an approvals—

The Hon. SCOTT FARLOW: When you say within our reach, you mean the Office of Local Government's reach, or do you mean councils themselves?

BRETT WHITWORTH: I suppose I'm also involved in other housing matters. I'm chairing, for example, a national working group on local government to help assist with the delivery of the National Housing Accord. This isn't a New South Wales issue; this is a national issue. I suppose the collective "we", would be everyone that has an ability to influence and provide for additional means to improve the affordability of housing.

KIERSTEN FISHBURN: As a member of my executive, all my executive team have responsibility for doing what they can do within their portfolios for housing targets.

BRETT WHITWORTH: What the guidelines are effectively saying is we have a policy statement that we want councils to contribute to provide more appropriate housing to address the State's housing shortfall. We want councils to allocate appropriate resources to their planning and assessment teams to ensure development applications are assessed and determined expeditiously, and we strongly encourage councils to avoid practices that delay DA assessment within reasonable time frames. I suppose using those principles, we say, effectively, if you are looking to encourage an applicant to withdraw a development application involving housing, we're essentially saying, "Please work with the applicant to see whether there is a way of improving that development application so that it can be determined."

The Hon. SCOTT FARLOW: Mr Whitworth, what have been the material changes that have been made as a result of that 23A direction or guideline?

BRETT WHITWORTH: When you say "material change" is that a "Why did we need to take action?"

The Hon. SCOTT FARLOW: No, what have councils done in response to that guideline?

BRETT WHITWORTH: I think what we've seen is we've seen DA processing time frames have increased from an average of 69 days in July 2021 to an average of 116 days in March 2023. Now, that's not to blame councils for that because they will, quite rightly, identify a number of challenges that they're dealing with. But we also had figures that show that there have been 9,000 applications that have been withdrawn since July 2021. When we look at that, there is an average of nearly 70 withdrawals per council. Having said that, there are some councils where there are no withdrawals, so there are some councils that are working with their applicants.

There are some councils where there's a high number of withdrawals and that's not to say that they're not working with the applicants, but it was, I suppose, a recognition and a concern that there were some circumstances where—the view was put to me councils are seeking to either avoid having a matter fought in court, or avoiding trying to improve their overall DA turnaround time frames by encouraging applicants to withdraw rather than refusing the development application and having that show up on their statistics. I think the concern was with a number of fairly—as I said, looking to pull every lever at our disposal. If there are genuine housing DAs out there that will provide additional housing supply, it's one of tools in our arsenal to make more housing available to more people.

The Hon. SCOTT FARLOW: Since that guideline, have you seen any changes being implemented by councils to take into consideration the guideline?

KIERSTEN FISHBURN: I don't think we would have the dataset strongly enough. I would suggest that would be a good question in February when the guidelines have been out there for some time and we are able to pull the data out of ePlanning.

BRETT WHITWORTH: They are only—

The Hon. SCOTT FARLOW: It's a month, I know.

BRETT WHITWORTH: Yes, they were issued on 5 October.

CORRECTED

The Hon. SCOTT FARLOW: Have you had any feedback from council with respect to those guidelines at all and council's response? I'm sure you get feedback from councils all the time on a whole range of—

BRETT WHITWORTH: I do get feedback from councils all the time. Some general managers text me quite regularly. General managers are always very up-front in their views, which I always find incredibly refreshing.

The Hon. SCOTT FARLOW: I'm sure.

BRETT WHITWORTH: Yes, I have had some feedback. The feedback that I have had has varied from, "Look, this is what we are doing to make sure that we can address DA improvements and DA work." Some councils have identified that the use of DA withdrawal—or that the number of DA withdrawals is quite minimal. Other councils have given me a breakdown of where the DA withdrawals have come from. So their stats are more granular than our statistics, which we've taken through the Planning Portal. One council has been able to identify that some—they have a large number of DA withdrawals, but some of them are about shopfront fit-outs, for example, rather than for housing. They wanted to bring that to my attention. I have not had a council that has put in writing that they object to the DA guidelines, but I do know that some general managers felt that it was us—they were concerned that we were trying to tell them how to run their development assessment systems.

The Hon. SCOTT FARLOW: How to suck eggs in their local—

BRETT WHITWORTH: I was trying to avoid that phrase, Mr Farlow.

The Hon. SCOTT FARLOW: That's why I thought I would say it rather than you. On notice, would you be able to provide us with the numbers in terms of over the last three years—I think that was the period you were talking about—and the 9,000 withdrawals, as to that figure by local government area?

BRETT WHITWORTH: Yes, that's available.

The Hon. SCOTT FARLOW: Thank you very much. I think that might be it for our questions.

The CHAIR: Wonderful, fantastic. Thank you. Does the Government have any questions?

The Hon. PETER PRIMROSE: We're satisfied.

The CHAIR: Are there any more questions that have come through with answers?

BRETT WHITWORTH: I do have questions about the—those detailed questions you asked about the receiving of pound statistics. Do you want me to talk to that now or would you—

The CHAIR: Yes, that would probably be good, if that's all right, unless it's overly detailed.

BRETT WHITWORTH: Well, there's a number of them. It's not super detailed. Is there a standardised format for collecting and receiving pound statistics? Yes, the Companion Animals Register has a standard template which council officers access to update pound statistics annually. It records animals coming in and reasons for leaving the pound, including resale, being returned to owners, rehomed and euthanised. What checking is undertaken? We will not check or cross-check what information comes from the council. That's a compliance issue for the council. Are any councils required to keep records when animals come into their pound facilities? All councils are required to keep records. The pound return is a legislative requirement under section 67A of the Companion Animals Act.

Are the statistics sent from the ranger and shelter managers or do they need to be signed off by a general manager before they are submitted? I'm unaware of a sign-off from a general manager for submitted returns provided directly into the Companion Animals Register, so that would imply that rangers can provide those statistics. But, again, it will vary from one council to another in terms of the delegation to fulfil statutory obligations. If a pound is run by a third party or not a council, council still need to organise and complete their pound return. A council is effectively seeking—outsourcing is not a currently appropriate phrase, I suppose, but they're seeking to get another service provider to provide that service for them, but they still have the legislative obligation to provide the pound return. So they will have some form of agreement with the provider. Can we expect to see the pound data report for 2022-23? I think Ms Bishop answered that question, but we expect it to be published before the first week in December.

The CHAIR: Great, thank you. On that, if a council doesn't complete their pound return, what is the process then?

BRETT WHITWORTH: If a council doesn't complete their pound return, they will be expecting to receive a phone call from the office. If they don't respond after that, they will receive a letter from Ms Bishop. If they don't respond after that, they will receive a letter from me.

CORRECTED

The Hon. SCOTT FARLOW: I have just one last question that I failed to ask Mr Whitworth as he was speaking. You mentioned the levers in terms of housing supply. Apart from the withdrawal guidelines, are there any other levers that you see that the Office of Local Government can pull?

BRETT WHITWORTH: I suppose the levers are probably the other things that I am doing. I am participating in the executive leadership committees and the conversations about housing. I made a comment earlier about my involvement in making sure that the Planning Portal works and my role on the executive steerco for that. I participate in the housing senior officers group at a State level to provide a local government perspective. I also, as I have said, am chairing a national local government working group with the Commonwealth as a secretariat, where we are looking at the impediments and barriers for local government and what we can do to help assist councils to help deliver additional housing. That includes giving the Commonwealth advice on how it will be spending the money under the National Housing Accord, and how it would frame the guidelines for the \$500 million housing support program that it is about to come out with. There is probably more, but the final for now is we are working with our colleagues in the department in our homes and property team—soon to be Homes NSW—on guidance for councils on how they can utilise their own land holdings to provide for affordable and community-led housing projects.

The Hon. SCOTT FARLOW: Thank you, Mr Whitworth.

The CHAIR: Thank you all for your attendance today. There is more?

KIERSTEN FISHBURN: I just wanted to take a moment, Chair, if that is okay, to thank Mr Whitworth and all the staff from OLG for their attendance here today. OLG is a small agency, but a mighty powerful one. I am very proud of the work they do. It is very complicated working with the third tier of government, but very important. We are all passionate about councils and what they do and deliver for the community. I also would like to thank all of the staff who have worked very hard to prepare us for today. As you can tell, there is a lot of rigour that goes on behind. And thank you to the Committee. You have treated my staff with absolute professionalism and courtesy, and we really appreciate it. Thanks.

The CHAIR: Thank you. It is good to get that feedback. Thank you all again for your attendance today, and for your time, and for the evidence that you have provided. The Committee secretariat may be in touch if there are further questions, and also any questions that were taken on notice as well. Thank you again.

(The witnesses withdrew.)

The Committee proceeded to deliberate.