

PORTFOLIO COMMITTEE NO. 8 - CUSTOMER SERVICE

Friday 28 February 2025

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

Dr Amanda Cohn

The Hon. Scott Farlow

Ms Sue Higginson

The Hon. Dr Sarah Kaine

The Hon. Mark Latham

The Hon. Stephen Lawrence

The Hon. Aileen MacDonald

The Hon. Tania Mihailuk

The Hon. Nichole Overall

The Hon. Peter Primrose

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

The CHAIR: Welcome to the first hearing of Portfolio Committee No. 8 - Customer Service for the additional round of the inquiry into budget estimates for 2024-2025. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Emma Hurst. I am the Chair of the Committee. I welcome Minister Hoenig and accompanying officials to this hearing.

Today the Committee will examine the proposed expenditure for the portfolio of Local Government. I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures. Welcome and thank you all for making time to give evidence today.

Ms ERICA van den HONERT, Executive Director, Sector Development, Office of Local Government, affirmed and examined

Ms KIERSTEN FISHBURN, Secretary, Department of Planning, Housing and Infrastructure, on former affirmation

Mr BRETT WHITWORTH, Deputy Secretary, Local Government, Office of Local Government, on former affirmation

Ms RACHEL CONNELL, Deputy Secretary, Agriculture and Biosecurity, Department of Primary Industries and Regional Development, on former affirmation

Dr KIM FILMER, Chief Animal Welfare Officer, Department of Primary Industries and Regional Development, on former affirmation

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. till 1.00 p.m., with a 15-minute break at 11.00 a.m. In the afternoon, we will hear from departmental witnesses from 2.00 p.m. to 5.30 p.m., with a 15-minute break at 3.30 p.m. During these sessions, there will be questions from Opposition and crossbench members only and 15 minutes allocated to Government questions at 10.45 a.m., 12.45 p.m. and 5.15 p.m. We will begin with questions from the crossbench.

Dr AMANDA COHN: Good morning, Minister. As you would be aware, the Committee on State development tabled its report on the financial sustainability of local government in November, and the response from the Government is due today. When that inquiry was initiated, one of the reasons that you stated it should be done by a parliamentary committee rather than by IPART was for the timeliness of that action because it was so urgent for the sector. What urgent actions will you take in response to that inquiry?

Mr RON HOENIG: The Government is not going to be able to respond within that time frame because I need to have further discussions with the Auditor-General. I need to have further discussions with IPART, and I really need to examine, for example, matters in relation to the extent of financial unsustainability for a couple of councils, who have made special rate variation applications recently, which highlights to me a particular concern. What I have been successful in being able to do, though, Dr Cohn, is I've been able to get agreement and support from the new Auditor-General for the change of councils' financial systems—I've talked to you before about those—making them more transparent and getting rid of these depreciation schedules for non-realisable assets so that their expenditure is not opaque. It is opaque now.

I got pushback from everybody about that. Everybody looked at me like I was an idiot, initially, and then all of a sudden the Auditor-General and local government Ministers nationally are starting to agree with me. So I need to take into consideration how I'm going to change the financial systems and how much flexibility I can give to councils for rate determinations. The USU and the local government industry are demanding the removal of rate pegging that has been there for 48 years, but if you just look at what two of the councils have done this year—no government is going to be able to ever get rid of rate pegging. So how do you give them flexibility? How do you give them a system whereby there's transparency for their expenditure? I don't think we can meet that time frame to propose a realistic solution. We can give the House a bit of paper with generic terms. I'm sure that's not what you're after, Dr Cohn, and it's not what I'm after.

Dr AMANDA COHN: I'm sure the local government sector will appreciate the work that you've done with the Auditor-General. I'm particularly interested in the recommendation around statutory fees and charges, which have been a significant source of cost-shifting onto councils. As a member of that inquiry, we heard a number of very specific examples where the State Government has imposed fees and charges onto councils that don't cover the cost of providing the service. Given the extra time that you're now taking to discuss the recommendations before tabling the Government's response, what compensation will you be giving councils for the ongoing costs that they're incurring while you continue to deliberate on this?

Mr RON HOENIG: Dr Cohn, I'm always happy to look at specific individual issues that might have been flagged or might be unfair. Firstly, the years I spent in local government, we have—the sector has always complained about cost-shifting. The New South Wales Government complains about cost-shifting with the Commonwealth. We say our arguments have substance, especially with GST share, but this is part of the normal tensions of a democracy where you have three tiers of government. I'm going to go through an exercise very shortly whereby I'm going to add up how much money councils get from the State and how much they pay back, and I think the sector itself would be surprised.

Secondly, many of the matters—say, contained in the local government association's cost-shifting report—that they complain about have been local government functions for 150 years. I'm the first to defend the sector and say that they are an independent, democratically most important tier of government. I'm prepared to concede that most of their inefficiency, whether perception or otherwise, is the creation of State or parliamentary interference in their operations. I'm prepared to look at matters, on an individual basis, which might be unfair. I'm happy to do that. But I'm not copping this general whinge about cost-shifting. They have selected, for example, within their council areas, as is their right, to fund services which the conservatives might say are not for traditional government services, but they're doing that to respond to a community—

Dr AMANDA COHN: Minister, with respect, if I can redirect you.

Mr RON HOENIG: Please do.

Dr AMANDA COHN: The inquiry specifically looked at cost-shifting as one of its terms of reference.

Mr RON HOENIG: I know.

Dr AMANDA COHN: The report included a number of specific examples—nobody is really arguing about whether things should be the function of local government or not and their services that councils are providing—where the State Government has specifically restricted their ability to actually recover the cost of providing those services. The most obvious one off the top of my head was the stormwater levy. The parliamentary inquiry has gone to the effort to do that work. We spoke with dozens of councils. We travelled across the State. We've now provided you with that report and those specific examples. Is that something that you will look at in the short term?

Mr RON HOENIG: I'm certainly going to look at it, as part of the process. With all these matters in relation to local government—including, say, for example, the red fleet, of which there is going to actually be a solution arising from the Legislative Assembly's Public Accounts Committee—you've got to go back to when these things first started, what the purpose of them were, and then see what the impacts are. I'm happy to ensure that that's one of them.

Dr AMANDA COHN: In my last few minutes, I'd like to come to the ICAC Operation Mantis, which tabled its report late last year, and it made 19 recommendations to Canterbury-Bankstown, specifically in response to the finding of corrupt conduct. I'm interested in your view of what the implications actually are at a statewide level. Is more work needed to support councils to prevent this kind of behaviour from occurring at a different council?

Mr RON HOENIG: Just tell me, which part of the recommendations are you concerned about?

Dr AMANDA COHN: I'm not concerned about any of the recommendations. What I've noted is that the recommendations are specifically to Canterbury-Bankstown Council, rather than to yourselves. But I think with any issue like this, where trust from the community is reduced in the local government sector, it's important to look at whether this is something that could occur as an issue in a different council in the future.

Mr RON HOENIG: I've been having discussions with the chief commissioner and commissioners in the Independent Commission Against Corruption in respect of a number of issues occurring in local government, and procurement is one of them. In fact, it's a substantial part of the commission's work, local government procurement. I'm going to try and address that as part of the statutory reviews of the codes of conduct. I'm calling it "codes of conduct", because in the code of conduct is not just a code of conduct but other statutory requirements. I should say that arising from my discussions with ICAC and the material that they have given to me on a confidential basis, there is grave concern about the way procurement is occurring across the sector, whilst at the same time there's a lack of understanding of what local government is supposed to do and how it benefits a local economy.

For example—you would know, because you were on a regional council—I have an expectation, and I know this is the case for councils in rural and regional areas, that you want them to invest in their own local economy. You want them to generate and provide jobs in their own local economy. And when that occurs, the people whom they procure services from, or goods, they all know each other. As I said to them, it's like when you do a country trial and the instructing solicitor knows everybody on the jury panel. They all know each other. They all go to school together, or the kids play sport together. So imposing upon the council or councillors a conflict of interest because they happen to know who they're procuring with and they shouldn't do it and they should get quotes and deal with people outside the city to avoid the perception of conflict and the suggestion of corruption—it doesn't really deter corruption. It just interferes with what you want local councils to do.

In terms of putting processes in place, you've got to be careful you don't throw the baby out with the bathwater. I have different views to them about that, but they're prepared to accept that I work through a series of

statutory provisions or regulatory provisions, because all a council has to do is make sure they're getting value for money, not go and give work to, say, a Sydney contractor because they happen to know the contractor in town. Even if it costs more to get the local contractor, they should know how much more it costs so they can assess the benefit. It's quite a difficult exercise.

But there are problems at Canterbury-Bankstown that go beyond procurement. Things like transparency. I have to check, because Councillor Coorey told me, but apparently they're not broadcasting their council meetings live. As part of my code of conduct review and my code of meeting practice—I'm not sure whether I wrote that in, but it's going to go in now. I'm not having that stuff. I'm not having documents not transparent, I'm not having meetings not transparent and I'm not having non-broadcasting of council meetings.

The CHAIR: I wanted to start by asking about funding for rescue and rehoming organisations, who are particularly struggling around the current cost-of-living crisis, and obviously doing a huge amount of the work in rehoming animals across New South Wales. Can you provide an update on whether you'll be reinstating a grants program to support the vital work that these rescue groups are doing?

Mr RON HOENIG: Those matters will be going to the ERC reasonably soon, and hopefully we will get an outcome on them. But I agree with you, it's vital work. What stage is that work up to, Mr Whitworth?

BRETT WHITWORTH: The budget process is being compiled. NSW Treasury did give the opportunity for a number of people to make submissions, and those submissions are being considered. We've also taken on board the numerous requests that have been made both through this Committee and through yourself, Madam Chair, to have a more organised and less ad hoc process for those grants. So we've certainly made our bid. But it's a decision of government as to whether they decide to support that.

The CHAIR: Is this going to be one of your priorities for what you push for within government? I understand there's lots of priorities, but will this be one of them?

Mr RON HOENIG: Animal welfare and reform of the Companion Animals Act, and what's occurring in POCTAA, has become a far more significant part of the Government's remit than I actually anticipated when I became Minister for Local Government. In fact, I've dragooned one of my ministerial staff, somebody from the Office of Local Government, who specialises in that particular area, which I understand you've had dealings with—

The CHAIR: She's fantastic.

Mr RON HOENIG: —to ensure that area is given priority. As I think I said to you before, quite objectively, for no other reason is that when I see the reductions of euthanasia rates or the results of rehoming that's occurred over the years, had it not been for the instigation of you and your colleagues, those things would never have happened by a government. They just would not have been given the priority that at least you think they're entitled to.

The CHAIR: It's not just me. I think the community is very much on the side of protecting companion animals as well. In regards to the Government response to the pound inquiry, I was a bit concerned that in regards to the funding for rehoming organisations the response said that this matter will be considered as part of the review of the Companion Animals Fund. While I support a review of the Companion Animals Fund, I just want to make sure that we're not moving the deckchairs around on the *Titanic* and suggesting that we split that very small crumb of money. I think it's currently about \$8 million across councils.

We heard at the pound inquiry that the small amount that councils do receive doesn't cover the costs for the large majority of them for very basic animal welfare, and they have to find other funding. I want to make sure we're not looking at taking this very small crumb of money and trying to divide it up into grants for rescue organisations as well, and that we are actually looking at additional funding rather than splitting that, because I imagine that would lead to further animal welfare disasters in the council space.

Mr RON HOENIG: One of the issues that government has to consider, and it's a very difficult one, is whether to grow that fund, and there's only really one source of that fund whether you grow it or not. If you grow it wrongly, then it has perverse effects. I mean, we've only got—which is really frustrating to me, it must be frustrating to everybody. We've only got 40 per cent of dogs and cats registered. There's this gap between chips and registered, and I hope the new register is going to facilitate that. We're not even sure whether the 4.7 million dogs and cats that are out there are actually the total number or not. They're only chips. I've really been concerned—I've become fascinated by this, actually, since I've been the Minister. What's actually involved, if you obtain a puppy, in its training? How much time has to be put into it for you to maximise the benefit of your pet—

The CHAIR: Sorry, I am going to interrupt you there. I know we've talked between us quite a bit about training.

Mr RON HOENIG: Yes, but it's all related to how much money you can extract for people from that fund.

The CHAIR: Yes, I agree.

Mr RON HOENIG: And where the expenditure occurs is a matter of priority.

The CHAIR: Sure, but my question wasn't about how much we can extract from that fund. My question was that the funding for the rescue groups won't be coming from that very limited fund. We're looking into additional funding sources outside of the Companion Animals Fund to fund those rescues.

Mr RON HOENIG: I will do what I can because they do a terrific job. They're fundamental to reducing not only euthanasia rates but they're also fundamental to providing assistance to—I accept what you say and I'll do the best I can.

The CHAIR: As I say, I support the idea of having more oversight into the Companion Animals Fund. I know that there's little information about how councils are spending that. I think it's a fantastic move to have a further look into that. My concern was simply that we're going to take this very small amount of \$8 million, which funds all councils across New South Wales on their animal welfare, and try to divide that out further. As you say, there's a limit on how much that can be increased before it's got a further negative welfare effect with people not registering their animals. It means that there needs to be another pocket of money that is included within this space rather than trying to take one very small crumb and dividing it up.

The other thing I wanted to ask you about is mental health. As I'm sure you're aware, this isn't just an animal welfare issue but also a mental health and safety issue for volunteers as well. I regularly get emails from rescuers and from people working in that rescue group that say they're absolutely inundated with the number of animals that are coming into their care. I got an email last month, Minister, that said, "The lack of support was causing untold mental damage to us on the ground," and warned that people will start committing suicide if no-one comes to help. Do you agree that supporting animal rescues is an issue that needs to be addressed as a priority so that we're supporting these people that are doing this very important work as well?

Mr RON HOENIG: I didn't know that the matter was that serious. I wasn't aware of that. But now that you've brought it to my attention, I will have that looked at immediately.

The CHAIR: My follow-up question was have you met with the Minister for Mental Health, but, based on your answer, I'm assuming that would be a no.

Mr RON HOENIG: No, I haven't. I'm happy to speak to the Minister for Mental Health about the issue at any time. But I really had no idea. I could understand why people may well be distressed volunteering in that space, but I didn't know that it had that sort of serious impact. I'll seek to address that immediately.

The CHAIR: To give some information around that, a lot of these people are big animal lovers. When they're getting emails and calls to take animals in and they're beyond capacity already, it leads to a lot of distress for people because they know that if they say no to a certain animal, that probably means that animal will be euthanised. That's where that real stress comes into their day-to-day, on top of the fact that many people that work in the rescue space are skipping meals to be able to make sure that they can afford veterinary costs and various other things to be able to care for the animals in front of them. Minister, my last question is around when we might hear about any funding changes, noting that you have put in a bid through the process. Will we hear something before the budget itself is announced or do we have to wait for the budget itself?

Mr RON HOENIG: I think you're going to have to wait for the budget, because that's where the money is voted.

The Hon. AILEEN MacDONALD: At previous budget estimates and during your term as the Minister you've committed to reviewing council financial sustainability, reforming the code of conduct, and addressing governance failures and councillor misconduct. However—and we're nearly halfway through—none of these reforms have been delivered and timelines keep slipping. Minister, are these reforms still a priority for the Government? When will we see concrete action?

Mr RON HOENIG: Ms MacDonald, clearly if anybody is talking to the local government sector, you would be well and truly aware of the noise that they are making about various parts of the discussion paper on the draft code of conduct and the code of meeting practice, because they need to go hand in hand. They are aware repeatedly of the work being done in relation to local government finance. You would not believe the pushback that I'm getting in respect of open meetings and banning these private briefings.

The Hon. AILEEN MacDONALD: I understand that, Minister.

Mr RON HOENIG: What I want to say, Ms MacDonald, is that these matters aren't just a matter of me preparing a document—I wrote the code of meeting practice—and imposing upon a tier of government my will or the Government's will. That sector needs a cultural change. You've got to take them with you and they've got to understand the purpose of doing it. Serious conduct matters—I've been extremely frustrated by the way in which the NCAT process has occurred. In December I had to talk to heads of jurisdiction about courts that are prepared to take it.

The Hon. AILEEN MacDONALD: Minister, can I redirect you?

Mr RON HOENIG: There's no magic bullet. If you want me to adopt something that will just be imposed upon the sector, I could do it tomorrow. But that doesn't fix the decades of inaction by New South Wales governments, who have created the problem.

The Hon. AILEEN MacDONALD: I remember you also saying that for far too long the system has been abused and it's time to restore confidence in councils.

Mr RON HOENIG: That's true.

The Hon. AILEEN MacDONALD: And here we are and there is still no timeline for action. I will move on.

Mr RON HOENIG: Ms MacDonald, you have to take them with you.

The Hon. AILEEN MacDONALD: Minister, I'm going to ask a different question.

Mr RON HOENIG: You can't just impose upon them your will.

The Hon. AILEEN MacDONALD: I didn't ask a question; I was just making a statement there. I will turn to IPART now. On Tuesday 11 February, so fairly recently, *The Daily Telegraph* reported:

Premier Chris Minns indicated yesterday he would leave any audit of council expenditure to IPART.

"They assess everything," he said.

Is that correct? Do IPART audit a council and assess everything?

Mr RON HOENIG: They will certainly be assessing their expenditure to ensure that the councils can justify their application. I can look at the basis of the application by, say, Northern Beaches and North Sydney and I can see the increases in expenditure. Sure, IPART will be quizzing them in relation to it because that's the whole purpose of their determinations for SRVs.

The Hon. AILEEN MacDONALD: Can I refer you to a document from an IPART fact sheet. It says, "Is your council talking about a Special Variation?" It is dated 17 September last year. It states:

We do not assess the merits of council spending decisions or spending priorities, such as how a council has decided to allocate its funds for future projects. We also cannot audit council finances as part of our assessment process as this is not part of our delegated functions.

You've answered that question. How can the community and this Parliament have confidence in the process if it appears that the Premier is saying one thing and IPART is saying another thing?

Mr RON HOENIG: I don't accept the premise of your question. I can say to you this, for example: I can see, as they can see—I've got to be careful what I say because I don't want to be seen to be influencing what is an independent process by making public statements about the merit of somebody's application. People are pretty angry, I know, in those two council areas—and rightfully so—with the way in which that has proceeded. We're in a cost-of-living crisis. I ask councils, before they go to the people for increases, to make sure they've exhausted or looked at their own expenditure before they make their application. In Northern Beaches, they voted for a 10.7 per cent increase. That's pretty unheard of. Everybody is dropping off their SRVs because their communities are up in arms. And then they want to bounce them by going up to something like 40 per cent.

I can see their infrastructure spends. I can see the increase in internal staffing costs. They'll certainly have to be talking to somebody about that. I can look at North Sydney's—I know it's not the council's fault or the council before that's fault that they got caught with \$120 million on what's probably almost a criminal conduct. That's probably unfair; I'll withdraw that. It was really poor conduct of the pool that was only going to cost \$58 million. But I can see that in their application to IPART 25 per cent of it is for the pool and then, looking at where the other 75 per cent is going—clearly those matters are going to be considered by IPART in accordance with their application. I don't want to talk about the merits of their application. Having people like Tony Abbott say people shouldn't pay their rates is just outrageous for the former Prime Minister.

The Hon. AILEEN MacDONALD: If I can just pull you up there, you mentioned that you can see how council expends its money and remuneration. I just wondered, Minister, we see that council CEOs and general managers in some areas are earning salaries that exceed those of government department heads, yet councils are citing financial distress and requesting special rate variations. Do you believe the current framework for council CEOs and general managers is appropriate?

Mr RON HOENIG: Can I tell you, one thing that really drives me up the wall is when they proclaim themselves as CEOs. The Local Government Act requires the appointment of a general manager. They are not a chief executive officer; they do not have executive powers. They are giving themselves profound titles that are not statutory titles.

The Hon. AILEEN MacDONALD: That doesn't answer my question.

Mr RON HOENIG: I have addressed already the issue in relation to senior staff and directors of councils. I brought them into the award via legislation, which you would be aware of, under industrial relations. I was opposed, in 1993, to giving general managers contracts. They used to be graded depending on the council's grading. I thought that was a fair result. It was a promotional system within the local government sector. I'm not in a position to judge, but I do say that the public—and they do have to report it publicly. It does have to go in the annual report. The amount that is being disclosed is a total package including superannuation and all these other costs, which inflates the figure. But I do have to concede that the public disquiet has always been my disquiet about that.

The Hon. AILEEN MacDONALD: Given that, Minister, what steps, if any, are you considering to ensure that ratepayers' funds are spent responsibly, and to your point with regard to CEOs?

Mr RON HOENIG: Ratepayers' funds being spent responsibly are matters for the democratically elected councillors. To intrude in what they consider to be responsible is not appropriate. This is a matter that has troubled me since I've been the Minister, but it does not have an easy response. There's a shortage of good, qualified general managers. The really good ones can dictate a price. You have to be careful you do not throw the baby out with the bathwater, Mrs MacDonald.

The Hon. AILEEN MacDONALD: You say it has troubled you.

Mr RON HOENIG: It has.

The Hon. AILEEN MacDONALD: And then you say it's up to councils. What steps can you, as Minister for Local Government and not Minister for looking into local government, do?

Mr RON HOENIG: I suppose if the Nats and the Libs would have had a solution to this issue, you would have done it years ago.

The Hon. AILEEN MacDONALD: I'm not talking about what we did. I'm talking about what you can do.

Mr RON HOENIG: This is a matter that has been created through legislation in 1993.

The Hon. AILEEN MacDONALD: You're the Minister now. You can fix it. How are you going to fix it?

Mr RON HOENIG: I don't think it can be fixed that easily. But if you have a solution, I'm happy to consider it.

The Hon. AILEEN MacDONALD: I'm not the Minister. You're the Minister. I'm asking the questions.

Mr RON HOENIG: I don't have an easy solution. I know it's a problem. There are plenty of problems I don't have easy solutions to, or otherwise they wouldn't be problems anymore.

The Hon. AILEEN MacDONALD: Would you support greater transparency in how these salaries are determined and whether they should align more closely with New South Wales government senior executive pay scales?

Mr RON HOENIG: I'm happy to have a look at that. You've got to be careful what you wish for in these things. They could go up.

The Hon. AILEEN MacDONALD: They can go up?

Mr RON HOENIG: You know what some of the public sector pay scales are like.

The Hon. AILEEN MacDONALD: Yes. Still on the northern beaches, on page 20 of the Northern Beaches Council Councillor Expenses and Facilities policy, the use of ratepayers' money for alcohol is specifically

excluded. Are you aware that the council has spent \$24,000 on alcohol for councillors at meetings, briefings, ceremonies and parties involving councillors?

Mr RON HOENIG: No, I don't look at individual councils' 252 policies. I have an expectation that they would be adhering to it. You've got to make sure that that doesn't include civic receptions and all that sort of stuff. These are internal issues. Unless they're acting unlawfully, where the Office of Local Government has a responsibility, it's not the function of the State to drill down into issues where they haven't acted unlawfully.

The Hon. AILEEN MacDONALD: But you would concede that \$24,000 is quite a large sum of money?

Mr RON HOENIG: If it includes amounts for civic receptions and other things, then it may not be. They might have a civic reception for volunteer lifesavers that they provided alcohol for. You just need to be careful.

The Hon. AILEEN MacDONALD: That equates to about \$1,000 a fortnight, though. I will move on to the next question. Are you aware the council has spent—this is a big number—\$1,000,016 of ratepayers' money on catering at council meetings, briefings, ceremonies and parties involving councillors? Do you give the same answer? You didn't look at that?

Mr RON HOENIG: No, I'm not aware of it because I don't drill down into any one of the 128 councils in the State.

The Hon. AILEEN MacDONALD: Wouldn't you, if they're asking for a special rate variation, start to look at these figures?

Mr RON HOENIG: I don't consider special rate variation applications; IPART does. Secondly, you're talking about a really large council that covers the entire northern beaches. I don't know what that expenditure includes compared to their overall budget. Councils have civic responsibilities. They have receptions and other community events. I have no idea what they do. Providing they're acting in accordance with the law, they are accountable to their own communities for their own expenditure. The day the State starts taking control of how councils start spending money that's within their discretion, you may as well not have elected people. The fact that elected people are under pressure—the fact that they're feeding this stuff through to the Liberal Party to put them under pressure—is good. That's what democracy is all about. They should be facing community pressure to justify their expenditure.

The Hon. AILEEN MacDONALD: Can I just stop you there? At the start, I said that it was a Northern Beaches Council councillor expenses and facilities policy. Will you take any action on what is a clear breach by the Northern Beaches Council of its councillor expenses?

Mr RON HOENIG: On the basis of your assertion that they're acting contrary to the law because they're acting outside of their 252 policy, I'll request Mr Whitworth to look at it. But being sent down rabbit holes because of a local political squabble and using the limited OLG resources, I'd be pretty annoyed if that's what it turned out to be. I'm happy for you to run issues on their behalf. I'm happy for you to ask me questions and highlight what you or others locally might consider to be inappropriate expenses. An assertion of impropriety under section 252 of the Local Government Act that requires me to ask the OLG to look at an internal squabble and use limited resources that I can't spare—if you want me to do that, I will do it. I'll ask him to do it.

The Hon. AILEEN MacDONALD: I would like you to—

The Hon. SCOTT FARLOW: Minister, this isn't a case of some sort of petty squabble between councillors. This is a case where you have a council that is seeking an extraordinary, as you've conceded yourself, special rate variation in this area. Wouldn't you have thought, with these issues being raised in the public sphere—this is not the first place that they've been raised—that you would have already instructed the Office of Local Government to have an investigation as to the council's compliance?

Mr RON HOENIG: Unless somebody brings to my or the OLG's attention that there is some suggested unlawfulness in breach of a section 252 policy, it's not for the OLG to drill down into their expenses. They've got an application before IPART. IPART will make the determination. As I said to you, \$24,000 for alcohol doesn't equate to a substantial portion of a 40 per cent rate increase where they're seeking tens of millions of dollars. The funds that they're seeking to justify their application, from what I can determine, are in staff costs and infrastructure spends. They don't look like immediate infrastructure spends that they need to fund, but IPART will work that out.

The Hon. SCOTT FARLOW: With respect to the council's policy and the use on alcohol, food, entertainment expenses and the like, whether they may be civic receptions or not, you've undertaken now to direct the Office of Local Government to have an investigation. This is not the first time that these issues have been ventilated. As you've said, this has gained considerable media attention and residents on the northern beaches are

significantly concerned about the impact of the rate increase. Wouldn't you have asked the Office of Local Government to look into these matters before today's hearing?

Mr RON HOENIG: I don't send the Office of Local Government to go and look at every issue that's run in the media where people are complaining about the expenditure of a council. They are democratically elected. They're accountable to their community. In places like the northern beaches, they're getting the scrutiny and the criticism, in my view, that they deserve. This is the first time I have been told by a member of the Legislative Council that they seem to be acting unlawfully in terms of one of their items of expenditure. If she maintains that, then my duty is to request the Office of Local Government to look at it, and I've done so on a third-party basis in your presence.

The Hon. SCOTT FARLOW: Thank you, Minister, for undertaking that action and asking the Office of Local Government to inspect this, but it does seem to be a fairly hands-off approach, when you've got a council that's seeking an extraordinary rate variation, to have not taken any action until now.

Mr RON HOENIG: The action is contained within the statutory process—that is, they have got to go through an independent process. It's the whole purpose of it. Since 2010—it has been going for 15 years—SRVs go to IPART for determination. They used to be determined, from about 1978 to 2010, by the Minister, who was making political decisions in respect of rate peg. Having me making a political decision about what I perceive to be a fair rate increase is not the way in which you should treat a democratically elected third tier of government. Otherwise, what are they there for? They've got to be given respect. They've got to face the pressure. They've got to face the music. They're facing the music. Just like with other councils throughout the State that have consulted their communities about special rate variation applications, the community has been up in arms raising the same sort of issues. The councils have not proceeded. Some of them have. Some of their communities agree to an increase. Northern beaches agreed to 10.7 per cent. That's rare. They decided they were going to grab a bit more along the way, and they're getting what they deserve, really.

Dr AMANDA COHN: Minister, coming back to the issues of integrity and transparency, I wanted to raise with you an issue in councillors' disclosures of their property interests. We had a debate in the Legislative Council last year on the Local Government Amendment (Pecuniary Interests) Bill, and I raised this adjacent issue. I appreciate that it hasn't come to the Legislative Assembly for debate yet. The issue that has been raised with me is that some councils are allowing the addresses of all properties owned by councillors to be redacted on the grounds of their privacy. I understand that's really important for people's primary residence. We're afforded the same privacy for our primary residence as members of Parliament. It has been raised with me that that shouldn't extend to investment properties owned by a councillor. I'm interested in your view on whether that's acceptable and if it's something that you might address.

Mr RON HOENIG: No, it's not acceptable. I have got to go further than just forcing them to—they're entitled to privacy for their primary place of residence, as are we. They are entitled to privacy for maybe a secondary residence that they might utilise in certain circumstances, such as security reasons. But they're not entitled to not disclose their property holdings. They have to do that. I'm going to address that. The other thing they cannot do, which I'm going to address—and I know the Government is going to address this for New South Wales MPs and MLCs—is breaking through trusts as well so that assets can't be hidden in trusts. Whether you're a trustee or beneficiary, they have to be disclosed. That has been a vehicle to avoid disclosure. You're on the right track. It's going to go further. It's just not acceptable. You might remember one of the commissioners that's responsible for making sure documents are public. There are some councils that just refuse to disclose those things. There were seven, I think. Now there's only about three, the last I got told. There is going to be some statutory process. There'll be some process or code that won't allow it.

Dr AMANDA COHN: When you say "some process or code", are you referring to the current code of conduct review or a different, future piece of work?

Mr RON HOENIG: That process. My initial view was to have the code of conduct to be similar to ours, and then have a regulatory process in place. After talking to ICAC and having them give me some confidential material, I didn't quite appreciate the extent of the problem. That's one of the reasons why I've had a bit of a rethink.

Dr AMANDA COHN: And in the interim, it would be your advice to those councils that are redacting property interests—

Mr RON HOENIG: I might have the OLG have a look at the current provisions and see if I can make some quick change. I'm just not having it, because those people refusing to do that just throws up a lack of trust for the sector and it impacts on public confidence.

Dr AMANDA COHN: I agree with you, Minister. Thank you for your attention to that matter. I also wanted to ask you about some performance improvement orders that are in place. There's a couple that concern me, notably Edward River Council and Central Coast Council. The reason I've chosen those two is that they were imposed during the term of the previous council and are now applying to the newly elected group of councillors. Particularly looking at the reasons for the order for Edward River, it's specifically related to behaviours of councillors: dysfunction, reputational damage et cetera. Do you think it's fair that that's imposed on a new group of elected councillors when it relates to a different group of elected people?

Mr RON HOENIG: Edward River, where there'd been some squabbling—I think I sent you down there once, didn't I?

BRETT WHITWORTH: Yes, Minister.

Mr RON HOENIG: I sent Mr Whitworth down there to informally tell them that if I get any more of these codes of conduct, any more squabbling, I'm going to surcharge them all because I've just had enough. Which he did do, but ultimately I was the one who got a complaint from the local member, and I actually looked at the video of the council meeting and saw the behaviour of the then mayor. I mean, I can tell you what had happened was—and this is what I saw personally that caused me to act. There was a councillor legitimately raising a variety of concerns, as we all have these councillors on councils that raise a variety of issues or concerns, which the mayor and the general manager weren't all that happy about.

Dr AMANDA COHN: Sorry, Minister. I'm going to interrupt you just in the interests of time to clarify I'm not questioning the reasoning behind the initial order. I'm questioning the continuation of it into the new term.

Mr RON HOENIG: I'll be quick then. I'll just say to you that I saw the conduct. I determined that they needed a performance improvement order because I wasn't going to have the mayor improperly and unlawfully throw councillors out of a meeting. That couldn't continue any longer. It upsets the democratic balance. I put an order on them, and they had to appoint—what did we call that person we appointed?

BRETT WHITWORTH: An adviser.

Mr RON HOENIG: The adviser went down there. It had an immediate effect. The adviser's given a report after the election saying that the culture seems to have changed. I think there's one more report coming, which is due about now or next month, and I think they've overcome their problems there. That's the reporting I'm getting.

Dr AMANDA COHN: That report's due today.

Mr RON HOENIG: Today, is it? Yes. They seem to be going reasonably well, so I'm pleased it's worked anyway. The Central Coast, all the three councils that came out of administration I put on performance improvement orders. Each of them had been dismissed, where there had been reports by the commissioners and administrators that had set a pathway. Central Coast, I'll just remind you, Dr Cohn—I mean, they reached a stage where they couldn't pay their wages on the Friday. That's how bad it was.

Dr AMANDA COHN: I appreciate that, but surely you also appreciate this is a brand-new council and a brand-new group of elected people who were not involved in this.

Mr RON HOENIG: They were in major financial difficulties. You're talking about the biggest council in the State. I wanted them out of administration even though I knew that the pathway that they had to restore their financial positions had not yet been completed. Even though the administrator had turned the budget process around—the quality of service had to drop substantially too, unfortunately. I wanted them out quickly, but I wanted the trajectory. They had to borrow, I think, \$100 million from one bank and \$50 million from another that required them to sell \$150 million worth of assets. Candidates were campaigning that they were going to not sell assets. They were campaigning they're going to stop selling assets and they were going to sack the general manager et cetera.

So, before the election, I put a performance improvement order on them for 12 months whereby there was an expectation effectively that they wouldn't engage in major staffing structural changes without the agreement of the Office of Local Government and that they would adhere to the general budget directions that had been set in the previous budget without reference to the Office of Local Government. Three performance improvement orders—there have been two requests to the Office of Local Government, which have been granted. It's for 12 months just to keep them in the guardrail to give them a start. I think that's reasonable. I know they don't like it, but it's not impacting upon what they're doing or how they're doing it or anything of that nature.

Dr AMANDA COHN: I draw you back to your earlier comments this morning about local government as a legitimate third tier of government, and you and I are in furious agreement about that. Would it be fair at a

State Government level for you as an incoming Minister in a new government to be restricted by guardrails to be sticking within the budget set by the previous government? We would never accept that here.

Mr RON HOENIG: Dr Cohn, if you ever become a Minister, you will be staggered at the tightness and strength of the guardrails that surround you. It's far more than any guardrail on any council, whether there's a performance improvement order on it or not. It's not unreasonable. It's a guardrail. You know, it's more about ego and theory, I think, than it is about practice. What is it now? February. You know, they've got six or seven months. They are going to clean out the staff after then, are they? I mean, really, there's got to be public confidence.

Dr AMANDA COHN: To be clear, I'm not making any inferences about what they should or shouldn't be doing at Central Coast. It's an in-principle question about the PIO.

Mr RON HOENIG: If you had a vote on the Central Coast as to whether they'd rather stay in administration or have councillors, they'd probably vote for administration. I want to give the councillors the best possible start. It is an incredibly difficult job to manage that merged council. I mean, the Premier described these amalgamations as a bloody disaster. That is an extremely difficult task. You wouldn't want any of their jobs for quids. I just admire the fact they've put their hand up, and I think that they'll probably be surprised how difficult the job actually is.

The CHAIR: Minister, I wanted to ask you about the Companion Animals Act review that was announced this week. As you know, Portfolio Committee No. 8 recently conducted the inquiry into pounds and we've currently got the other inquiry with the Animal Welfare Committee into cat management. I'm just wondering what this particular review will look for as additional information to the perspectives that have come out in those inquiries.

Mr RON HOENIG: I need a solution on cat management and cat containment.

The CHAIR: Sorry, Minister. I know those inquiries are going on. I'm just wondering what the new Companion Animals Act review will be looking into as additional information beyond those two inquiries.

Mr RON HOENIG: At the moment, the discussion paper's out and I'm wanting feedback on any area that might improve what the Government has proposed to do in the discussion paper. I don't want to be prescriptive, and I'm really troubled—I've got two inquests where coroners have given findings in the most horrific deaths. There's two more to come. I want to see what's recommended by the Coroner. I'm personally troubled by dangerous dogs and the risk of—any dog can attack. I'm troubled by the extent of maybe training or availability of council rangers.

I'm troubled by the additional resources that local government are going to have to deal with in relation to the power that they will ultimately get over, for example, cats and stray cats. I'm troubled with an overreaction to cat containment by councils if that's the way we go. In Victoria they've got cat containment, but it's not enforced. It hasn't been done for 20 years. I just want to get it right. It's more important to get it right. As you know, Ms Hurst, the Government is certainly not the fountain of wisdom in relation to either animal welfare or animal management.

The CHAIR: As you mentioned, some of the questions are very broad as part of that discussion paper. For example, one of the questions is "What more could be done to reduce the number of homeless cats and dogs in New South Wales?" Are you looking at a whole range of suggestions like funding, education, breeding? Are you looking at reforms outside of just amending the Companion Animals Act?

Mr RON HOENIG: I'm prepared to. When animals reach a stage where people start surrendering, they surrender for a variety of reasons, as you know. Some of those reasons are that either they can't train the animal in a way that they can benefit—if you take a rescue dog, then the amount of training probably required is even greater.

The CHAIR: I'll just interrupt you there because I'm worried about putting misinformation out there. I think that untrained animals are probably one of the very small percentage of animals that would be taken to pounds or rescues. The RSPCA has told us in various inquiries that the huge majority of animals are rescued because of cost-of-living crisis situations and the fact that they can't find animal-friendly rentals if they need to find new accommodation. Most of the animals are well behaved that end up in rescue centres but people can't afford them.

Mr RON HOENIG: So if we address, as the Government is addressing, say, pets in rentals, what impact is that going to have? Is that going to have an impact? What's the percentage of the impact? How does that impact rehoming? That's a pretty interesting question, as well, isn't it?

The CHAIR: It's a very important question, and I express my disappointment with the tranches that have come through from that Minister in regards to the fact that we haven't addressed the pets in rentals. I understand

it's not in your portfolio, Minister, but that was a Labor election commitment. The pets in rentals situation is still highly problematic, and the changes that were put into place won't make it easier to rent with animals, so that situation remains the same. I think it is hugely, hugely problematic and will continue to fall into your portfolio in the way that animals will continue to end up in rescue centres and pounds because of that rental problem.

Mr RON HOENIG: That's why we need to get the legislative reforms right. I think that has been the difficulty and the frustration the Government has had, because we have announced a way forward. We're dealing with land law that goes back to 1065. If it was that easy, we would do it tomorrow. We have to get it right, because at the end of the day, until you have a proper set-up for no-grounds evictions, you're never going to be able to protect the pet owners, are you?

The CHAIR: Yes, it kind of needs to be a combination of both. I would encourage you to meet with Minister Chanthivong—

Mr RON HOENIG: Doing it all the time.

The CHAIR: —to talk about that issue as well. That would be fantastic. I suspect some of your discussion paper will get a lot of recommendations, as we have had through the various inquiries, calling for funding for desexing. Is that something that you're open to considering as part of the review to reduce the number of animals that we have in the first place?

Mr RON HOENIG: Yes.

The CHAIR: Great. Fantastic. I also understand you're going to be conducting some targeted stakeholder meetings and round tables as part of the consultation process. Do you have any sort of timeline as to where you expect those to take place? Will it occur after the discussion paper closes in early May or will it happen some time sooner?

Mr RON HOENIG: I would have to ask Mr Whitworth. Have you got a timetable for discussions?

BRETT WHITWORTH: I might ask Ms van den Honert to answer that because she's taking on the responsibility for companion animals.

ERICA van den HONERT: Thanks, Mr Whitworth. Yes, we will be conducting workshops and modelling after the discussion paper has come in. So once the discussion paper—and we've had all the submissions from the community and from stakeholders, we will look at that information, gather it all, make a submissions report and we will then go out for discussion on the options.

The CHAIR: Minister, as part of the review, I know obviously you're considering updating the Companion Animals Act but will you also be looking at updating regulations as well?

Mr RON HOENIG: That will flow as a matter of course from the Act.

The CHAIR: At this point, you are very broadly putting the net out there and seeing what comes back from the community, what comes back from people working in this space, and you are open to looking at regulations, the Act, funding, education initiatives, and see what actually comes in.

Mr RON HOENIG: The Act traditionally empowers regulations when you have to make specific changes, so the regulations are actually empowered and get their power from the actual Act.

The CHAIR: Just to clarify, you're looking into a whole broad suite of potential reform in this space through the discussion paper?

Mr RON HOENIG: I just want to get it right. You only get sort of one bite of the cherry. I know it can be a bit frustrating, because you have companion animals with the Local Government portfolio and you have animal welfare with the Department of Primary Industries. I have companion animals. I have to get it right. It's like the code of conduct. I just don't want to produce a document and beat my chest and say I've done it. In this portfolio, I have approached it on a completely bipartisan basis. I consult with the shadow Minister over legislation in every major matter. It hasn't happened in this space before, and there's this window to get genuine reform right.

I just want to get everything right while I've got everybody in the cart moving in a similar direction. I have shown a willingness. Legislative changes have been made on a bipartisan basis. The Opposition has actually suggested changes and added value to that legislation. While everybody's moving in the same direction, now is the time to get it right. I just want it right rather than just putting through a bill that might have to be changed or doesn't work in practice or ignores stakeholders or ignores particularly vulnerable people or vulnerable animals or even impacts upon breeders or their profitability. I just want to get it right.

The Hon. NICHOLE OVERALL: Minister, I draw you back to Dr Cohn's line of questioning on performance improvement orders and one that is nothing to do with amalgamations. I will say that I and the Monaro community acknowledge you taking action on issuing the performance improvement order for the Snowy Monaro Regional Council. But I believe you also are very aware that it's far more serious than simply squabbling, as you described one of the other examples. Can you very briefly say why you've taken the action in this particular instance?

Mr RON HOENIG: I know what their concern is, and I also know what the limitations are of the ability to intervene. There is an implied freedom of political communication that exists that has been imposed on the High Court, and so any legislation or any rules or codes that are inconsistent with that right are invalid. You would appreciate as well as I do that, in dealing with those problems and those issues, you have to negotiate the process very carefully to ensure that you do not leave yourself open for decisions to be set aside. The performance improvement order required signed undertakings. As at last week, finally, the person you were referring to has signed the undertaking.

The Hon. NICHOLE OVERALL: So all councillors under the requirements that you issued have now signed?

Mr RON HOENIG: All of them have done so. In some of the—if I can call them this—code of meeting practice reforms, the mayor will be given additional power to act within meetings. But, even without those reforms, the mayor and the council have other actions available to them.

The Hon. NICHOLE OVERALL: They're still limited.

Mr RON HOENIG: Not really. Part of the problem with a number of councils is that, rather than utilising the powers that are available to them, they wait until the end of the meeting and then put in a code of conduct complaint. But there is a certain requirement for councillors to conduct themselves in a particular way—to have the meetings dealt with quickly and to move things through quickly. There are powers to move the gag. The council itself can give the mayor power to remove councillors, and the council itself can remove by resolution. I think, if matters drag on in those council meetings after the improvement order and the undertaking, it might help for some training as to how that person can be handled. I understand there are also other areas such as work health and safety matters being looked at. There are other areas, but I don't understate the issue. I have heard from magistrates who have had that person in the courtroom. I've spoken to other members of Parliament and members of the Legislative Council who have dealt with that councillor. I don't underestimate, nor dismiss easily, what those concerns are.

The Hon. NICHOLE OVERALL: No. The community at large is certainly very aware of your acknowledgement of the seriousness of the situation.

Mr RON HOENIG: Again, Ms Overall, I'd just say this: Snowy Monaro have their own really difficult challenges as it is, and the last thing they need is to be distracted by that. I'm really conscious of that, but I'm really conscious that, if I err as a matter of law, that will make the situation worse.

The Hon. NICHOLE OVERALL: Yes, I understand. Thank you, Minister, and for pointing that out as well. I have a couple of points to what you're talking about there—whether you are limited, to a degree, about how you can address serious matters that we are seeing before us for SMRC. One of the things I would point out, which was included in your performance improvement order, is that there are alleged offences against both the Public Interest Disclosures Act 2022 and the Local Government Act 1993. Would that not give you more opportunity to act from a legal perspective and to have more opportunity to address what are clearly serious alleged breaches in that respect alone?

Mr RON HOENIG: Now that I've issued a performance improvement order, I'm in a stronger position. One of the things that has occurred over the years—in fact, it was started by the Greiner-Fahey Government, and then it was continued on, to my recollection, by the O'Farrell Government—is that when they got elected, they always promised to provide independence and protection from the State for local government, so the days where the Minister could just sack a council couldn't occur anymore, and the days when Ministers could get them to do stuff by these sorts of threats were all removed. The State's power to deal with councils are effectively limited. It's a bit like the Commonwealth trying to deal with recalcitrant States. They can't deal with them either. They have been put in that situation. I have some additional powers to the performance improvement order. I am monitoring it closely. I'm going to have another talk to Mr Whitworth about chairing council meetings.

I hope I'm not taking up your time, because I'm happy to sit here for two days if you like. Garry Payne, who was the secretary of the then Department of Local Government—he and Gerry Peacock shepherded through the 1993 Local Government Act—would have been an expert at local government. He went up to the Tweed as the administrator and was ringing me about how to contain an unruly planning committee, because all these people

were shouting and yelling out abuse. So just because you are a local government expert, unless you've actually been an elected person and chaired a meeting, it's a different job altogether. I'm going to have a talk to Mr Whitworth. Maybe I might go down there and talk to the mayor about the way in which I would chair a council meeting in his circumstances. That might help.

The Hon. NICHOLE OVERALL: I don't know whether you've had the chance to watch those meetings. They're taking five or six hours to pass through business papers.

Mr RON HOENIG: They don't have to go for five or six hours.

The Hon. NICHOLE OVERALL: No, they don't. I think it's a little bit more than just the chairing as well, but I do appreciate your continued attention to it.

Mr RON HOENIG: There are procedures, too. You can move the gag. There are ways in which you can work out how to move the gag and push matters through.

The Hon. NICHOLE OVERALL: I guess it's the longer term effects of all of this as well. You're saying that you're monitoring this very closely. There are going to be monthly reports on council, so I presume that has to be prepared by council staff. More importantly, Minister, what are the ramifications going to be, and what sort of timeline are you looking at, should any of those councillors who have now signed this order be in breach? Are we going to be back here in 12 months time asking the same questions, or are you going to be able to act more quickly?

Mr RON HOENIG: I don't want to publicly prejudge something that hasn't occurred. That would probably be improper and it could be subject to a legitimate complaint.

The Hon. NICHOLE OVERALL: The ultimate ramification would be council going into administration. That would be the worst-case scenario.

Mr RON HOENIG: That would need a public inquiry. You don't interfere lightly with the democratic process.

The Hon. NICHOLE OVERALL: No, I agree with you, Minister. But this is a very, very serious situation, as you know.

Mr RON HOENIG: I understand it's a very serious situation.

The Hon. NICHOLE OVERALL: The community is absolutely beside themselves. If it continues to go on, it's also setting a bad example for other councils across the State, and bringing them into disrepute.

Mr RON HOENIG: It brings local government into disrepute.

The Hon. NICHOLE OVERALL: It absolutely does.

Mr RON HOENIG: It needs all the assistance it can to restore its reputation generally.

The Hon. NICHOLE OVERALL: It does; I agree. I presume you are already, but I ask that you commit to ensuring that this continues to be looked at in the most serious way possible, and that action is taken as required.

Mr RON HOENIG: I can assure you that it is being. I'll make a point of considering whether I should involve myself and give the mayor the benefit of my local government experience, as distinct from my ministerial duties, in an effort to try to aid the process.

The Hon. SCOTT FARLOW: Minister, 12 months ago, pretty much to the day, we were in the Preston Stanley Room. You announced at that stage that we would have the State Development Committee inquiry into the sustainability of local government, rather than IPART conducting it. At that time you said, "I don't think we can wait 12 months." You said also, "We are in a cost-of-living crisis in New South Wales. Everybody is struggling." Minister, we are 12 months away from the time when you said we couldn't wait 12 months. Why are we still waiting when it comes to hearing the Government's response to the financial sustainability of local government in New South Wales?

Mr RON HOENIG: Because, even if you look at those words in isolation, Mr Farlow, it would have taken 12 months, effectively, for IPART to start and then take another 12 months to get their report. We give it a commitment of a parliamentary inquiry. There's been a parliamentary inquiry. They have reported at the end of November. As I have said to you before, to be able to take, realistically, the next step, I need to get people on board. As I said to you, it's taken me a while. There's a new Auditor-General. I have them on board. I have the sector on board. I have got to change their entire financial system. I have got to change their depreciation schedules. It becomes ridiculous to provide for depreciation schedules of non-realisable assets. Why are they on

a local government's balance sheet? It's not an asset which is realisable, which produces a balance sheet that's not really a balance sheet of their assets. So it's far more complicated than that.

The other thing—I have had discussions with IPART as to a particular way forward, as well. In the intervening period, IPART's determinations have been far more flexible because they're now looking forward with inflation now taken into consideration forward. They are passing the ESL through. They are also taking into consideration population increases in their determinations so that the sector itself seems to be happier with the way IPART's operating than they were in the past. The sector want removal of rate pegging, which is not going to occur. And also I need to test—it's not just about income for local government. It's also about expenditure. It's also about scrutiny of expenditure. So it's a far more complex area than that. I could produce something tomorrow, if you like, but who's—I produce a report tomorrow, which I personally am not happy with, and I discharge the obligations that I have to this House, but it goes nowhere.

The Hon. SCOTT FARLOW: So, Minister, to that point, when can the ratepayers of New South Wales and the councils across New South Wales expect to see some action?

Mr RON HOENIG: The ratepayers of New South Wales are the ones that are being protected currently in this cost-of-living crisis by IPART. They're being protected.

The Hon. SCOTT FARLOW: They're looking down the barrel of special rate variations of up to 40 per cent. Doesn't seem like protected at the moment. But I take your point, that IPART's standing—

Mr RON HOENIG: Hang on. You're picking one council. There are 128 councils. What is there? Six or seven making applications last year. Snowy Valley has got refused. Others only got part increase. The public are reasonably protected. The public are protecting themselves through the consultation period. The public aren't impacted. The people that are complaining about—some sectors complaining about rate pegging are actually some of the councils themselves and the USU.

The Hon. SCOTT FARLOW: One thing, I think, we can all agree on, Minister, when it comes to the financial sustainability of local government is that the Federal Government needs to stump up more. Have you made any representations to the Federal Government about financial assistance?

Mr RON HOENIG: Yes, constantly. I've had discussions with the Federal Minister, who is approaching the Treasurer. It used to be 1 per cent. It's down to 0.5 per cent of Federal assistance grants. It's not fair, particularly for rural and regional councils. It's really not fair. At the moment, the Grants Commission having a no-worse-off test that it's continuing to apply means that that pressure falls on smaller rural and regional councils. But I tell you what, though: I suppose, if you didn't have that, Northern Beaches and North Sydney would be asking for more in their SRVs, wouldn't they?

The Hon. SCOTT FARLOW: Minister, you said you raised the issue with the Treasurer? Is that correct? Federal Treasurer?

Mr RON HOENIG: I've raised this issue with the Federal Minister, who's raised it with the Federal Treasurer. All the State Ministers have done that.

The Hon. SCOTT FARLOW: Have you raised the issue with the Prime Minister at all?

Mr RON HOENIG: I haven't raised it specifically with the Prime Minister. I can, though, next time I see him.

The Hon. SCOTT FARLOW: Does your electorate overlap his?

Mr RON HOENIG: But I'm sure, of all the matters I discuss with the Prime Minister, that would be—I don't think that would be given the priority, dealing with it through the Prime Minister. It's best to deal with the Federal Government through the six States and two Territory local government Ministers and the Federal Minister through to the Federal Treasurer, with the support of the Australian Local Government Association.

The Hon. SCOTT FARLOW: And so, through that process, have you seen any movement at all from the Federal Government in addressing this issue?

Mr RON HOENIG: Yes. There's been a Federal parliamentary inquiry into it that has resulted from that. It hasn't reported yet, as far as I know. I can check, if you like.

The Hon. SCOTT FARLOW: Thank you. Minister, one of the recommendations on council financial sustainability that's been put forward is for State-owned facilities and assets to pay rates. What are your thoughts on this? And do you think it would assist councils in becoming more financially sustainable?

Mr RON HOENIG: It's never been the practice, in the three-tier government system, for governments to tax each other, except on limited circumstances where there are trading corporations or there's some level of profitability. So Commonwealth land don't pay rates. The airports don't pay rates, although they have had imposed upon the leaseholders to make ex gratia payments in lieu of rates on areas that are leased out. That's just turning on its head practices where governments don't necessarily tax each other. So I'm not sure whether that's not—for example, say, Sydney Water pay rates on their land.

And you might be surprised at how many councils haven't identified Sydney Water's land for the purposes of rating them. It's not all State-owned land, but it's certain State-owned government land, probably Crown land, vacant Crown land and stuff, they're not paying rates on or maybe parks that they own that they're not paying rates on. If they're commercial—there does need to be some review of land that is rate exempt, irrespective of who owns it, that are specifically leased out for commercial purposes or business purposes, because, otherwise, you are providing a competitive advantage to people. That's in breach of, really, realistic competition policy.

The Hon. AILEEN MacDONALD: Minister, can I just interrupt, just with regard to, say, road funding. You said you had spoken to Federal Ministers.

Mr RON HOENIG: Federal assistance grant funds.

The Hon. AILEEN MacDONALD: Yes, the Federal assistance grants. There is a disparity. They identified that a local roads component of the financial assistant grant is based, as you know, on fixed historical shares, rather than current infrastructure needs. Have you lobbied the Federal Government to reform this allocation model so that the funding better reflects, say, current road conditions, population growth and regional infrastructure demands?

Mr RON HOENIG: I don't think that model needs changing, because the Federal grants that are given are untied.

The Hon. AILEEN MacDONALD: Yes, I know. But—

Mr RON HOENIG: So they're arbitrary components. The argument is the total amount. I'm not sure that's productive, Ms MacDonald.

The Hon. AILEEN MacDONALD: But, as I said, there's a disparity, and I think the way that—anyway, I have run out of time. I don't want to take other people's time.

The CHAIR: We'll go to Government questions, if they have any.

The Hon. PETER PRIMROSE: We've found what the Minister said very informative, as I'm sure everyone else has. So we have no questions at this time.

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 2024-2025. I will throw straight to Ms Sue Higginson.

Ms SUE HIGGINSON: Good morning, Minister Hoenig. I was hoping to have a brief exchange with you about the Hornsby council administration of funds. Could I start by asking what was the process for tracking the administration of the \$19.5 million in funding to Hornsby council from 2020 to 2024?

Mr RON HOENIG: I will throw to Mr Whitworth, because the \$19.5 million was discovered by you on a GIPAA you did for Hornsby council. I had advised this Committee that I had been advised that all disclosures of the grants in writing had been provided to this Committee. It then transpired that that advice was incorrect, and I think I then wrote to you, correcting that, explaining why.

Ms SUE HIGGINSON: You did.

Mr RON HOENIG: Perhaps Mr Whitworth could indicate that to the Committee.

KIERSTEN FISHBURN: We also apologised, on behalf of the department, as well.

Ms SUE HIGGINSON: You did. I accept all of that. I'm just trying to dig into—was there actually a process? Frankly, for that level of detail, if it's not something on the top of your head, Minister, I'm happy to come back in the afternoon with Mr Whitworth and try to understand where the error was.

Mr RON HOENIG: Yes, because I knew nothing about it until you raised it with me. I only knew about the \$90 million that they had been given that they didn't ask for, and the \$36 million that I've asked for back that they won't give back.

Ms SUE HIGGINSON: In terms of that, has Hornsby council provided any indication to you or the Government that it will return the remaining \$8.7 million before the 23 March 2025 deadline?

Mr RON HOENIG: This is the \$36 million that we've asked for that you're asking about?

Ms SUE HIGGINSON: Yes.

BRETT WHITWORTH: No—sorry.

Mr RON HOENIG: Are we at cross-purposes, Mr Whitworth?

BRETT WHITWORTH: Sorry, Ms Higginson. I think you're talking about the unspent funds of the \$19.5 million.

Ms SUE HIGGINSON: The unspent, yes. Apologies.

BRETT WHITWORTH: I've written to Hornsby council to ask them to identify how much of the \$19.5 million remains uncommitted, because that's what the deed talks about. It talks about uncommitted, rather than unspent, funds. If they identify that there are certain amounts of money uncommitted as of the date—my memory was that it was the twenty-third of—

Ms SUE HIGGINSON: March.

BRETT WHITWORTH: —December. Well, it's 23 December.

Ms SUE HIGGINSON: Of December, yes. You're right.

BRETT WHITWORTH: They have until March to pay that back. I have written to them, as I've said. I'm waiting for their response.

Ms SUE HIGGINSON: What legal options will OLG or you, as the Minister, have if Hornsby writes back and says, "We have uncommitted," or, "We're not returning the funds"?

Mr RON HOENIG: I think the OLG and the department are looking at litigation. It hasn't come to me yet, but I'm more considering looking at what other powers I have under the Local Government Act, because, quite frankly, I think it's pretty outrageous.

Ms SUE HIGGINSON: I would agree with you, Minister. Beyond renaming Westleigh Park to Mills Park sports field, were there any other factors that you're aware of that led to the omission of these funds in the response to budget estimates? Have you identified anything in terms of how the information didn't come to light?

Mr RON HOENIG: For the \$19 million?

Ms SUE HIGGINSON: Yes, the \$19.5 million.

BRETT WHITWORTH: I think what we've identified is there were three factors. One is that the people that had agreed and were involved in the original approval of that \$19.5 million are no longer with the Office of Local Government. There was no-one at a senior level that could make the connection between what they were reporting and what was the original grant. There was a breakdown in the way in which the information was compiled, checked and prepared, in that information was prepared more generally on grants and people were looking at the question, saying, "The question is about Westleigh Park, and this doesn't refer to Westleigh Park at all." That was removed. Again, we apologise for that. That's an error. We've actually had a review by our governance team of that process, and it's—

Ms SUE HIGGINSON: Sorry, if you wouldn't mind, if I can interrupt. Minister, are you satisfied now that there is a new process and there's now some accountability and traceability?

Mr RON HOENIG: There's certainly a new process since the election of the Government, because there was a commitment to it. There's a restructure taking place at the Office of Local Government as a result of additional funds that have been provided in the last budget. I'm satisfied that the Office of Local Government and the department are working through to ensure, together with Government policy, that what occurred in relation to the Hornsby funding would not reoccur.

Ms SUE HIGGINSON: Finally, in terms of any other unspent or uncommitted or "in breach of initial arrangements", are there others that may come to light? Have we got a view across all of those grants?

Mr RON HOENIG: I'd have to ask Mr Whitworth, because they all happened prior to my time.

BRETT WHITWORTH: There are a number of grants allocated under multiple different programs. The stronger communities fund, the new council implementation fund—there are a number of those election commitments. So there are a number of grants to councils where the funding has not been completed. We have created a mechanism to review requests for extension. We also are tracking those councils where they haven't met the time frame set out in the deeds.

Ms SUE HIGGINSON: Are there any others that you're requesting returns of funds at the moment?

BRETT WHITWORTH: At this point, we have requested returns of funds in—Hornsby wasn't the only council. There were other councils. I'm happy to take that on notice.

Ms SUE HIGGINSON: I might come back this afternoon and go a little bit, if I can, in some more detail.

KIERSTEN FISHBURN: Ms Higginson, can I just say, for the avoidance of doubt, that there was no impropriety indicated on behalf of the OLG staff. There has been a weakness in process, as Brett has identified, and I think we're working really hard to rectify that, but it hasn't been improper handling. It has simply been a process failure.

Dr AMANDA COHN: Minister, I'd like to come back to the issue of community safety for the LGBTQI community. It's something we discussed last year, and I understand that the OLG has disseminated advice from ACON to councils about how to hold events safely. Last year you made a commitment to meet with the Ministers for police and multicultural affairs about this. Did you?

Mr RON HOENIG: I'd have to check. If I've given that commitment, I'm sure I would have, but I don't have any specific recollection now. As you would appreciate, there's a fair bit of focus from the Government in that space. When there's not, usually the member for Sydney holds us to account pretty quickly. But I'll check.

Dr AMANDA COHN: I am interested in LGBTQI community safety across the State and not only in the electorate of Sydney.

Mr RON HOENIG: I think so is Mr Greenwich, isn't he?

Dr AMANDA COHN: Specifically, the local government social cohesion grants program that has recently been announced by the Government, will that include supporting events or programs that support LGBTQI community inclusion and safety?

Mr RON HOENIG: The grants are designed to support social cohesion and social harmony. It's not necessarily restricted simply to race, but there are a number of factors that are impacting upon social harmony in the community, and the Government believes that local government is part of the solution. Wherever that occurs, local government are in a position to have some flexibility in terms of how that's applied.

Dr AMANDA COHN: Equality Australia has commented that LGBTQI+ events have been cancelled because of threats of violence and that community-based organisations and councils have not been able to guarantee safety of people involved, including because they cannot afford to. I've asked questions about this before, and I'm continually redirected back towards the police. Is there a responsibility here for councils to actually be adequately supported to be able to hold events that they're putting on to support the community safely?

Mr RON HOENIG: Supported in which way?

Dr AMANDA COHN: The most recent example is the Orange Rainbow Festival. There's a whole variety of inclusion events organised by local governments across the State.

Mr RON HOENIG: When you say other ways in which to support them, what do you mean by "other ways"? Are you talking about funding, or are you talking about local government resources?

Dr AMANDA COHN: We discussed at length last year the ACON *Hosting LGBTQ+ Events Safely* guide. There's a number of ways that councils have been specifically recommended to be able to put these events on safely in terms of the ways that venues or ticketing or advertising is organised. It's not necessarily just a reliance on the police. I'm interested in what supports are actually available for councils to implement that advice.

Mr RON HOENIG: I'd have to take that on notice.

The Hon. TANIA MIHAILUK: You probably know what I'm going to ask you; this is about the Councillor Conduct Framework. I'm concerned at how long it's taking. I know you put the consultation paper at the end of November or September last year, and you sought submissions. When do you think this framework will be finally in effect in New South Wales?

Mr RON HOENIG: I've just been talking about that at length prior to the break, to questions asked by other members of the Committee. The code of conduct framework and the code of meeting practice framework

have to act together. And there is constant communication in respect of what should be contained in it, and pushback from the sector, as well. As I indicated to the Committee—

The Hon. TANIA MIHAILUK: Does that arise from the submissions? Is that what's happened?

Mr RON HOENIG: Yes, and they're constantly talking to me or complaining through various sources about, for example, the abolition of private briefings or the requirement of transparency—

The Hon. TANIA MIHAILUK: What kind of people talk to you about that? Councillors?

Mr RON HOENIG: Councillors, the president of the Local Government Association, the members of the Country Mayors Association—they're all pushing back about me preventing private briefing sessions and preventing—

The Hon. TANIA MIHAILUK: Why can't we make those submissions public? Can we make those submissions public?

Mr RON HOENIG: They're not in submissions. They're just constantly—

The Hon. TANIA MIHAILUK: No, but you've got 200 submissions.

Mr RON HOENIG: There is no reason why they can't be public.

The Hon. TANIA MIHAILUK: Can you commit to that now, that you can now make them public?

Mr RON HOENIG: Let me have a look to see what they say to make sure that they don't contain confidential information or—

The Hon. TANIA MIHAILUK: You can redact anything that's confidential, but can we get a commitment to make them public?

Mr RON HOENIG: Absent something not containing confidential information or absent something being redacted, I can see no reason why they can't become public.

The Hon. TANIA MIHAILUK: That's right. Because you have the commissioner for ICAC, and I think I put that question to your representative in the LC. Commissioner John Hatzistergos did say that he couldn't understand why their submission wasn't made publicly available. They were more than happy for their submission to be made publicly available. In fact, it's their policy that they would prefer any submission they make be made publicly available.

Mr RON HOENIG: I don't think there's been an active action by anybody not to make them public. I don't see why they should be—actually, it may well be to the Government's advantage that they are.

The Hon. TANIA MIHAILUK: I think they should be. It's up to you. All you've got to do is a tick of the pen, and let's go with it.

BRETT WHITWORTH: We are preparing for those submissions to be made public right now. That's a process that's underway.

The Hon. TANIA MIHAILUK: That's good. You didn't really answer the question earlier, but when will be—you know my issue that I've got concerns about, Mr Hoenig. I've raised this issue about overseas pecuniary interests, that no councillor, at this stage, in New South Wales has to declare them. We know that councillors have overseas properties. It came out during the standing committee into impropriety at Canterbury-Bankstown. The Government committed in June 2023—that report was finalised in early 2023. The Government then committed in June 2023, saying that they would proceed to ensure that overseas pecuniary interests would have to be—overseas assets would have to be included as a declaration that councillors would need to make. But now it's been caught up in this whole Councillor Conduct Framework, and we're in almost March 2025.

Mr RON HOENIG: What you're saying—

The Hon. TANIA MIHAILUK: And we've had a local government election.

Mr RON HOENIG: What you're saying, Ms Mihailuk, is not without substance. I imagine it's historic, because in the past—the same probably applies to members of Parliament too. In the past, they probably thought that those assets probably wouldn't conflict with matters in Australia, but we're now in a global community. It's not without substance. But there are other changes that have to be made: for example, changes to allow piercing of trusts and people hiding assets behind trusts.

The Hon. TANIA MIHAILUK: Can you commit to getting that done earlier? Can you commit to getting at least the overseas assets declaration done?

Mr RON HOENIG: I know you're proposing that, but I'd rather do it all on a comprehensive basis.

The Hon. TANIA MIHAILUK: But when will that be? What date? When?

Mr RON HOENIG: I can't give you a date, because there's more involved than just that, but you are right.

The Hon. MARK LATHAM: I wanted to take you back to your old patch, now known as Bayside Council, and ask when did you first become aware of what appears to have been a temper tantrum by the former mayor, Saravinovski, on 12 September 2018, which has now been subject of adverse findings against him. Of course, he's left the council, but when were you first aware of this incident with staff in September 2018?

Mr RON HOENIG: I was made aware some time in 2023 that the Office of Local Government had been in possession of some material provided to them during the time of the former Government, and I was told what the general nature of that material was, and the nature of the allegations, very generally. The advice I gave to the Office of Local Government was to make sure we brief council—somebody with criminal experience, because of the nature of the material, that they would know how to handle it. Local Government then ultimately proceeded in respect of the matter with a referral to NCAT. NCAT then made non-publication orders in respect of it. It was some time in 2023 I became aware of it.

The Hon. MARK LATHAM: What time in 2023, to the best of your memory?

Mr RON HOENIG: I don't know when in 2023.

The Hon. MARK LATHAM: You became Minister, obviously, halfway through—midyear.

Mr RON HOENIG: Maybe about halfway through 2023.

The Hon. MARK LATHAM: This incident, though, in September 2018—yelling and swearing at the director of planning and knocking over a water bottle—you thought at the time that was worthy of briefing criminal counsel?

Mr RON HOENIG: No, there's more to it than that.

The Hon. MARK LATHAM: But the incident in September 2018—you're saying for five years you didn't know anything about it, until mid-2023?

Mr RON HOENIG: I didn't know anything about the nature of the matter until I was told about the material that had been provided to the Office of Local Government during the time of the former Government.

The Hon. MARK LATHAM: And who told you that?

Mr RON HOENIG: Mr Whitworth.

The Hon. MARK LATHAM: He was handling the matter inside the Office of Local Government?

Mr RON HOENIG: He was the head of the Office of Local Government, and he advised me, so I knew about it.

The Hon. MARK LATHAM: It came up as a regular ministerial briefing? Or was it something you requested, you'd heard that—

Mr RON HOENIG: It came up when I was talking to him. I'm not sure whether it was that specific matter, but he just told me about it.

The Hon. MARK LATHAM: For knocking over the water bottle and swearing and yelling, what would you have normally done about that? Obviously it didn't require criminal counsel.

Mr RON HOENIG: There's more to it than that.

The Hon. MARK LATHAM: What's called a "less than significant pecuniary interest" on 12 May 2021, and what subsequently was found to be a failing to declare a full conflict of interest—when did you first find out about that matter? Because there's the two things, isn't there? There's the temper tantrum, and then there's the pecuniary interest.

Mr RON HOENIG: There's more to it than that.

The Hon. MARK LATHAM: If there's a third matter, we'll come to that, but when did you find out about the second one on the pecuniary interest in May 2021?

Mr RON HOENIG: I'm not sure I was given the details you've just asked me about, but I was given the general nature of the material and allegations that were made against Saravinovski from another integrity agency.

The Hon. MARK LATHAM: Who were they?

Mr RON HOENIG: The Independent Commission Against Corruption.

The Hon. MARK LATHAM: What general nature did they inform you of?

Mr RON HOENIG: Because they have subsequently made available to me material that is subject to orders that they be not disclosed, I really can't tell you.

The Hon. MARK LATHAM: But from the Office of Local Government about this pecuniary interest matter, when did they first inform you of it? Or having heard something from ICAC, did you then seek specifics from the office?

Mr RON HOENIG: I was only aware of the detailed nature of the matter after the hearing when material had been provided to me by that organisation.

The Hon. MARK LATHAM: The hearing at NCAT?

Mr RON HOENIG: Yes.

The Hon. MARK LATHAM: So no other means—other parliamentary colleagues or the councillors at Bayside and the people who work there—or no other conveying of information about either incident, the temper tantrum or the pecuniary interest?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: What's the third matter that you said is serious?

Mr RON HOENIG: I can't go into any details, Mr Latham. I'm precluded from doing that because the matters are not completed.

The Hon. AILEEN MacDONALD: I will follow on from Mr Latham. What is your relationship with Mr Saravinovski?

Mr RON HOENIG: I've probably known him for 30 or 35 years as a mayor of an adjoining council.

The Hon. AILEEN MacDONALD: With that, did you ever witness any misconduct or potentially corrupt behaviour from him?

Mr RON HOENIG: Ms MacDonald, anybody who knows me knows that I wouldn't tolerate improper or corrupt conduct.

The Hon. AILEEN MacDONALD: So that's a no?

Mr RON HOENIG: I'm a member of the bar and an officer of the court. There's just no way that I would tolerate it.

The Hon. AILEEN MacDONALD: So that's a no. We've seen reports in *The Sydney Morning Herald* this morning. Are you aware of the report that there is an investigation in a previous development proposal for the Boulevard car park in Brighton-le-Sands?

Mr RON HOENIG: I can't comment on those matters at all because I am—

The Hon. AILEEN MacDONALD: But you're aware?

Mr RON HOENIG: —in possession of a variety of documents that have been provided to me on the undertaking that I do not disclose them.

The Hon. AILEEN MacDONALD: From that I take it that you are aware. Are you aware that the proponent, Ali Ibrahim, was a brother to then Labor councillor Tarek Ibrahim?

Mr RON HOENIG: I can't confirm or deny anything that I'm not permitted to discuss.

The Hon. AILEEN MacDONALD: I'll move on to my next question then. Are you aware that the current general manager was aware of the conflict to councillors many years ago?

Mr RON HOENIG: No.

The Hon. AILEEN MacDONALD: Minister, will you direct the Office of Local Government to conduct an investigation into the misconduct by the general manager of Bayside Council?

Mr RON HOENIG: The matters are not concluded.

The Hon. MARK LATHAM: At NCAT?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: Elsewhere?

Mr RON HOENIG: The matters are not concluded and are ongoing.

BRETT WHITWORTH: You quoted from a newspaper article that no-one seems to know exists.

The Hon. AILEEN MacDONALD: It's in *The Sydney Morning Herald* this morning.

BRETT WHITWORTH: It is?

The Hon. AILEEN MacDONALD: Yes.

BRETT WHITWORTH: Wouldn't it be appropriate for us to be provided with a copy of that?

The CHAIR: At some point are you able to table it? I understand you may not have it on you at the moment, but if you're able to table it at some point that would be useful.

KIERSTEN FISHBURN: Or just provide us with the link details so my office can get it.

The Hon. AILEEN MacDONALD: While we're on Bayside, what's your relationship like with Bayside Council and its staff?

Mr RON HOENIG: Bayside Council is one of the councils that covers part of my constituency. It's been one of those disastrous amalgamations that are extremely unpopular in my electorate.

The Hon. AILEEN MacDONALD: Minister, do you have a close and personal relationship with any of the staff Bayside Council?

Mr RON HOENIG: Yes. My wife works for Bayside Council.

The Hon. AILEEN MacDONALD: How long has your wife worked there? Did you have a part to play in her appointment?

Mr RON HOENIG: My wife has been working for that and its predecessor for about 35, 40 years, I think.

The Hon. AILEEN MacDONALD: So a long time—so wouldn't have had a part to play. I wanted to turn to the local government conference in Tamworth, where you told a story about presenting an award to a young female apprentice carpenter from—

Mr RON HOENIG: I did, yes.

The Hon. AILEEN MacDONALD: Why did you focus on her appearance, describing her black strapless dress at Parliament House and then contrasting it with her work attire?

Mr RON HOENIG: I presented an award to a young apprentice of the year local government winner I didn't know. A few weeks later when I visited Newcastle council depot, I met her again. She told me how honoured she was to come to Parliament to receive an award and that she spent \$500 buying a black strapless dress and black shoes. She said she didn't think she could afford to keep the dress and that she was going to sell it. I then, sometime after that, sent her a gift voucher for \$500 so she could keep her dress, which I did quietly. She sent me a response thanking me very much and said that she used the \$500 to buy a grinder, because that's all she could afford because she couldn't afford to buy a grinder. I don't know if she kept the dress or not.

The Hon. AILEEN MacDONALD: Do you consider that a personal gift of this nature from a senior male Minister to a young female apprentice could be perceived as inappropriate?

Mr RON HOENIG: I wouldn't think so. I just told them the story of what she told me. I don't recall what she wore when I presented one of many women with an award. I quoted what she said to me when I met her in the depot.

The Hon. AILEEN MacDONALD: Do you think if a senior official within the local council personally gave a young female apprentice—

Mr RON HOENIG: I don't accept the premise of the question. I think it's ridiculous, really. I sent a girl, who is an apprentice, \$500 so she can keep a dress and quoted what she'd said to me.

The Hon. AILEEN MacDONALD: Yes, but do you think that's professional?

Mr RON HOENIG: Sending a gift of \$500?

The Hon. AILEEN MacDONALD: Yes.

Mr RON HOENIG: I think it's fabulous that young women are apprentices in traditional male roles.

The Hon. AILEEN MacDONALD: I agree.

Mr RON HOENIG: I would not have recognised her in her fluoros and things of that nature had she not told me who she was.

The Hon. AILEEN MacDONALD: Minister, were other award recipients offered similar financial gestures or was this a one-off decision based on your personal assessment of her situation?

Mr RON HOENIG: Hers is a one-off situation where she told me, with the lord mayor and deputy lord mayor of Newcastle, that she was so honoured to come to Parliament that she bought herself a black strapless dress and black shoes and she's going to have to sell the dress because she couldn't afford to keep it because she's on an apprentice's salary. I thought it was a nice touch. It was told to the local government conference, about 1,000 people, how wonderful it was that you've got these young apprentices who get young achievers awards in what was predominantly a male role. But I'm not supposed to tell anybody about it? She's a role model for young women.

The Hon. AILEEN MacDONALD: She is a role model. But beyond these one-off awards, what specific policies or funding have your Government introduced to support young women in trades within local government?

Mr RON HOENIG: We've just allocated \$252 million to councils to create apprentices directly employed, not just to reskill an industry but also to provide apprenticeship opportunities, particularly in rural and regional areas. As you go and visit these rural and regional councils, as you no doubt would—

The Hon. AILEEN MacDONALD: I live in a rural and regional area. I do visit councils.

Mr RON HOENIG: —to see young women in traditional male roles being able to stay in their towns is a terrific thing.

The Hon. AILEEN MacDONALD: I agree. Do you acknowledge that giving an award to one apprentice does not address the issues preventing more women from entering trades? What financial assistance is available to all local government apprentices, regardless of gender, to help with tool costs, PPE and training materials?

Mr RON HOENIG: I don't understand the basis of your question. I sent her \$500 of my money, not government money.

The Hon. AILEEN MacDONALD: I know.

The Hon. SCOTT FARLOW: Minister, is this the same woman that appears in your 6 September 2024 video with the song that says, "I like the way your body is. Is it too obvious"?

Mr RON HOENIG: I don't know. I'd have to have a look.

The Hon. SCOTT FARLOW: That was captioned as the 2024 Minister's Awards for Women in Local Government.

Mr RON HOENIG: I tell you what, it wouldn't be a local government estimates if you weren't asking me questions about Rontent, would it?

The Hon. SCOTT FARLOW: The RonTok and the Rontent has got to come up. It seems to be becoming more questionable in terms of some of this RonTok and Rontent.

Mr RON HOENIG: Mr Farlow, if you want to communicate with young people, then you've got to do it through a platform that they are using. You've got to do it through a language they are using. You've got to use the music that's trending and the music they are listening to.

The Hon. SCOTT FARLOW: Language like, "I like the way your body is. Is that too obvious?"

Mr RON HOENIG: These platforms are where young people are getting their information, whether you like it or not. I don't endorse the lyrics. I don't know what the lyrics are. They were selected because they were trending at the time. I've been told days ago that you guys have been trolling my social media and doing Google searches of lyrics. If you do your Google searches a bit more, you will find that American singer Tinashe's song *Nasty* had 207 million streams on Spotify in 10 months. There are 56 million TikTok videos using this song, everything from people showing videos of their dogs to the Duolingo owl. *Da' Dip* by the American freestyle artist Freak Nasty peaked at number 15 on Billboard Hot 100—that means it has to have 1.5 million plays a day—nearly 30 years ago. Interestingly, it had a resurgence in 2024—

The Hon. AILEEN MacDONALD: Can I stop you there, Minister?

Mr RON HOENIG: —on TikTok due to a dancer and everybody was doing it, including AFL women.

The Hon. AILEEN MacDONALD: Can I interrupt you? We're not really interested in someone else's rap music.

Mr RON HOENIG: Are you going to say that our women hero sports stars are misogynists? It's nonsense.

The Hon. AILEEN MacDONALD: Sorry, Minister, do you think it is appropriate for a senior Minister of the Crown and local member to be playing this type of music on his social when it is degrading to women?

Mr RON HOENIG: I tell you, if hundreds of millions of people are playing it and it has been played on the radio—

The Hon. AILEEN MacDONALD: But not a senior Minister of the Crown.

Mr RON HOENIG: How many letters have you written to ACMA to tell them that someone should have their radio licence reduced? I mean, really.

The Hon. AILEEN MacDONALD: This is a serious matter. What kind of message do you think this sends to women in the State? Will you take these videos down?

Mr RON HOENIG: Mrs MacDonald, you're not going to be able to communicate with young people if you don't play their music. I might prefer The Beatles and ABBA but if you look at the lyrics of *Dancing Queen*, you might be offended too.

The Hon. AILEEN MacDONALD: So I have to put my hand on my hip and when I dip, you dip, we dip? Really, Minister? Will you apologise to the women of the State for this?

The Hon. PETER PRIMROSE: What a great line of questioning going on here.

Mr RON HOENIG: You're kidding, aren't you?

The Hon. AILEEN MacDONALD: It's serious. This is serious stuff.

The Hon. NICHOLE OVERALL: This is not funny.

The Hon. SCOTT FARLOW: This is a Minister of the Crown.

Mr RON HOENIG: You've got to be kidding. Hunting for confected—

The Hon. MARK LATHAM: Is this the black dress girl in the video?

The Hon. AILEEN MacDONALD: Yes.

The Hon. PETER PRIMROSE: This is for confected outrage.

Mr RON HOENIG: This is only for confected outrage, by doing a Google search of lyrics to songs. If I would have used *Eleanor Rigby*, it wouldn't have got much traction. I might have offended a lonely person.

The Hon. SCOTT FARLOW: Minister, this doesn't require a Google search. It's just your RonTok. It's there. You have told us before that you are responsible for the publication of your social media and you are doing it yourself. You would hear it.

Mr RON HOENIG: You're talking about young people's music that hundreds of millions of people are listening to. To get into the Billboard Hot 100 you have to play 1.5 million times a day. For God's sake! At the end of the day, if I would have put *Back in the U.S.S.R.*, no young person would have seen it and I would have offended the Ukrainians. Fair dinkum.

The Hon. SCOTT FARLOW: We've got Kendrick Lamar diss tracks, with you.

Mr RON HOENIG: If I would have put *Let It Be*, it wouldn't have been a trending video but I probably would have offended the non-Christians. Fair dinkum, Mr Farlow. Your confected outrage is ridiculous. It has been there for six or eight or nine months. Last year it was national security and you missed it then and now you're coming back six or nine months later complaining about something that has been sitting there for a long time.

The Hon. SCOTT FARLOW: National security? I don't know where you're getting your national security from.

The Hon. NICHOLE OVERALL: Minister, perhaps you could at least take on notice the fact that some of your music choices may make some people, including women and including myself personally, uncomfortable and you might make better choices with that. Will you take that on board, Minister?

Mr RON HOENIG: Would you like me to help you draft a letter to ACMA to complain about the publication?

The Hon. NICHOLE OVERALL: Would you take it on board that, as Mrs MacDonald has pointed out, you are a Minister of the Crown? Would you take that into account?

Mr RON HOENIG: At the end of the day, there is a very serious problem about communicating with young people. We're not getting through to them. Unless you're going to respect what they say—

The Hon. NICHOLE OVERALL: That's not being respectful, necessarily, Minister.

Mr RON HOENIG: —and respect their music choices, they are not going to listen to you. Have you told your kids not to turn on the radio because they might hear a song that 207 million are listening to?

The Hon. SCOTT FARLOW: Minister Hoenig, you and the member for Bega on a seesaw, matching your freak, matching your nasty, "Does he have a good technique"—that's getting to young people, is it? You on a seesaw at Malua Bay.

Mr RON HOENIG: Unless you create an audience and use a trending tune—

The Hon. NICHOLE OVERALL: On a platform—

Mr RON HOENIG: —you're talking to an empty vessel.

The Hon. NICHOLE OVERALL: —that's not permitted on government devices?

Mr RON HOENIG: But in any event—

The Hon. NICHOLE OVERALL: Isn't that a concern?

Mr RON HOENIG: —there is a major societal problem about communication and young people.

The Hon. PETER PRIMROSE: Is there any chance of allowing the Minister to actually respond?

The Hon. NICHOLE OVERALL: He has had plenty of chance.

The Hon. PETER PRIMROSE: Let him respond.

The Hon. STEPHEN LAWRENCE: He's getting heaps of views on Facebook.

The Hon. SCOTT FARLOW: I think he's up to 114,000. I think you've increased several thousand since the last time we had estimates. Congratulations on that and your Facebook Rontent. In terms of that, you make a disclosure on that Facebook page that it uses parliamentary entitlements. Do you do any boosting for that through that page?

Mr RON HOENIG: Usually community service announcements are the ones that I do.

The Hon. SCOTT FARLOW: Is that boosting on individual posts or is it boosting for the page itself?

Mr RON HOENIG: No, individual posts. In any event, that's not a local government budget estimates matter. That's a matter for the Legislative Assembly.

The Hon. SCOTT FARLOW: I know you have previously stated that you use your social media primarily for local electorate purposes, but you have branched out more and more into portfolio matters.

Mr RON HOENIG: Yes, but if I'm only incurring expenditure for local electorate public announcements, then it's a matter for the Legislative Assembly, isn't it? Not that I'm hiding anything.

The Hon. SCOTT FARLOW: So you've incurred no expenditure for any boosting of posts when it comes to endorsing local Labor candidates for local government elections?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: None of those posts have been boosted?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: No geographic targeting with any of those posts?

Mr RON HOENIG: No. If you do, you have to declare that expenditure to the Electoral Commissioner.

The Hon. SCOTT FARLOW: But those posts have been, in some cases, authorised by the State secretary of the Labor Party?

Mr RON HOENIG: We all usually do that during election campaigns just to make sure that you're not infringing any electorate requirement.

The Hon. SCOTT FARLOW: Minister, in one of those posts you stated, "No council has been more successful than Burwood Council." Is that your view, Minister, that Burwood is the most successful council in New South Wales?

Mr RON HOENIG: Successful in some areas. The vibrancy that they've created is just remarkable. We have a Minister for Music and the Night-time Economy trying to create vibrancy and seven days a week they've got these vibrant streets and vibrant communities. It's quite extraordinary. The other thing that is extraordinary is that they've managed to increase densities around railway stations and metro stations with community support. As you know, every time you try and increase density anywhere, there's usually huge opposition. They seem to have managed that extremely well, and they're managing financially very well. It doesn't surprise me because they're a small council led by a long-serving mayor that has been returned overwhelmingly by a community.

The Hon. SCOTT FARLOW: Minister, how many times has Burwood Council won the Bluett Award in its 128-year history?

Mr RON HOENIG: I would not have a clue.

The Hon. SCOTT FARLOW: Zero, is the answer.

Mr RON HOENIG: Botany never won it either.

The Hon. SCOTT FARLOW: Is it time for Burwood, then, or Botany, even—well, Botany is gone.

Mr RON HOENIG: Botany is gone now.

The Hon. SCOTT FARLOW: Bayside, perhaps. Is it time for Burwood to win the Bluett Award?

Mr RON HOENIG: I don't know. I've not contemplated it. I don't think Burwood Council are seeking to be measured by the local government industry. Genuinely, one of the problems with Local Government NSW and the Local Government Association is that the people that you want on there are usually the people that are so committed to their area they haven't got time. You would want some of these experienced people having an input into local government policy, but they're just committed to their own local government areas.

The Hon. SCOTT FARLOW: Previously in estimates we discussed your first chief of staff. How many chiefs of staff have you had now?

Mr RON HOENIG: I'm on to my second. He's been with me since after the first left almost two years ago.

The Hon. SCOTT FARLOW: In estimates previously you said to us that you let your first chief of staff go. Did that person seek a workers compensation claim against the New South Wales Government?

Mr RON HOENIG: I don't know. You need to ask the Premier's Department that. They handle that sort of stuff.

The Hon. SCOTT FARLOW: So you have no knowledge as to whether that person is on workers compensation?

Mr RON HOENIG: It has got nothing to do with me. It's a matter for them.

The Hon. SCOTT FARLOW: This was your chief of staff though. You would think you'd have some awareness as to what happens in your office.

The Hon. STEPHEN LAWRENCE: Point of order: It seems that it's not within the portfolio. I think that's what the Minister is saying. There's a relevance issue.

The CHAIR: I think the Minister has given the answer that he feels comfortable with.

Ms ABIGAIL BOYD: I know that there have been questions already about performance improvement orders. I know what the answers are, so rest assured that I don't need to traverse the previous content. Specifically in relation to the Central Coast Council PIO, I had quite an extraordinary interaction with Mr Whitworth on this during the supplementary estimates hearing we had in December. Since then, I have had a number of people from the legal profession write to me explaining exactly how that Central Coast Council PIO is unlawful under the Act. They say that the purpose and legal power of a PIO is not to take away the powers of the council to function, but the wording of the PIO seeks to absolutely take away the power of the council to make certain decisions without the consent of the deputy secretary, which is not in accordance with the Act. Since I had that interaction with

Mr Whitworth where I expressed my concerns, have you asked the CSO or somebody for advice on the validity of that PIO?

Mr RON HOENIG: No. I'm authorised under the relevant statutory provisions to issue an interim performance order. I read the section at the time. It's discretionary for me. In my view, I'm authorised and empowered by statute to do so, and I followed the process.

Ms ABIGAIL BOYD: You don't think you need external legal advice given—

Mr RON HOENIG: I don't think so. Whether Mr Whitworth has got it or not—

Ms ABIGAIL BOYD: No, he hasn't.

Mr RON HOENIG: —or whether he has got some legal matter, that's probably a matter for the OLG to deal with. I'm confident in the judgement that I've made.

Ms ABIGAIL BOYD: Even though, on a plain reading—

Mr RON HOENIG: The section is pretty clear. I can read you the section.

Ms ABIGAIL BOYD: It is clear. It is clearly unlawful for you to issue an improvement order to a council that is not in need of improvement. You said earlier today, and Mr Whitworth said, that it was about ensuring a "trajectory", I think was the word used.

Mr RON HOENIG: To provide guardrails.

Ms ABIGAIL BOYD: That's an extraordinary misuse of power. We can put to one side whether it's lawful or not. I think there'll be some actions in relation to that that perhaps will draw that out, but let's just look at the anti-democratic nature of what has been done here. By your words this morning, you talked about there being concerns that certain candidates, if elected, would fail to privatise assets of the council and that's why you put this in. Do you not see how anti-democratic that is? You're interfering with validly elected councillors on a council.

Mr RON HOENIG: I don't accept the premise of what you've just asked me. I have given a pretty detailed response earlier today. That council was given those guardrails to be able to implement the trajectory. Those asset sales were required as part of loan agreements that were entered into by that council when they couldn't pay their salaries.

Ms ABIGAIL BOYD: In your opinion.

Mr RON HOENIG: In my opinion? I think that's factual, isn't it?

Ms ABIGAIL BOYD: With very different councillors. We had a different council. In case it's not clear, I'm from the Central Coast. I have lived with an administrator who did a whole bunch of quite anti-democratic, draconian things. We had to wait years and years for a democratically elected council. It's not as progressive as I would want—they're not necessarily going to do the things that I would want—but they're democratically elected. To find out that they have been put under this performance improvement order before they even come into office, that's something that has never been done before with a council before they've got an elected set of councillors. Why would you take such an extraordinary action?

Mr RON HOENIG: I don't accept your assertion. What you call an "extraordinary action" hasn't hamstrung the council at all. On two occasions they've run something by the Office of Local Government, which said yes. I just want to make sure the council is on the right trajectory and that it can meet its obligations as determined in the report of the commission of inquiry to give the elected people a good start with assistance. I don't see what the problem is.

Ms ABIGAIL BOYD: Do you accept that it has never been done before? We had that advice from Mr Whitworth in December that never, before you even have elected councillors—

Mr RON HOENIG: I have never seen a council not be able to pay their staff on a Friday, like with Central Coast.

Ms ABIGAIL BOYD: Was that the same—

Mr RON HOENIG: They misappropriated huge amounts from restricted funds.

Ms ABIGAIL BOYD: I'm very familiar with this.

Mr RON HOENIG: You're talking about a shambles.

Ms ABIGAIL BOYD: Was that the same group of councillors? We have had an unelected council for all this time. We can dispute whether or not the previous councillors were actually to blame for that or whether it was officials. When we look at what we have now, we have a brand-new, fresh set of councillors. Why are you seeking to constrain them based on things that happened five or six years ago?

Mr RON HOENIG: How are they constrained? What do they want to do that they can't do with the order?

Ms ABIGAIL BOYD: They have to seek the approval of the deputy secretary before they scratch themselves.

Mr RON HOENIG: That's not the case at all. That's not the basis of the order. They have run two things in five or six months past the deputy secretary. That's hardly a constraint. And he said yes to them.

Ms ABIGAIL BOYD: Then why did you put this in there?

Mr RON HOENIG: To ensure that the council continues on the trajectory as recommended by the commission of inquiry for 12 months and give them a start. I didn't want them to go in there and start sacking general managers, cleaning out staff and that sort of stuff.

Ms ABIGAIL BOYD: If they were validly elected, which they were, and they chose to do that, wouldn't that be something that they would be accountable to the people of the Central Coast for and not to you? Why do you think that you know better than people who have been elected by the people?

Mr RON HOENIG: I don't know better, but I have set guardrails up for them for 12 months to ensure that they proceed down the trajectory as recommended. The alternative was that they not be ready to go to the polls. Ms Boyd, I don't accept your view. They'll just have to wait until September, when it expires, and then they won't have to run significant budgetary or staff matters past the Office of Local Government.

Ms ABIGAIL BOYD: Was it your idea or Mr Whitworth's idea?

Mr RON HOENIG: It was my idea.

Ms ABIGAIL BOYD: So you decided—

Mr RON HOENIG: I've done it to three councils.

Ms ABIGAIL BOYD: You have.

Mr RON HOENIG: I wanted them out of administration. Even though they may or may not have been ready to go out of administration, I wanted them out of administration because I don't think administration is a solution.

Ms ABIGAIL BOYD: No, especially for the length of time that we've had to endure it on the Central Coast. People are very angry, but they're also very angry at the idea that you're now seeking to interfere. We've finally got these people who have been elected. As I say, I may not agree with everything that they're doing, but that's not the point. They were democratically elected.

Mr RON HOENIG: If you tell me that they're constrained in doing something that they want to do and that's the will of the people, I'll make sure they're not constrained, as long as they don't want to do anything ridiculous.

Ms ABIGAIL BOYD: So if they come to you and say, "Actually, the general manager is not very good; we want to get rid of the general manager," what will you say?

Mr RON HOENIG: I would say, "You show Mr Whitworth why you say he's not very good and why you should be able to do that."

Ms ABIGAIL BOYD: So they'll have to ask Mr Whitworth before they can do the things that any other council can do.

Mr RON HOENIG: In other words, they can't act capriciously.

Ms ABIGAIL BOYD: Performance improvement orders are designed for those emergency situations where a council is really going off track. This idea of a trajectory I think is being misused because a trajectory is a path of a projectile. It does not have a natural end; it is just a path. But if we look at that, basically some measures were put in by the State Government that are things the State Government might like that you wanted to hardwire into the new council. How is that anything but going against the will of the people?

Mr RON HOENIG: Firstly, we're the Government of New South Wales. We act in accordance with the will of the people ourselves.

Ms ABIGAIL BOYD: So you're not in favour of local government?

Mr RON HOENIG: Secondly, you are talking about a council that was well and truly off track.

Ms ABIGAIL BOYD: It was, five years ago.

Mr RON HOENIG: Thirdly, you're talking about one of the largest councils in the State that was thrown together in a disastrous amalgamation—

Ms ABIGAIL BOYD: That we can agree on.

Mr RON HOENIG: —which basically, no doubt, is one of the reasons for the crisis—

Ms ABIGAIL BOYD: Yes, it was.

Mr RON HOENIG: —that occurred.

Ms ABIGAIL BOYD: Yes, and the political stitch-up from the Liberals.

Mr RON HOENIG: I wanted to give the democratically elected councillors the best opportunity to be able to manage what's got to be a horrendous task. I mean, it's pretty valiant of them to put their hand up to try and run a show like that. I just wanted to give them guardrails, as I did for the other three councils.

Ms ABIGAIL BOYD: It was a mistake.

Mr RON HOENIG: I think they're off to a pretty good start, really.

Ms ABIGAIL BOYD: Despite the action, yes.

Mr RON HOENIG: Despite the action, yes.

The CHAIR: I've got one more question in regards to the update of the Companion Animals Act. I know obviously we're in early stages, the draft discussion paper's only just come out, but is your goal to make sure that we've got a new Act before us and voted on by the end of this term of Parliament?

Mr RON HOENIG: I'd like to do it this year. I can't guarantee it. I'd like to do that while I've got goodwill from everywhere because otherwise, if the balance changes and other vested interests get involved, it becomes difficult. The other thing—which I'd not considered until you've just raised it now—is does it have to be at the same time as POCTAA? Do they dovetail in with each other or don't they? I'll have to think about that because I hadn't thought about it until you just raised it now.

The CHAIR: I guess there could be some level of crossover definitely within some of the welfare aspects, and I know that you, Minister, have both Acts actually under your portfolio.

Mr RON HOENIG: I do.

The CHAIR: I know that the agriculture Minister's the primary Minister, but POCTAA also falls under you.

Mr RON HOENIG: Except the OLG doesn't have any power or expertise in relation to animal welfare.

The CHAIR: Yes, that's correct.

Mr RON HOENIG: Although we have now been given something about puppy farms. We can cancel licences or give licences. What have we now got?

BRETT WHITWORTH: It's the breeder identification program.

The CHAIR: Yes, and I've got some puppy farms questions for this afternoon. Minister, I also want to ask—

Mr RON HOENIG: Can I just say to you, Ms Hurst, about puppy farms—I've mentioned it a couple of times in estimates before—I think the planning powers are a pretty good way to control, as well as the legislative.

The CHAIR: Now that there's limits on numbers already, it makes it a little bit easier on councils, so that's good. I also wanted to ask you about the response to the pound inquiry, particularly recommendation 15 in regards to developing an enforceable code of practice. The Government supported that recommendation around a code of practice for pounds, and I know a lot of council pounds were actually asking for this. I know Blacktown was saying that it would have been really helpful to have an update when they were rebuilding their pound. The response from the Government was to commit to develop a code of practice for organisations established primarily for the purpose of rehoming rescued or unwanted companion animals.

I just wanted to make sure that you are separating rescue organisations with pounds. I imagine, once we start to look at codes of practice, because they're quite differently set-up groups we're going to have—a lot of these rescues, in fact the huge majority of them, run through foster care systems. Having a fire extinguisher would make sense in a pound, but it's not going to make sense in a foster care situation. I imagine that any codes would be completely separate for rescue organisations and pounds.

Mr RON HOENIG: I'd not contemplated that. Mr Whitworth, had you? Do you see the distinction?

BRETT WHITWORTH: I can see a distinction, but also I need to identify that the framework would need to incorporate animal welfare principles within it, and so this is why it is something that would need to be worked on. We have the chief animal welfare officer from DPIRD here. Obviously DPIRD will need to have a very strong, if not dominant, role in that process. I understand what you're saying, that the creation of animal welfare standards and the ability to meet those standards will be a challenge if you're a smaller organisation or if you're providing a rehoming service in a backyard, for example. That's something that will need to be considered. I'm sure it's something we would address, and I don't know whether Dr Filmer has—

The CHAIR: I imagine if a code of practice was developed for pounds, a lot of the animal welfare initiatives within a code of practice for the pounds could be used for a code of practice for rescues. But I guess what I'm sort of foreseeing, Minister, is this real issue of either taking things out of a code of practice for pounds that we would want to have because it wouldn't be suitable in a very different space. It's not necessarily that the welfare would be reduced in one space or the other, but rather that they're so uniquely different that putting them into the same code of practice will mean that a whole lot of aspects that we would want in one or the other would have to be either taken out to make them actually work as one code of practice.

Mr RON HOENIG: Yes, I understand the point that you're making. I'd not considered it until you raised it.

The CHAIR: Okay. Can I just get your commitment that you'll consider that in regards to any codes of practice that go forward, the complexity of putting them all into one?

Mr RON HOENIG: Yes.

The CHAIR: Obviously, once one is done, a lot of that work can flow into the other one and make it a lot easier, but actually keeping them as separate will probably allow for more robust codes for both of those spaces.

Mr RON HOENIG: Yes. Of course, the other frustrating thing is that we might do the code but we've got no enforcement mechanism of the code, which is what—

The CHAIR: Which I think part of the review of the Act will then need to come into that as well.

Mr RON HOENIG: Yes.

The CHAIR: Do you have a timeline or plan around the code of practice? Is that something that you also hope to see happen by the end of this term of Parliament?

Mr RON HOENIG: I would think so. I've not contemplated a time frame.

BRETT WHITWORTH: Maybe I wasn't blunt enough. I believe the code of practice is something that we would need DPIRD to prepare because they have the expertise in animal welfare issues.

Mr RON HOENIG: And then have to enforce it.

The CHAIR: Sorry, Mr Whitworth. Are you saying that then the timeline would be directed by the agriculture Minister rather than Minister Hoenig?

BRETT WHITWORTH: The code of practice intrinsically would be about animal welfare and the Office of Local Government would need—on the issue of animal welfare, I keep trying to refer to my colleague Dr Filmer, who is the chief animal welfare officer of New South Wales, and my colleague the deputy secretary from DPIRD. They will have a significant role and responsibility in the preparation of the code.

RACHEL CONNELL: As you're aware from the hearing on Tuesday, there's quite a full program of work ahead of us this year in relation to the POCTA Act and various codes under that Act. In addition to that, we've now got the review of the Companion Animals Act, so we're working through the sequence and the cascade in terms of how those reforms will come online. We'll be consulting on various aspects and, as the Minister indicated on Tuesday, there's an intention to undertake consultation around the review of the Act but also draw on the extensive consultation and feedback we've had to date. But in relation to the proposed code for pounds, that's obviously something we'll want to work really quite closely with OLG on.

The CHAIR: Minister, you previously met with the organisation Warm Paws, and I thank you for your support of Warm Paws and their vital work. As you know, they've been raising money to get essential vaccinations into rural and regional pounds. There's been huge parvo outbreaks in different rural and regional pounds. A lot of these councils haven't found the funding to be able to actually vaccinate the animals inside these pounds for things like parvovirus. This is really critical work that they do. I thank you for your support of their work. I'm just wondering if you can update me on any work that you may have done in this space since meeting with Warm Paws outside of the review that's obviously currently underway.

Mr RON HOENIG: Other than the parvovirus that has caused us some problems—Mr Whitworth?

BRETT WHITWORTH: I'd like to take on notice any action that we've done, but I think we were presented with a number of propositions. Obviously we talked earlier about funding opportunities and how that would need to be part of a broader Government decision. I probably can't say much more than that.

The CHAIR: So it's more, again, something that might end up in the budget process, which we're waiting to hear back about?

BRETT WHITWORTH: As it's a matter for Government and a Government decision to take, I probably don't want to talk about individual organisations. The work around rehoming organisations and volunteers in that companion animal space is important work. We have put a proposition to Government that that should be funded.

Mr RON HOENIG: Madam Chair, I just have a note here given to me that workers compensation claims are matters between insurers and individuals, and I have no specifics on whether there are any active workers compensation claims involving former staff.

The CHAIR: That was possibly an answer to your question.

The Hon. SCOTT FARLOW: I think it is.

The Hon. AILEEN MacDONALD: You asked me for a link for that newspaper article. It was on 13 February. I've just sent the link to the budget estimates secretariat.

KIERSTEN FISHBURN: We found the 13 February link as well. Thank you, though, I appreciate that effort.

The Hon. NICHOLE OVERALL: Minister, how many councils have applied to IPART for special rate variations for 2025-26?

Mr RON HOENIG: It's six or seven.

BRETT WHITWORTH: Six.

The Hon. NICHOLE OVERALL: How many applied for special rate variations in 2024-25?

Mr RON HOENIG: There were seven. One year is seven and one year is six. I'll get Mr Whitworth to look it up.

BRETT WHITWORTH: We can also take that on notice, if you'd like.

The Hon. NICHOLE OVERALL: Yes, I would like.

BRETT WHITWORTH: I do have the current years but not previous years in my notes.

The Hon. NICHOLE OVERALL: The figure that I have before me is nine for 2024-25. If you're able to check that, that would be great. Minister, what's your view on special rate variations?

Mr RON HOENIG: The only view I have is that councils are entitled to make applications beyond the rate peg. The view that I have expressed is that they should examine their expenditure and see where their money is going before they go to the community to go and ask for more money in a special rate variation, particularly as there is a cost-of-living crisis. I thought I made that very clear to them. There are some councils that, before they make an application, are required to consult with their community. There are councils that consult with their community that agree to a special rate variation because they may well be for specific infrastructure that a council wants. Others, the community dispute and disagree with and protest, and the councils don't proceed with their special rate variation applications. The merits of them are an independent process by IPART. In 2010, the politics was taken out of it. Really, I shouldn't be influencing IPART's decision-making process.

The Hon. NICHOLE OVERALL: No. No suggestion of that, Minister.

Mr RON HOENIG: But any public statement I make can be seen to be doing that. The community have to have faith that there's an independent process.

The Hon. NICHOLE OVERALL: Which other States manage council finances by rate pegging and special rate variations?

Mr RON HOENIG: I don't think any of them do, do they? Are we the only one or is somebody else?

BRETT WHITWORTH: No, Victoria has introduced a rate cap.

Mr RON HOENIG: When did they do that?

BRETT WHITWORTH: Very recently. We have different methodologies for rate calculation in different States. While South Australia doesn't have a rate capping process, it has a mechanism by which its essential services commission—its acronym is ESCOSA—reviews the expenditure of each council and provides a report, and the councillors then have the ability to set a rate based on the information in that report, which is publicly available. I feel like there's another jurisdiction that does have a rate cap but the details are escaping me at the moment.

The Hon. NICHOLE OVERALL: I've learnt yet another new acronym. Minister, you said that rate pegging and the removal of rate pegging is not going to occur in New South Wales. Is that your definitive response from your inquiry? Are alternative financial models being considered in your response?

Mr RON HOENIG: I suppose it was a political response to calls that are being made by various parts of the sector who want rate pegging removed to enable councils to have free reign. I don't think that's necessarily likely to be even politically possible by whoever the government of the day is. I suppose it's more of a political response than anything else.

The Hon. NICHOLE OVERALL: So you are not going to respond in terms of you've looked at alternative models?

Mr RON HOENIG: I am. Every time you take two steps forward, there's always one step backwards. Every time you want to progress something that requires changing the culture of the sector of 128 councils, you end up with a North Sydney and a Northern Beaches. I accept the philosophical arguments. Like Abigail Boyd's argument, why can't democratically elected people decide the future of their own council without an improvement order? Why can't councils decide how much rates are going to increase by the State imposing a rate pegging?

The Hon. NICHOLE OVERALL: If we're looking into the financial sustainability and efficiency of councils, surely all of these things must be considered, and it's not just a matter of telling councils that they can willy nilly increase rates, because there's no peg, but what is actually going to achieve effective solutions for councils to be sustainable into the future.

Mr RON HOENIG: I agree with you. You're right.

The Hon. NICHOLE OVERALL: Lovely. Could you tell my husband that please? Can we move on to your code of conduct. We still have no idea yet when we're going to receive that. Can you give me a little bit of information? Are you looking at more impactful ramifications for breaches of the code of conduct?

Mr RON HOENIG: Yes.

The Hon. NICHOLE OVERALL: Excellent. Can you share with us what any of that might be?

Mr RON HOENIG: Yes. I have been incredibly frustrated with the NCAT process and the length of time it takes for matters of serious misconduct to be dealt with. At this particular point in time, if it's not a minor matter, there has to be a referral to NCAT. If you look at the length of time it takes, recently with either Hindi or Saravinovski, there's a failure in the process. I've been talking to the department and I've been talking to the heads of jurisdictions of the courts to find a mechanism whereby, firstly, a system can be determined for serious misconduct quickly and another system whereby, if the conduct is so grave and the evidence is so serious, a court could immediately suspend a particular councillor, pending a determination of the matter, and deal with the matter within a quick period, maybe a few months.

To do that, it's not about putting that into a regulation or legislation; it requires the agreement of the head of jurisdiction, which I have had discussions with. If you're going to talk about getting rid of councillors, a tribunal is not the right thing. You need a court, probably of Supreme Court status. The Land and Environment Court may well be the appropriate court, if it's prepared to take the work. If I'm going to provide for serious misconduct removal quickly, by a court, I've then got to have either an officer of local government who is skilled to be able to move quickly on those matters, which is occurring now with money from the Treasury; I've got to determine who can take the action; and I've got to determine whether or not there are other remedies—whether these should be fine remedies and whether there should be other punishments that a judge can give.

The Hon. NICHOLE OVERALL: So all these things are under your consideration at this point in time?

Mr RON HOENIG: And they're all happening now, this very minute. As you become aware of other matters, the urgency or the seriousness of these matters expand.

The Hon. NICHOLE OVERALL: It does. When it comes to code of conduct complaints, what about costs? Do you have a definitive figure as to what complaints have cost over the past financial year?

Mr RON HOENIG: Yes, I have those. The total costs for code of conduct complaints—and these are only complaints against general managers and councillors—were \$1,309,415 for 2023-24, \$699,836 for 2022-23, \$998,151 for 2021-22 and \$1,557,699 for 2020-21.

The Hon. NICHOLE OVERALL: We get the gist of that, Minister. Of course, those costs are actually borne by the councils themselves. You pointed out the increasing burden of costs on councils as it is, particularly in regional and rural areas—and not overlooking the reduced Financial Assistance Grant—so is this not yet more financial pressure on councils and working against your own financial sustainability inquiry outcomes?

Mr RON HOENIG: No. An industry has been created with these code of conduct complaints where they're being weaponised and they're being used—

The Hon. NICHOLE OVERALL: Are you suggesting that councils then should be held liable and accountable for these costs because vexatious complaints are being made?

Mr RON HOENIG: Under the current system that has been put in place, that is exactly what happens.

The Hon. NICHOLE OVERALL: So you're suggesting that your inquiry and your outcomes will be that the system is reviewed in such a way that that won't occur and these costs won't be additional burdens to councils?

Mr RON HOENIG: Yes. The system is just completely broken. The code of conduct examiner's system is broken. The provisions in the code of conduct are inconsistent with the right of freedom to legal communication. The State can't legislate to take those rights away, yet councils are continuing to try to silence democratic councillors by weaponising these ridiculous complaints. I mean, 4,000 in three years or something—it's just ridiculous.

The Hon. NICHOLE OVERALL: That's terrific to hear, Minister. Obviously we want to see these things happen as quickly as possible, if we're moving towards this.

Mr RON HOENIG: I'm going to stop them. I put a performance improvement order on one council that was trying to silence councillors from asking for a traffic study with a code of conduct complaint and by referring it to a code of conduct reviewer. It's an industry that I'm going to stop.

The Hon. NICHOLE OVERALL: That's good to hear. Hopefully we'll hear back from you on your outcomes and recommendations as soon as possible.

Mr RON HOENIG: You've probably been hearing me complaining about it for two years, too.

The Hon. NICHOLE OVERALL: Hopefully not.

Mr RON HOENIG: It's not a secret.

The Hon. NICHOLE OVERALL: You said also that there has been a lot of pushback from councils—in fact, you used the word "complaining"—on various aspects of the code of conduct. I've been contacted by councillors regarding some of those. The things that you're mentioning there do sound like they're significant steps forward, and progress is being made. However, things like a new requirement for councillors to stand when the mayor enters the chamber—I mean, is this something that was indicated as a priority by LGNSW or community members, for example? Is it going to help with better functioning councils? Should we not be focusing on the issues that really matter?

Mr RON HOENIG: We need to ensure that councils' reputations are enhanced and that the democratic chamber is viewed by the community with respect.

The Hon. NICHOLE OVERALL: I agree with you, Minister. However, in saying that, you also remove the word "respectfully" in the code of meeting practice when it comes to questioning. Currently it says, "Councillors must put questions directly, succinctly, respectfully and without argument." Why would we remove the word "respectfully" when it comes to the presentation of questions and information?

Mr RON HOENIG: I'm going to free up councillors to enable them to be able to freely participate in a robust democratic system in council. I'm going to apply similar standards of language that apply in the standing orders in the Legislative Assembly.

The Hon. NICHOLE OVERALL: I would have thought that "respectfully" would be a word that we want to ensure is included.

Mr RON HOENIG: Yes, but not in that clause. There are other ways to achieve that.

The Hon. NICHOLE OVERALL: How are we going to police what penalties are going to apply, for example, if a councillor refuses to stand on the entry of the mayor to the chamber?

Mr RON HOENIG: It used to always be done.

The Hon. NICHOLE OVERALL: It used to be, in the olden days. Lots of things were done in the olden days.

Mr RON HOENIG: Did it happen in your time?

The Hon. MARK LATHAM: No, they never stood for me.

Mr RON HOENIG: It happened in my time, and in all the other councils it happened.

The Hon. NICHOLE OVERALL: Again, what are the penalties going to be? Clearly it's not. Shouldn't it be left to be determined by those councils?

Mr RON HOENIG: It's a matter of encouraging a change of culture.

The Hon. NICHOLE OVERALL: But don't you agree, Minister, that these are the sorts of things that—I do understand how difficult it is to progress and move these things forward—bog it down rather than focusing on the things that really matter?

Mr RON HOENIG: I don't think so because other things flow from that. The democratic chamber of councillors has got to be a place that is valued and respected, just like the democratic—

The Hon. NICHOLE OVERALL: I don't disagree with you.

Mr RON HOENIG: Just let me finish.

The Hon. PETER PRIMROSE: Point of order: Can I ask, under the procedural fairness resolution, that the Minister be shown enough respect to be allowed to answer a question when it's put to him?

The CHAIR: I don't think the member was being disrespectful in this instance, but I will give the Minister a moment to answer because there was a lot of talking over the top of each other.

Mr RON HOENIG: I didn't intend to, and I apologise if that was the case. I've got to create a culture and a chamber that is respected by the community and looks like a respectful chamber, just like all the other tiers of government. I've got to create a mechanism whereby the councillors are protected from being harangued by vocal minorities—where they're coming after work or something to decide matters and their entrances are blocked. I mean, there's a councillor in the city that spat on a presiding officer. I've got to create a situation where it's a respectful institution and it's valued, so they're not sitting around a conference table as an easy target. I'm trying to elevate their reputation and respect.

The Hon. NICHOLE OVERALL: I don't disagree with you. I just don't know that's the best way to do that, Minister.

Mr RON HOENIG: That's why I'm going to require them, for example, to stand when they speak. That was always the case. A lot of these councils are not doing it. I'm just trying to enhance their reputation. I'm prepared to listen to what their views are in respect of it.

The Hon. NICHOLE OVERALL: Terrific.

Mr RON HOENIG: But it's for their benefit, not mine. Why would I care?

The Hon. NICHOLE OVERALL: Moving on from that. In talking about generating respect for local councils and local government—and I thoroughly agree with you and was absolutely not being disrespectful in any way, because I'm not in disagreement—has there ever been given consideration to, or is it something that you would consider, that those who run for local government currently aren't required to be subjected to police checks, working with children and vulnerable people checks? Is this something that should be considered for potential applicants?

Mr RON HOENIG: I'm happy to do that. What I can tell you, Ms Overall, is that every time you embark upon an exercise to put something in train that impedes upon the election of somebody to a council, are you faced with the High Court's decision of *Unions NSW v New South Wales*. Even things like trying to stop real estate agents and developers from getting elected to council, in any way you do it or in any way you try and do it

subsequent to elections, advice from Parliamentary Counsel and the Cabinet Office is that it's not constitutional. So I'm prepared to look at it, but all these issues—

The Hon. NICHOLE OVERALL: I understand the difficulties. But, given other organisations, including Parliament, working with children—local councillors do work with children—

Mr RON HOENIG: I'm happy to look at it.

The Hon. NICHOLE OVERALL: That would be great.

Mr RON HOENIG: I am just warning you that all these issues become quite fraught.

The Hon. NICHOLE OVERALL: I know local government very well. My husband was also in it for 17 years. Minister, you talked earlier about the additional burdens on OLG resourcing, on their limited resources, which is your description of that. You received \$37.4 million for the OLG in the most recent budget. Have you advocated for more money?

Mr RON HOENIG: I have got to tell you I'm sitting next to department heads that have got smiles from ear to ear as a result of the last budget. The Office of Local Government has been—

The Hon. NICHOLE OVERALL: But you said yourself "limited resources". Clearly, still not enough.

Mr RON HOENIG: I'm not saying that \$37 million is not enough. I'm just saying I'm just utilising that. But what I said—don't take my words out of context. What I said in answer to a question of Ms MacDonald was that if she wants me to pursue a particular issue, on the basis that she's alleging impropriety or breach of the law, I'm happy to do that. But I don't want to use the limited resources of the Office of Local Government just for the purposes of checking some council's expenditure over a local political dispute. That's the point I was making in answer to Ms MacDonald. I think you will find that the Office of Local Government is restructuring itself. It's got an increase in staff, to this point in time, of 22, I think, from what it was—

KIERSTEN FISHBURN: From 68 to 92.

Mr RON HOENIG: It's being restructured. It's getting more resources, probably for the first time in 20 years.

The Hon. MARK LATHAM: Minister, you said that you were first told about the Saravinovski matters, the temper tantrum and pecuniary interest—

Mr RON HOENIG: Don't use those words. I was first told about the Saravinovski matter would probably be—

The Hon. MARK LATHAM: I didn't finish my question. By Mr Whitworth in the middle of 2023.

Mr RON HOENIG: Sometime in 2023. I guess it's around the middle.

The Hon. MARK LATHAM: He told you about both those matters at that time. You say it's the first you've heard of it.

Mr RON HOENIG: Yes. I wasn't told that. But the first I'd heard about—if I just use the words "Saravinovski matter"—is sometime in 2023, I guess, about the middle.

The Hon. MARK LATHAM: At that time, what did the matter involve, that you were told about?

Mr RON HOENIG: I can't tell you.

The Hon. MARK LATHAM: So this is the third serious matter that's still pending.

Mr RON HOENIG: I can't tell you.

The Hon. MARK LATHAM: Why not?

Mr RON HOENIG: Because I have knowledge that has been subsequently provided to me by—under statutory provisions, I can't.

The Hon. MARK LATHAM: You did provide a bit more information earlier on. Now you are backtracking from that.

Mr RON HOENIG: Yes. I'm not going down that path, because I'm aware of certain things, and I cannot transgress because of orders that have been made.

The Hon. MARK LATHAM: At that time, you said you'd said to Mr Whitworth he would be well advised to get criminal counsel. What else did you tell him to do?

Mr RON HOENIG: And why he should.

The Hon. MARK LATHAM: And why was that?

Mr RON HOENIG: I'm not going to go into that. I can't go into that.

The Hon. MARK LATHAM: What actions did you tell him to take, given what you, obviously, thought was very serious, in commissioning criminal counsel?

Mr RON HOENIG: Because of the nature of the material, criminal counsel are best placed to know exactly how to lead that evidence.

The Hon. MARK LATHAM: Given that you had known Councillor Saravinovski for 30 years, what happened when you went to him to get his side of the story?

Mr RON HOENIG: I didn't.

The Hon. MARK LATHAM: Who did you tell about the matter? Local councillors, parliamentary colleagues, Labor head office?

Mr RON HOENIG: I didn't discuss the matter with anyone until the matter was listed at NCAT, and that's when it became public, and that's when I alerted local members that there was a matter listed in relation to Saravinovski at NCAT, without providing any details.

The Hon. MARK LATHAM: Did you then recommend to Labor head office that Bill Saravinovski not be on the Labor ticket for the council election?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: You played no role in that?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: Did you play any role in his son replacing him, which seemed an extraordinary thing to do if you had concerns of that nature?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: So your evidence to the Committee is that you first heard of it when Mr Whitworth briefed you? These matters had been around at the council. No-one inside the council ever spoke to you about it after 2018?

Mr RON HOENIG: No.

The Hon. MARK LATHAM: When do you expect this other matter you can't mention to become public?

Mr RON HOENIG: I don't know whether it will or will not become public.

The Hon. MARK LATHAM: Have you got have any idea of when it might be finalised?

Mr RON HOENIG: The next step might be finalised, I imagine, maybe within the month. I have asked for certain things.

The Hon. SCOTT FARLOW: Minister, what consideration have you given to the impact of affordable housing policies on councils' rateable base?

Mr RON HOENIG: The affordable housing policy, if it be contained within strata, may well enhance a base. If it's build to rent, then that's significant in terms of local government. How to address them—we do need to look at it. It's been raised as part of the financial sustainability inquiry. I have got to say the upper House members on the inquiry did a great job. But the issue of build to rent becomes complicated because it's a relatively new concept. You create a situation where the people who build to rent are going to retain their properties so that the quality of construction, in theory, should be better because they have a motive to ensure that there are no defects.

They're paying rent on the unimproved capital value of the land, as distinct from the rent you would recover in strata. Yet they have a population. If you disturb, as local government asks you to, the way in which those properties are rated—none of it is for free—then you may well impact upon the desirability of build to rent. Or, alternatively, it impacts on rental prices. So that's an area, I think, of significant concern to local government, in terms of rate increase. And the extra population creates demand on local government services, of course, as well.

The Hon. SCOTT FARLOW: Minister, have you seen the paper from the NSW Revenue Professionals, the discussion paper on community housing and council land rate exemptions, which was published on 17 February this year?

Mr RON HOENIG: No.

The Hon. SCOTT FARLOW: That report—and I invite you to have a look at it; I'm happy to provide a copy of it—lists in some council areas that there are up to 9 per cent of properties, managed by community housing providers, that are rate exempt. Is that something of concern to you for many of those councils?

Mr RON HOENIG: I just have to take that on notice. Community housing providers seem to have become the solution for managing public housing now for—

The Hon. SCOTT FARLOW: And that's some of councils' concerns, in terms of the difference between that and Homes NSW or what was LAHC.

Mr RON HOENIG: I remember a former housing Minister telling me that nobody has ever done the comparison. But it becomes an easy solution. It was under the former Government, anyway. But it's something that I need to consider. Thanks for raising it with me, actually.

The CHAIR: Thank you. Does the Government have any questions? In that case, we will break for lunch and return at two o'clock. That completes our time with the Minister this morning. Thank you for joining us.

(The Minister withdrew.)

(Luncheon adjournment)

Mr BRAD WADE, Director, Investigations and Interventions, Office of Local Government, affirmed and examined

Mr KEITH BAXTER, Director, Strategic Reform, Office of Local Government, affirmed and examined

The CHAIR: Good afternoon. We will start with questions from the crossbench.

The Hon. MARK LATHAM: Mr Whitworth, when did you first learn of the incident at Bayside Council involving Councillor Saravinovski on 12 September 2018?

BRETT WHITWORTH: You talk about it being an incident. I was made aware not long after I became Deputy Secretary, Local Government in January 2023 that we had received material from a third-party integrity agency, so I was made aware of it. I wasn't provided with copies of the material at the time, and I was made aware that the Office of Local Government, the investigation team, was looking at the matter.

The Hon. MARK LATHAM: Are you saying ICAC gave you advice about someone knocking over a water bottle and swearing and yelling?

BRETT WHITWORTH: I did not say that at all, Mr Latham. That's what you said.

The Hon. MARK LATHAM: That seems to be the nature of the incident. It obviously escalated, and there are other matters, as the Minister outlined. As of September 2018, the report clearly is about a mayor who lost his temper.

BRETT WHITWORTH: Mr Latham, they're your words; they're not my words. I will refer you to the NCAT decision. The NCAT decision identifies the issues at hand. It also identifies that there is a non-publication order about the material that was used to argue the case in front of NCAT. So I don't really want to go any further in terms of what material we had or what we knew, given that that will infringe on that non-publication order.

The Hon. MARK LATHAM: I'm not defending the guy, but whatever happened on 12 September 2018 at Bayside Council, how do you explain 4½ years of Office of Local Government inaction about it? No matter how you characterise it or how serious it might have been, what had happened in between the matter occurring and you becoming the head of the office in January 2023?

BRETT WHITWORTH: They're your words, Mr Latham. They're not—

The Hon. MARK LATHAM: Yes, they are my words because I'm asking you a question. You're talking to me like I'm a five-year-old, that they're my words. Well, of course they're my words. That's my question to you.

The CHAIR: Order! Please show respect to the witness.

The Hon. MARK LATHAM: What does that mean? They're my words.

The CHAIR: I think what he was trying to say was he doesn't agree with some of the terminology that you were using.

The Hon. MARK LATHAM: I'm asking what happened between 12 September 2018 and Mr Whitworth becoming head of the Office of Local Government. What was done about this problem?

BRETT WHITWORTH: What I've said to you is that the Office of Local Government received material from a third-party integrity agency. I believe that material was provided late in 2022, and the Office of Local Government did take time to consider that. It was longer than what I was happy with, but in March 2024 I referred the matter to NCAT to ask NCAT to undertake a disciplinary review based on the material that we had provided.

The Hon. MARK LATHAM: So between 12 September 2018 and the material sent by a third-party integrity agency, who we assume to be ICAC, in late 2022, what complaints about this incident/event did the Office of Local Government receive, and what did it do about them?

BRETT WHITWORTH: I think I've answered that, Mr Latham. Is there something else that—we had received material from the third-party integrity agency.

The Hon. MARK LATHAM: In late 2022. I'm asking between September 2018 and late 2022 what complaints you received about the matter and what you did about them at the office.

BRETT WHITWORTH: So you're asking whether there were any further complaints?

The Hon. MARK LATHAM: Yes.

BRETT WHITWORTH: I'll take that on notice.

The Hon. MARK LATHAM: It's a four-year gap, you see? One of the curiosities about this and why we're asking questions is that it looks like there are four years where nothing happened. No-one thought this is significant enough to do anything. It seems to be an integrity matter, if that's what it is, and quite a long gap. Mr Whitworth, when did you first find about the less-than-significant pecuniary interest declaration by this councillor on 12 May 2021 and a view that it was inadequate—that there hadn't been a full disclosure?

BRETT WHITWORTH: As I said to you, Mr Latham, the Office of Local Government received material from the third-party integrity agency. At some point prior to my referral of the matter to NCAT, I was provided with the investigation report that was undertaken and material that supported that. I don't have a date to hand when I first received it. If it's important to you, in terms of a time frame, I can—

The Hon. MARK LATHAM: Is that late 2022 as well?

BRETT WHITWORTH: No.

The Hon. MARK LATHAM: That's earlier?

BRETT WHITWORTH: In terms of the date for the investigation report that I received and the material that I relied on in order to refer the matter to NCAT. Up until that point, I had been given broad information, but I had not been given the specifics so I was unable to make a decision free of any concern that I had somehow biased myself before I referred the matter to NCAT.

The Hon. MARK LATHAM: Why would you bias yourself?

BRETT WHITWORTH: This was a view that if I knew too much about the material before I had had the chance to read the investigation report and see the material, I would have formed a view inappropriately. This was a legal concern. It's quite often an issue that is given to me about the risk of apprehended bias in the way in which we undertake our investigation process. That's a matter that I take seriously, but I have also been raising the question as to the extent to which we are too risk averse in that area.

The Hon. MARK LATHAM: If I can get you to take that on notice, the actual date. Also, the third serious matter that the Minister wasn't able to comment on—can I get a date on when you first became aware of that and the Office of Local Government first received it?

BRETT WHITWORTH: That would be as part of the same suite of material that we received from the third-party integrity agency.

The Hon. MARK LATHAM: When you briefed the Minister about this in mid-2023, did the Minister declare his 30-year association with Councillor Saravinovski?

BRETT WHITWORTH: The Minister made it clear that he knew Councillor Saravinovski. I did not provide a lot of detail to the Minister other than—and this was part of that standard process of me keeping the Minister apprised of the issues that I'm dealing with in the portfolio, so it wasn't a detailed briefing. It didn't go to the specifics of the case. In fact, the Minister wasn't aware of the specifics of the case at all. The issue about the Minister's relationship with the former councillor, now Mr Saravinovski—I mean, I was aware that he would have known him. I was also conscious of the fact that I needed to ensure that the Minister was aware that we had received quite a significant referral. I mean, this was a very unusual case, to receive this sort of referral from that third-party integrity agency.

The Hon. MARK LATHAM: What made it unusual?

BRETT WHITWORTH: What made it unusual? It's a unique circumstance.

The Hon. MARK LATHAM: The combination of the three matters?

BRETT WHITWORTH: No, the fact that it was the first time that it had happened.

The Hon. MARK LATHAM: The first time it had happened?

KIERSTEN FISHBURN: We don't normally receive referrals in this way.

BRETT WHITWORTH: Yes.

The Hon. MARK LATHAM: ICAC has never referred a councillor to you for your consideration?

BRETT WHITWORTH: Typically, what ICAC will do—ICAC and other integrity agencies, like the Ombudsman or the Information and Privacy Commission, from time to time will provide information to the Office of Local Government. In this circumstance—and I'm not saying that it was ICAC—the integrity agency had provided far more detail than a simple referral letter, to say, "We've received this complaint. We've assessed it, and we think that it's a matter for the Office of Local Government."

The Hon. MARK LATHAM: And that's the first time you've ever received something like that from them?

BRETT WHITWORTH: Yes.

The Hon. MARK LATHAM: Was this sent to you by Chief Commissioner John Hatzistergos?

BRETT WHITWORTH: This was sent to the Office of Local Government by a third-party integrity agency.

The Hon. MARK LATHAM: That's all you're able to say at this time. Right. You briefed the Minister in mid-2023 and he told you to commission the criminal counsel. You did that?

BRETT WHITWORTH: Yes, I think that's evident from the information and the judgement and the parties, and the judgement from NCAT.

KIERSTEN FISHBURN: Just for point of clarification—the Minister can make that suggestion but, ultimately, the decision for counsel rests with the department.

The Hon. MARK LATHAM: Sure. What else did he tell you was a good idea, or a suggestion?

BRETT WHITWORTH: I think what the Minister was concerned about is that these were matters that required a good criminal barrister to identify how to run a successful case in NCAT.

The Hon. MARK LATHAM: Did the Minister ever look at the file in detail, or just receive general briefings from you?

BRETT WHITWORTH: It was general briefings from me.

Dr AMANDA COHN: I have a question about the closure of community justice centres, which I understand is due to happen by 30 June. My colleague Sue Higginson asked questions of the Attorney General this morning about what the alternatives are for people who were previously served by community justice centres. One of the answers for that was councils. What involvement, if any, did you have in that decision? Were you consulted? Were councils consulted?

BRETT WHITWORTH: I was provided with an email. I can't remember the precise details. Happy to take that on notice in terms of the date of the email, but was provided with an email to the effect that the Government has made a decision to close community justice centres, and that the Attorney General—effectively, that part of Communities and Justice department would be willing to make sure that we were kept apprised of the process by which the transition of community justice centres and their closure would occur.

Dr AMANDA COHN: Was any effort made to understand the impact that decision would have on councils, or to understand councils' capacity to fill that gap?

BRETT WHITWORTH: I was presented with a "The Government has made this decision" email.

Dr AMANDA COHN: I think the answer to my follow-up question is going to be clear, which is what the financial impact on councils is going to be to absorb that change. We had a significant discussion with the Minister this morning about cost-shifting, and it feels like it's happening in real time today.

BRETT WHITWORTH: Local Government NSW has made representations. It was raised as part of a meeting with the Minister about the concerns regarding that. As I said, it's a decision of Government—that it's taken. It's not something that is my role to fight or question that, but I will continue to work with Communities and Justice in terms of the implementation of the process, and obviously I will seek to ensure that any implications for councils will be raised as part of that. But it's been quite a "This is the decision".

Dr AMANDA COHN: Were you asked to provide any support or information to councils through the process of this decision?

BRETT WHITWORTH: I'm not aware of that, but it could also have been—as I say, it's a decision of Government, so it would have been taken through a whole-of-government process. I'm unaware as to whether there would have been some other request that has come through, more centrally, to the department.

Dr AMANDA COHN: I asked the Minister some questions this morning about the Edward River Council performance improvement order. I just want to get my timeline straight. In a previous session, you told us that you'd received the second compliance report on 22 October, and my understanding is that that was due on 24 September. So my question is what were the grounds for that due date having been varied?

BRETT WHITWORTH: The first compliance report was on 26 August and the second compliance report that we received was on 22 October. I did have the PIO before, but I probably have lost it. I don't recall there being a delay in the provision of the second compliance report. I know you did ask me about it in December and I think I made the point at the time that I had been away in November. When the report did come in, there was a briefing note that was prepared while I was away. That was provided to the Minister. If I've given the view that we didn't receive it on time, I apologise for that, because we did. Mr Wade, do you have a date?

BRAD WADE: Yes. Edward River Council did approach us, because the due date fell close to the local council elections. They asked for an extension to allow one council meeting, my understanding is, to happen before they provide the second report.

Dr AMANDA COHN: Just to confirm my understanding, it was at the council's request, so that the new councillors could sign off on the report before it was sent to the Office of Local Government?

BRAD WADE: That's correct.

Dr AMANDA COHN: Thank you, Mr Wade, that's a helpful answer to my question.

The CHAIR: I have a couple of follow-up questions in regards to the consultations that will take place after the discussion paper has gone out—just wondering if there's a particular plan for how those consultations will be conducted, particularly with local councils, and whether animal care staff, who are at the front line of rehoming, will be included in those as well?

ERICA van den HONERT: Yes, the consultation will be as broad as we can possibly make it. I think you heard from the Minister this morning the importance of the Companion Animals Act review, and that we get it right. Just to build on where we are at the moment, as you know, there's a discussion paper that's out for everybody to comment. We're expecting a lot of submissions from the public. As we know, there's a lot of interest in animals and companion animals. When we get those submissions in, we will then make them public, as we do with submissions, and then get that information together, analyse it, and come up with an options paper, see where it takes us, and then go out for targeted workshops, and with as many stakeholders as we possibly can.

The CHAIR: I also have some questions about the Pet Registry. Earlier this week, the New South Wales Government issued a media release about the new mobile-friendly Pet Registry. This might be to Mr Whitworth but I'm happy for it to go to whoever works in this space. I'm just wondering if I could get an update on what changes have actually been rolled out in this latest iteration of the Pet Registry?

BRETT WHITWORTH: Certainly. I think this is something that Ms van den Honert can answer, but it's essentially the Link My Pet process. I think we talked in previous budget estimates hearings about Link My Pet, so this was the announcement of the "go live".

ERICA van den HONERT: In December last year, I think when we talked about it, it hadn't yet gone live. In the middle of January this year we went live with the Link My Pet function. That is for all home owners and breeders to be able to now electronically link their pets with their Service NSW account. The next steps in that process will be to bring in other organisations: vets, councils and the rehoming organisations. We haven't got there yet. We are still finalising, doing the hypercare process for the owners and breeders, and exactly scoping out what those next stages should look like.

The CHAIR: Can I just clarify that the new mobile-friendly Pet Registry isn't an actual app, is it? It's just that the website is now optimised.

ERICA van den HONERT: I might take that on notice.

BRETT WHITWORTH: It's not accessible through the Service NSW app, but it is accessible through your Service NSW account.

The CHAIR: If you could find out a little bit more—I think you took that on notice as well. Is there going to be a separate phone app, or will it only will be through the current Service NSW app?

BRETT WHITWORTH: That would be a great ambition. It could be a costly ambition as well, but the choice of the platform for the Pet Registry, being the AMANDA platform, which is the platform the New South Wales Government uses for licences and so on, does mean that we can, at some point in the future, link to that Service NSW app. But that's an ambition; it's not a promise of a delivery.

The CHAIR: The media release also stated that the Pet Registry provides instant online transfer of ownership. Is that something that now only applies to someone using the online Pet Registry or is it just for breeders? Is it everyone now that's on there?

ERICA van den HONERT: If you have an account and if you are currently registered through the Companion Animals Register, the CAR, that's now linked to the Link My Pet function.

The CHAIR: I wanted to make sure it's not just breeders; it's everyone now that uses it. So it's an instant online transfer.

ERICA van den HONERT: Correct, and owners.

BRETT WHITWORTH: Yes.

The CHAIR: How does it work in practice? I know I've had a couple of briefings on this in the past but it's been a while, so I'm trying to see if that process has changed at all or been tweaked in any way?

BRETT WHITWORTH: Sorry, how does it work in practice being how do you register a pet online? Do you want us to take you—

The CHAIR: How do you do that instant online transfer of ownership? How does that process actually work when someone is on the app?

BRETT WHITWORTH: When they're on the website.

The CHAIR: Or on the website, yes.

BRETT WHITWORTH: We would be happy to provide you with a flowchart to describe how that occurs, and we'll do that on notice.

The CHAIR: That would be helpful. Thank you.

The Hon. AILEEN MacDONALD: I wanted to follow up on Mr Latham's question. I understand that you're aware of reports concerning Bayside Council and you've made a referral. Prior to that, did you conduct a separate investigation into the matter?

BRETT WHITWORTH: As I said, we received information from the third-party integrity agency. What was referred to NCAT was a report under the Local Government Act. You could characterise that as being—that's an investigation report, but it relied on the material that we were provided by that third-party agency and we sought their leave in order to use that information and tender it to NCAT. This is why I'm being so careful.

The Hon. AILEEN MacDONALD: Will you provide the Committee documents relating to this issue? I understand that whilst it's ongoing, you won't be able to do that, but I put it to you that—

KIERSTEN FISHBURN: We would have to seek General Counsel advice to answer that question.

The Hon. AILEEN MacDONALD: I asked the Minister earlier about his gifting of a gift voucher to a young apprentice. I wanted to see whether you could provide advice to the Committee on the legality of this. Does the Minister need to make any disclosures on that gift?

KIERSTEN FISHBURN: I think those would be questions for the Cabinet Office, who manages those matters for government. I will take that on notice, though, and seek some advice from my own legal team as to who would be responsible for providing that advice.

The Hon. AILEEN MacDONALD: So that's on notice?

KIERSTEN FISHBURN: Yes.

The Hon. AILEEN MacDONALD: There was a question with regard to demergers. I understand, with Cootamundra-Gundagai, the boundaries commission has had a meeting.

BRETT WHITWORTH: Technically it's a public inquiry, given that we have a concurrent process. The public inquiry held meetings on 18 and 19 February in both Gundagai and in Cootamundra to hear from the community. They also heard from the consultant that had been appointed by Cootamundra-Gundagai council to prepare what I keep calling the implementation plan but I think they call it their financial sustainability plan. That was presented to the public inquiry.

The Hon. AILEEN MacDONALD: In that preparation, was there a timeline for implementation?

BRETT WHITWORTH: A timeline for implementation?

The Hon. AILEEN MacDONALD: Of a demerger process, if it's agreed to. That's part of your—what did you call it?

BRETT WHITWORTH: The public inquiry. The process, in a broad sense, under the legislation for Cootamundra-Gundagai, is that there is a public inquiry into whether Cootamundra-Gundagai Regional Council should be dissolved. Then there will be a boundaries commission meeting as to whether two new councils should be created based on a proposal put forward by Cootamundra-Gundagai Regional Council. I understand that the boundaries commission is likely to be meeting in the coming months. Once they've met, they will put a proposal to the Minister, as well as a recommendation out of the public inquiry for the Minister to consider.

The next steps will be the preparation of the proclamation, if the Minister agrees with the—if there's a recommendation that effectively the demerger should happen, then there will be a proclamation prepared. This won't be a simple proclamation. It could go to several pages in the *Government Gazette* effectively, because it needs to identify the division of assets and liabilities. It will need to identify the governance structures of the two new councils. It will need to identify some of the timing around the election and so forth. That's quite a detailed process. I'm not prepared to give any sort of time frame or commitment, given that there is still so much process and legal documentation that needs to be prepared.

The Hon. AILEEN MacDONALD: With regard to code of conduct reforms, I note that over the past three years I think over 4,200 complaints have been lodged. We're in the middle of reforming the code of conduct. What entrance steps have been taken to reduce the backlog of cases?

BRETT WHITWORTH: I have previously given evidence to this Committee about the work that we've done to accelerate the assessment of the applications that we receive. The procedures for the administration of the model code of conduct place a lot of onus on councils dealing with code of conduct matters in the first instance, and then the Office of Local Government will deal with code of conduct matters that have either been referred by the council to the office or for pecuniary interest matters. The procedures we have put in place is the creation of what we call the complaints investigation review committee. It is effectively a triage process. That triage process has been designed to prevent material coming into the Office of Local Government without the Executive being aware of it until it's gone all the way through the investigation chain and pops out at the other end.

In reference to the earlier conversations, that's an important change that I have made. That triage process enables us to quickly identify whether this is an issue that requires further investigation and whether this is an issue that requires perhaps referral back to the council or to another integrity agency. It also gives us the ability to identify and discern any trends that might be occurring with multiple council wards creating code of conduct complaints. We can then look at whether there is a need to address how that council is operating and go and talk to the council about the issues that are at hand with its governance. I hope those things are helping us to accelerate the time frame from when we receive matters to when we are able to resolve them.

In the longer term, the answer to that weaponisation issue is to ensure that behavioural matters associated with a councillor's conduct are dealt with by councillors' peers. I have previously given evidence to this Committee about the creation of a privileges committee to do that. That is my strong hope—that, by having a methodology

where councillors judge other councillors on behavioural matters and not on conflicts of interest, we'll be able to both reduce the cost because you'll eliminate the need for a conduct examiner report in every instance and it will also help us to better frame some of the actions, being politicians making judgements about whether the behaviour of that politician was appropriate.

The Hon. AILEEN MacDONALD: You've just outlined the strengthening of that sort of investigative capability of the office. Will additional funding be provided or is it part of the previous funding that you've received to build that capability?

BRETT WHITWORTH: As a result of the funding that we have received, I have been able to increase the number of investigators that I have. I have also been able to strengthen the intervention process that we have so that I'm able to have investigators focused on investigations rather than dealing with investigation performance improvement orders as well. I've also been able to use that funding to create more strategic reform capability so that it's not the investigators that are undertaking the reforms. Their job is to get on and do the investigations.

The Hon. AILEEN MacDONALD: As part of this, what new powers will the Office of Local Government have and how will they be enforced? Is that through legislation that is part of this process?

BRETT WHITWORTH: That will need to be through legislation and as part of that process. You've heard the Minister talking about wanting to talk about the most appropriate jurisdiction to deal with and hear matters. I think you heard him express some frustration with the time frames that he has had out of NCAT matters. One of the challenges that I have found in doing this job is that I'm being put into a position where I need to judge the conduct of elected officials. If they are serious matters and the elected official should be either suspended or disqualified, then that's a decision that should be taken by a judicial officer rather than by a bureaucrat.

The Hon. AILEEN MacDONALD: In, say, Bayside, as an example—I know it's maybe not a good example, sorry, given that it is ongoing—what penalty mechanisms do you think are being considered for breaches of, for instance, conflicts of interest?

BRETT WHITWORTH: That would be a range of suspension and/or disqualification options. There would also be the question to the extent to which costs would be awarded for those sorts of actions. I'm quite happy to use the Bayside example. It was the first time where, instead of going through a mechanism where the departmental chief executive—which is effectively the powers that I'm exercising—goes through a process of the issue of a notice and a potential suspension of the councillor for up to three months, I felt that the matters were so serious with that case that I elected to go to NCAT, which has suspension powers of up to 12 months. That, I think, demonstrates my degree of concern about the matters there. I could stand to be corrected, but that was a decision that was very rarely taken. Normally, the departmental chief executive would act to suspend a councillor rather than go straight to NCAT.

The Hon. SCOTT FARLOW: On that point, have you gone to NCAT on any other occasions?

BRETT WHITWORTH: Not for a sitting councillor. At the time, Councillor Saravinovski was a sitting councillor. Not me personally. We will—and I'm being very careful here—ensure that, if there has been a matter where we have gone straight to NCAT for a sitting councillor, we will take that on notice. We have gone to NCAT on a number of occasions where the councillor is no longer a councillor.

The Hon. SCOTT FARLOW: Is that because they're out of your remit at that point?

BRETT WHITWORTH: Yes.

KIERSTEN FISHBURN: There's no penalty regime that could be exercised.

BRETT WHITWORTH: We are obliged to go to NCAT in those cases. While I have been deputy secretary, there have been at least three of those circumstances where we have been at NCAT for a former councillor.

The Hon. SCOTT FARLOW: To change pace a little bit, in terms of the financial sustainability of councils—and we understand that the Government is going to come back on that report—has the Office of Local Government been tasked to analyse or review or provide any recommendations internally on the recommendations that have been provided by the State development committee report?

BRETT WHITWORTH: Yes, we are tasked with providing the Minister with advice on that matter.

The Hon. SCOTT FARLOW: With respect to the expectation that councils are prudent managers of their finances, what sort of assistance is provided from the Office of Local Government to newly elected councillors—and even old and continuing councillors—in order to assist them in that charge?

BRETT WHITWORTH: Sorry, I'm almost gleeful that you are asking me that question.

KIERSTEN FISHBURN: I was actually thinking, "Is this a Dorothy Dix?"

BRETT WHITWORTH: We have been running a series of workshops for incoming councillors called Hit the Ground Running. Those have been a very successfully subscribed series of workshops that have been running. They started at the end of last year and I think they have only just completed. I'm looking—no-one here will help me with the answer.

The Hon. SCOTT FARLOW: Don't worry, somebody at the table was trying to look to me for assistance the other day. It wasn't going to help.

BRETT WHITWORTH: If it didn't complete last week, it will be completed next week in terms of the program. At least one of those sessions is the financial background and backbone of a council, how you understand and look at how a council's accounts are prepared, and the issues associated with understanding the monthly, quarterly, yearly budgets and financial reports that you receive. We have also been working with any number of other groups such as Local Government NSW and professionals to help them with any courses that they wanted to provide to assist councillors to understand their financial responsibilities. We prepare the *Councillor handbook* at the beginning of every new term. We update the *Councillor handbook* and we provide information in the *Councillor handbook* about how a council's finances are managed, and some of the things that a councillor would want to identify and potentially ask questions about. I do love the instantaneousness of estimates; the last webinar was yesterday.

The Hon. SCOTT FARLOW: Fantastic. I'm glad we're on top of it. Mr Whitworth, in terms of councillors and the setting of remuneration for councillors and mayors, there is a band that dictates how that is worked out in terms of councils and their size and the like. Is there any flexibility around expenses policies and the like? There is some flexibility that's available there for councillors. What are the guidelines in terms of how councillors' facilities policies or councillors' expenses policies are set and is there any scope in terms of councils being able to determine their remuneration for both councillors and mayors?

BRETT WHITWORTH: The Local Government Remuneration Tribunal sets, as you say, a band for each council within which the salary of the mayor and the councillors can be established. Every year that is updated and the councillors can then vote and make a resolution as to whether they're going to adopt that increase or not. Councillors are also able to access expenses and funding for expenses that they incur. They're also able to access funding for training and there are policies that each council needs to adopt. There are some model policies that we provide them, but each council will adopt their own policy based on our model in order to manage that expenditure. There was a parliamentary inquiry at the end of the last Parliament that did make a recommendation that we needed to adopt and update the parliamentary expenses policy, which is on the work program for the Office of Local Government to do.

The Hon. SCOTT FARLOW: Is there an expectation as to when that will be finalised?

BRETT WHITWORTH: There is not a definitive time frame. One of the things that I have been trying to do with the restructure in the Office of Local Government is to free up our policy capacity. There are people that are doing multiple jobs, effectively, at the same time, and some of those people have been helping to manage governance and compliance issues while also preparing governance and governance policy. By freeing that resource up, I'm hopeful that I can accelerate a number of key policy updates. The procurement policy for councils is one that I feel is quite critical, because there have been a number of ICAC recommendations. We talked about a recommendation this morning about council procurement policies. The council expenses policy will also be updated. I hope that we can try to incorporate that with the Councillor Conduct Framework update, but that's an ambition rather than a promise.

The Hon. SCOTT FARLOW: To that point, in terms of ICAC recommendations, how many of those that the ICAC have made are still outstanding?

BRETT WHITWORTH: Can I take that on notice? I do have a table, but it would be quite boring reading. I'm more than happy to take that on notice.

The Hon. SCOTT FARLOW: I'm happy to receive that on notice. Would you be able to provide on notice a list of all the councils that have had approved special rate variations for the past five financial years, as well as those that you undertook to take on notice this morning that have applied in this round and for the next financial year?

BRETT WHITWORTH: Certainly. That information is available on the IPART website, but we can undertake some research for the Committee and provide that information.

The Hon. SCOTT FARLOW: To the discussion we had this morning in terms of the salaries of staff within councils—potentially what I think the Minister would prefer to be called "general managers", rather than

"CEOs"—are there any guidelines in place that the Office of Local Government put to councils for what staff remuneration should be, particularly at that most senior level of councils?

BRETT WHITWORTH: Whether you have realised it or not, I think you've asked me two questions. There are guidelines around general manager contracts and the contractual process for the appointment of general managers. Now that we have removed senior staff contracts from the Local Government Act, that means that any other council employee is employed under the award. That award is negotiated by Local Government NSW with the relevant unions. The payment of staff other than the general manager will be in accordance with the award.

The Hon. SCOTT FARLOW: But for the general manager itself, is there a guideline for that payment or is it just in terms of the negotiation process and appointment process that should be undertaken?

BRETT WHITWORTH: There is a guideline, and the councils are obliged to use a contract that has been prepared by the Office of Local Government. Obviously, there are schedules to be filled in the back that provide the details of the remuneration, but that remuneration and the performance arrangements are negotiated by the council with the general manager.

The Hon. MARK LATHAM: Mr Whitworth, when the third-party integrity agency sent you this material about the Bayside councillor, did they say why they were sending it? It was the first time in their 34-year history that they'd referred this to the Office of Local Government.

BRETT WHITWORTH: I wasn't around at the time, and I'm not in the habit of having those sorts of conversations with any third-party integrity agency along those lines. I believe their view was that this is a matter that the Office of Local Government might be better suited to addressing because of the view that it was a misconduct matter under the code of conduct and, therefore, it would be better addressed through the Office of Local Government, rather than being a matter under their legislation.

The Hon. MARK LATHAM: Could you take that on notice, check the file and come back with any detail?

KIERSTEN FISHBURN: Again, I'm going to have to advise that I have to seek general counsel advice about what we can and can't release.

The Hon. MARK LATHAM: They have said it's a general misconduct matter. The Minister was told about it and advised you to get a criminal counsel involved. The independent commissioner against corruption is there to investigate and take action about corruption. Did the Office of Local Government, at any stage, say, "If this is serious enough, why isn't ICAC doing it, with its much greater powers of investigation, phone tap and so on and so forth than the Office of Local Government"?

BRETT WHITWORTH: Are you asking whether we—

The Hon. MARK LATHAM: Pushed back and said, "This is serious enough. The Minister has said we should commission a criminal counsel. ICAC can undertake this investigation a lot more effectively than the Office of Local Government."

BRETT WHITWORTH: There is an assumption in your question that it is ICAC that is the third-party integrity agency. We have an obligation to report corruption to ICAC, and we would have met that obligation as part of this if we were of that mind. Any referral that we make is not typically a public process.

The Hon. MARK LATHAM: Prior to late 2022, what other complaints of misconduct had been received about Councillor Saravinovski and been investigated?

BRETT WHITWORTH: I believe that was the question you asked me before, but I'll take it on notice.

The Hon. MARK LATHAM: After mid-2023, how often did you keep the Minister up to date with this particular matter as it unfolded?

BRETT WHITWORTH: As I said, it was part of the broad process of me apprising the Minister of the issues that I'm dealing with within his portfolio. I wouldn't say that there was a regularity about it.

The Hon. MARK LATHAM: Every couple of months? Can you take on notice the briefings? I assume you've got notes to file about briefings with the Minister.

BRETT WHITWORTH: These were not formal briefings where there is a formal briefing note. These are regular discussions that I have with the Minister—sorry, they're not regular; they're irregular discussions in that we have just finished a meeting and I have the chance to tell him a few bits and pieces about things that are of interest in his portfolio that I feel he should be apprised of. That's the sort of briefing that we're talking about.

The Hon. MARK LATHAM: Is there some imbalance between your evidence and that of the Minister? You're saying that you told him bits and pieces about the matter generally. He advised you to commission a criminal counsel, which would indicate that the Minister thought there was something substantial here that required that action.

BRETT WHITWORTH: I would assume that these are the things that the Minister was concerned about. The perspective that I took from the Minister was "An independent third-party integrity agency has raised these issues with you. You haven't told me much detail other than that there is a matter that is being dealt with and that is in front of you. If you need to deal with that and refer it to another authority if you need to take action, make sure that you've got a good barrister." What I took from that conversation talking to not just a Minister but an extremely experienced barrister was that if you are going to compile a case of that nature, then you'd want a good criminal barrister to help you.

The Hon. MARK LATHAM: Who did you get for that?

BRETT WHITWORTH: I think that's a matter of record. I don't want to mislead the Committee and read out the wrong name. The counsel assisting the department is Mr Cobb-Clark. That's information that is available through the NCAT decision.

The Hon. MARK LATHAM: I just wanted to get it on the record here at our Committee. Further, in the irregular briefings with the Minister after mid-2023, did the Minister make any other suggestions on how the matter should be handled?

BRETT WHITWORTH: I think the Minister was concerned that we were taking our time, and he wanted to make sure that I was dealing with it quickly. That was an opinion that I was quite happy to receive because I was worried about how long it was taking us to deal with as well.

The Hon. MARK LATHAM: As the office investigated the matter and barrister Cobb-Clark got about his work, what consideration was given to sending the matter back to ICAC? It sounds like the third matter, which can't be spoken about, is quite serious. The second matter or the first one is regarded as criminal in the nature of the counsel who was commissioned. At what point was consideration given to send it back to a third-party integrity agency, given that's more their job than yours?

BRETT WHITWORTH: That's a very challenging question to ask and to answer, because any decision that I take to refer a matter to a third-party integrity agency should be a decision that is taken without publicity. I think the safest course for me is to adopt the position that my secretary has suggested, that we will answer that on notice based on the advice of our counsel.

The Hon. MARK LATHAM: Isn't the test whether it's of a nature sufficient for ICAC to investigate rather than whether or not there's any publicity? I mean, you can do these things confidentially.

KIERSTEN FISHBURN: We do have requirements, as you'll be aware, Mr Latham, particularly myself under section 11 of—

The Hon. MARK LATHAM: Notifying?

KIERSTEN FISHBURN: Notification requirements. Part of that is not disclosing when I have made that notification. So we're not trying to not provide you with information. I just want to seek some legal advice as to what information I can give to the Committee.

The Hon. MARK LATHAM: Okay. So under section 11 it is possible you made a reference back and they said you should still handle it?

KIERSTEN FISHBURN: I have requirements to make referrals. I'm not stating whether a referral was made or not. I'm simply stating that this is the situation we're in, and we do need to seek some legal advice.

The Hon. MARK LATHAM: Okay. Given that he left the council, he dropped off the Labor Party ticket and was replaced by his son, what penalties can now apply to Mr Saravinovski?

BRETT WHITWORTH: In terms of any action that we'd take through NCAT, the powers of NCAT to deal with a former councillor are disqualification for a formal period of time. If my memory serves correct, it's up to five years.

KIERSTEN FISHBURN: Correct.

The Hon. MARK LATHAM: Right. He can't come back?

BRETT WHITWORTH: Yes.

The Hon. MARK LATHAM: Mr Whitworth, I'm not too sure I got the answer on any further suggestions the Minister made in the subsequent briefings. He said he was concerned about it and he was worried it wasn't progressing quickly enough. What does that mean? He told you to move faster?

BRETT WHITWORTH: Yes. I believe that's what—if my memory serves correct, that's what he said to me. He was concerned to make sure that we had a good case and a good barrister, not for any other reason than if the Office of Local Government was taking an action then he'd like to ensure that we were successful and presented the best foot forward. He was also concerned about the time that it was taking.

The Hon. MARK LATHAM: Anything else?

BRETT WHITWORTH: I can't recall anything else.

The Hon. MARK LATHAM: Objectively at this point, you must have been quite impressed by the Minister's integrity, given that he's seeking a good criminal barrister and a good case and that he's moved thoroughly and promptly on this matter against a Labor Party colleague of his for 30 years, knowing eventually the matter would bring some embarrassment to his own party. Was that the impression that you took away?

BRETT WHITWORTH: Look, asking me about the integrity of the Minister—I've always been impressed by the Minister's integrity. He and I have had some interesting conversations around his perspective coming from being an experienced barrister and member of the bar, a very experienced mayor and quite an experienced State parliamentarian. He does provide quite an impressive package of—

The Hon. MARK LATHAM: No doubt he got a very impressive outcome out of this.

The CHAIR: I've got a few more questions about the Pet Registry. I'm just wondering if there has been any loss of data or any other sort of glitches come up through the transition process to the new online Pet Registry. The only reason I ask this is because one of my team actually linked her Service NSW account with the Pet Registry this week and she lost the images of her cats, and so that all had to be re-uploaded. I just wanted to know if that was an anomaly or if there are some sort of glitches as the system rolls out.

BRETT WHITWORTH: There's two elements, I suppose. Firstly, the material around the registration of the pet, the microchip details et cetera, is held in the CAR, in the Companion Animals Register. The Pet Registry and the Link My Pet enables you to link your Service NSW account to the details in the Companion Animals Register and then to provide additional information, such as pictures and so on. We are aware of some challenges in making sure that when the data is effectively connected there is a need to have—in some cases, the data connects beautifully. In other cases, it needs a manual process in the background to help. We've been dealing with that and have put some additional staff on in our pet helpline because they've been dealing with quite a number of calls to address that. The particular issue about losing information of pictures is new to me, so we're happy to look at that and to see whether that's something we can address through the hypercare process that exists with the Department of Customer Service, who is undertaking the build of the registry for us.

ERICA van den HONERT: I might just add onto that. The team has advised that that was an anomaly. Having the loss is an anomaly. It's a confusing bunch of words. But, as Mr Whitworth has said, we have got additional resources into the pet helpline team. For example, they went up to Gosford on the Central Coast and had a pet day the weekend before last. The Pet Registry team was there helping register pets and working with the community.

The CHAIR: Great, fantastic. What's the next steps for the upgrade generally? What can we see in the next six to 12 months with the whole Pet Registry?

BRETT WHITWORTH: Our focus is now turning to the implementation of the puppy farm legislation and requirements. That includes the creation of breeder identification numbers through the Pet Registry, the identification of breeder identification numbers in a geographic sense and the ability for us to investigate whether we will be able to—because there's an exemption process for certain breeders, and whether we can use the Pet Registry to assist us with that. That's our main focus for the Pet Registry, and that will involve the creation of a breeder portal. We have been talking about these as breeder portals. They're really just access points.

Once we've done that, then we will turn, I think, as we have given evidence before, to the creation of other access points and improving those access points for councils, vets and animal welfare enforcement agencies. Now I know that we have also talked about rehoming organisations there. I've been given advice that that's going to be quite complicated, and I want to work out and delve into that as to why it is complicated or whether we can take a different approach and make it like a superuser component of the traditional Link My Pet process. So those are longer term. They will be dependent on Government decisions around funding.

The CHAIR: With that breeder portal, will applications for the exemptions come through that, or is that planning to be a completely separate process that would go through the adjoining department?

BRETT WHITWORTH: Can I say that we're still working on that detail. We have at least until November before we need to be ready to implement that. There is a draft implementation plan that is floating around that is the subject of discussions between the Office of Local Government and my colleagues in the Department of Primary Industries and Regional Development and the Department of Customer Service.

The CHAIR: Because I work quite a lot with the rescue space, and I know that there is a lot of concern there—I know we have spoken about that quite a bit—it would be good at some point to get some more information about some of the issues that you said have been flagged with you that you want to look further into. That is just because there is this real concern that they're not going to be on there or they're not going to be on there for a long time and obviously the changes with the puppy farm legislation delaying the timeline even further in regards to—I assume so, correct me if I'm wrong. It will delay the full Pet Registry package coming out even further because there's more complicating factors to work out. I would really appreciate getting some further information on that and what we can do in the interim as well, particularly as this system becomes more and more used by most people but rescue groups are not getting that access.

BRETT WHITWORTH: I think a lot of people have been focused on these portals, and, I think, what we need to do is actually go back to what is the business that needs to be transacted and is there another way in which that business can be transacted. We're more than happy to have those conversations. As I said, our focus is puppy farm legislation, but we're also dependant on government funding to move forward with expanding the Pet Registry.

The CHAIR: Mr Whitworth, you talked about a dedicated companion animals team within the Office of Local Government, and last time we spoke you were at the early stages of that. I was wondering if I could get an update on that process, how many people you are planning to get in the team, if it has already started, what work they will be doing.

BRETT WHITWORTH: We have created that team. That team is now live as part of our restructure, which came into effect at the beginning of this year. I have allocated that team under Ms van den Honert's area of responsibility, so it's part of what we call our sector development area. I don't yet have a director for the team, but we have advertised for that and I think we have received a really large number of applications. We've moved all the people together. People who've been working on the Pet Registry, people who've been working on the pet helpline, we've moved them together. We have created a position with the responsibility to help us with the project management of the enforcement regime for the breeder exemptions, and we have created a process whereby the policy teams will come in and out to provide that policy advice. I think by the next estimates we will have the team up and running. As I said, we have temporarily expanded the capability of the pet helpline as well to deal with the needs of the introduction of the Link My Pet and making sure that that process is as smooth as we can possibly make it.

The CHAIR: I also wanted to ask about the pound data generally. There are a few questions I have about the pound data that has come in. There seems to be an uptick in the number of councils supplying the data, which is good news. It looks like Murrumbidgee Council is listed as "no report". Do you know why they haven't reported?

BRETT WHITWORTH: No, I don't, but we we're going to follow them up, so I'm happy to take on notice any response to how we had followed them up. It could well be that they just didn't have—sorry, I'd be speculating.

The CHAIR: That's all right. If you're following it up, that's great. The other councils that came to my attention were Lane Cove and Hunters Hill that report their numbers in as zero. I find it quite hard to believe that LGAs would have zero impounded animals in a 12-month period. It's not quite clear online which pound facilities those councils are operating through. I'm just wondering if you have any details on those two councils and why they report a zero number.

BRETT WHITWORTH: My recollection of those two councils is that they actually shared a pound, so we are happy to follow that up as to why they didn't actually record any animals coming in. They might have arrangements, for example, with rehoming organisations. I don't know.

The CHAIR: If you could follow up, that would be fantastic. Thank you.

The Hon. AILEEN MacDONALD: I'm not sure if it was last week or early this week, there was a report in I believe *The Sydney Morning Herald* about council expenses and overseas travel claiming they have spent a combined \$7 million of ratepayers' funds on interstate and overseas travel, including study tours. What oversight does the Office of Local Government have to ensure that these expenses are reasonable?

BRETT WHITWORTH: It's the council that needs to decide whether it's a reasonable decision for someone to go overseas and to be paid for out of the ratepayers' money. If I am left with a position where I have to decide on some individual decisions of councils to spend money, then that's hardly local democracy. It's a matter for the councillors to take that decision on that. There are certain rationales for international travel, and that would be the obligation and the expectation that when international travel is undertaken that there is a report provided of the reasons for the travel and the outcome of the travel and any interactions. The Independent Commission Against Corruption raised concerns about—not concerns, but they identified a need to update the policies around that for councils, and we provided advice to councils off the back of that request from the Independent Commission Against Corruption.

The Hon. AILEEN MacDONALD: If I could just go further, given it's ratepayers' funds and you have given advice, is that further measures that you'd introduce to increase transparency and accountability into local government financial management?

BRETT WHITWORTH: It was a circular. I'm sure that it was a circular. I remember that it related to the decision for councils to provide funding for either councillors or staff to undertake international travel. But there was also an issue coming out of Operation Galley with ICAC around some of the corruption risk that exists with international travel and the perception that the role of a mayor is quite different in a Chinese environment than what it is in an Australian environment, and so it was to be aware of those issues. That was the additional detail. I can't find it immediately to hand.

The Hon. AILEEN MacDONALD: Are you able to on notice provide a copy of that circular?

BRETT WHITWORTH: Of that circular? Yes, certainly.

The Hon. AILEEN MacDONALD: I understand that today was the cut-off for the discussion paper that was launched, I think, on 4 September last year.

BRETT WHITWORTH: Sorry, if I can correct you, the discussion paper in September was the Councillor Conduct Framework.

The Hon. AILEEN MacDONALD: Yes, that one.

BRETT WHITWORTH: Submissions closed on that in December.

The Hon. AILEEN MacDONALD: I think it's today. Isn't it today?

BRETT WHITWORTH: December.

BRAD WADE: End of November.

BRETT WHITWORTH: End of November. There were just over 200 submissions that, as I said this morning, we're preparing to make publicly available. What closes today—today is a popular day—is submissions on the consultation draft of the meeting code of practice.

The Hon. AILEEN MacDONALD: What happens now? You collate the data? Is there a timeline for that?

BRETT WHITWORTH: With all this preparation of timelines, I will actually get around to doing some work. We will collate the submissions. We will look at the issues. Obviously with this one we will need to look at everything. I know that some of the hot-button issues have been raised in this Committee this morning, the view around banning private briefing sessions, some of the views around the role of the mayor and standing for the mayor as the mayor comes into the chamber. I dare say there will also be concerns around some of the issues—that we tried to depoliticise the role of the general manager. I know from discussions that that is a concern that is coming through the submissions. We will review those and we will provide a report to the Minister. Because effectively this is the draft that we're proposing to make, we should be able to move quite quickly to the finalisation of an updated meeting code of practice. Then to implement that will be a regulation change.

The Hon. SCOTT FARLOW: Going back to a question I asked the Minister before with respect to community housing providers, does the department keep any data in terms of exemptions that are sought from rates from all entities or any entities? Is that information that the department has at all?

BRETT WHITWORTH: It's not a case-by-case exemption; it's a policy exemption through the regulation. I think you were referring to a particular report. I suspect the council you referenced is probably Campbelltown council, where there are quite a large number of social housing estates. Those social housing estates have been in the process of transferring from the Land and Housing Corporation, which is now Homes NSW, to community housing providers. They benefit from those same rate exemptions that had previously been enjoyed

by Homes NSW. It's not a case of keeping a register of the exemptions; it's about that policy exemption that exists in the regulation and the legislation.

The Hon. SCOTT FARLOW: Do you keep such a register?

BRETT WHITWORTH: It's not a land register; it's a register where the regulations spell out the entities that have those exemptions.

The Hon. SCOTT FARLOW: The organisations that are treated as "public benevolent institutions"; I think that's the term.

BRETT WHITWORTH: Yes. Crown Lands, for example, and certain government authorities et cetera.

The Hon. SCOTT FARLOW: Generally, in terms of exemptions of land—not just in that class, but all of them—do you have any indication as to what impacts it has for each local government area across New South Wales?

BRETT WHITWORTH: No, not a, "If we remove that exemption for that particular class, it will have this impact for those councils."

KIERSTEN FISHBURN: Remembering that the rating regime is different from council to council as well, so you'd need to get into the granular detail of each council area.

The Hon. SCOTT FARLOW: With respect to some of the discussions we had previously in terms of the cost of staffing, particularly when we looked at the Northern Beaches Council—and we have ventilated, to some extent, the cost of staffing and the award payments there. Do you do any benchmarking in terms of the number of senior management that exists within each council or the number of people who are on certain bands between each council and provide a best in class, so to speak, or a target for what a particular sized council should have?

BRETT WHITWORTH: No. The Local Government Act is quite explicit. Section 332, subsection (1A) is very explicit that the general manager has the responsibility to set the structure of the council. That's the job of the general manager to do. We don't editorialise on what are good or bad structures because the whole point of local government is that it's local and it needs to respond to the circumstances in that local government area. That's why it's up to the general manager, in consultation with their council, to set the structure.

The Hon. SCOTT FARLOW: So there's no benchmarking on that that's done by the Office of Local Government for councils of particular sizes or the like, or what should be the aims of that council within that range?

BRETT WHITWORTH: No. You could take two councils of comparable size and they would have different issues in terms of their planning concerns. They might be right next to each other from a geographic perspective, but one might be on the Murray and one might be back from the Murray, so planning issues will be more important to one council than another council. There might be two councils that are next to each other, but one is a high-growth area and one is a lower growth area, so the provision of infrastructure and the director of engineering and support for that will be different between one and another. It's too hard, given the nature of local government, to say, "This is an ideal structure," or, "This is a benchmark structure."

The Hon. SCOTT FARLOW: How many performance audits are undertaken by the Office of Local Government with respect with to local councils each year?

BRETT WHITWORTH: We don't undertake performance audits. That's the role of the Auditor-General.

The Hon. SCOTT FARLOW: How many are undertaken by the Auditor-General? Do you have any data for that?

BRETT WHITWORTH: No, I don't. We can take that on notice, but isn't that a question for the Auditor-General?

The Hon. SCOTT FARLOW: It may be, but I thought maybe that would be something the Office of Local Government potentially has the data on. Do you get provided with any information from the Auditor-General?

BRETT WHITWORTH: We get advised as to when an audit is going to commence, whether it's a performance audit or another form of audit, and we will be provided with a copy of the report at the completion of the process. In some cases, we will also be subject to the performance audit ourselves when the Audit Office is looking at the broader process. I'm trying to think of an example that we've had. I think the Audit Office did an audit of DA processes, for example. They incorporated the Department of Planning, Housing and Infrastructure into an audit.

KIERSTEN FISHBURN: I think cybersecurity was one where we were all captured.

BRETT WHITWORTH: We do get captured.

The Hon. SCOTT FARLOW: In terms of thematics and the like.

KIERSTEN FISHBURN: Yes.

BRETT WHITWORTH: And then they will do a sample of councils to undertake a performance audit for.

The Hon. SCOTT FARLOW: With respect to the initiatives, as the Minister said previously, the Office of Local Government has received a significant \$37.4 million budget boost, was it, from last budget?

BRETT WHITWORTH: It's effectively a \$9 million increase each year, so that is over a four-year period.

The Hon. SCOTT FARLOW: You outlined previously the additional staff that have been taken on in the Office of Local Government. Does that additional funding cover just those additional staff members, or are there other initiatives that that funding covers?

BRETT WHITWORTH: That \$37 million does predominantly cover labour expense costs. I have been asking for an increase in our operational costs, but it has been quite minor. But it is critical, if we are to undertake certain activities and we want to advise people, that we have funds to go out and do advertising or a community engagement campaign to support it, which takes money to do. I have also, though, been working to achieve the aims of the Government in terms of its reduction in our expenditure on travel, advertising, legal and consultants, and to build the capability of the Office of Local Government to effectively provide that consulting work within house and to provide that opinion within house. That's another reason why our labour expense costs need to go up.

The Hon. SCOTT FARLOW: To that point, what has been the cost of external consultants engaged by the Office of Local Government over the last, say, three financial years? Has there been a significant change?

KIERSTEN FISHBURN: We will take that one on notice.

The Hon. SCOTT FARLOW: I suspected you might.

KIERSTEN FISHBURN: We'll get the chief financial officer to provide advice.

BRETT WHITWORTH: But I will say that we're quite lean, in that sense. I have been trying to build the capability internally.

The Hon. SCOTT FARLOW: With respect to the code of conduct complaints and the like, they of course go out to independent consultants. I take it that all of that is the cost centre of each local council rather than being the Office of Local Government. Is that correct?

BRETT WHITWORTH: It's a cost that each council bears. The appointment of a conduct examiner is the responsibility of that council. When it comes to us as a result of the council considering the report of the conduct examiner, then we need to undertake our own consideration of that and potentially an investigation. But the cost of the conduct examiner is borne by the council.

The Hon. SCOTT FARLOW: What's the process that is undertaken by the Office of Local Government when a complaint is submitted by a councillor with respect to the general manager or a staff member of a council?

BRETT WHITWORTH: Again, the procedures for the administration of the model code of conduct, which apply to council staff and to councillors, state that a code of conduct complaint, whether it's about a staff member, a councillor, a mayor or general manager, are to be made through—in the case of councillors, staff or the mayor, they're to be made to the general manager, and in the case of the general manager, they're to be made to the mayor. So the mayor or the general manager will receive the complaint, and they have the ability to consider whether they want to progress with that.

We strongly encourage every council to have a complaints review coordinator, and we encourage councils to ensure that the general managers and the mayors, when they receive these, refer them to the complaints review coordinator, who will then organise for a conduct examiner to receive the complaint and investigate it. There are procedures around the provision of natural justice to both the person making the complaint and who the complaint has been made about. And then it will come back, either to the general manager for a determination if it's something relating to a staff member, or, if it's relating to a councillor, then the report will be provided to the council, in closed session of council, for them to make a decision based on the recommendations of the conduct examiner.

The Hon. SCOTT FARLOW: And do you have data on how many local councils across New South Wales do have a complaints review coordinator in place?

BRETT WHITWORTH: I think it's a mandatory requirement.

The Hon. SCOTT FARLOW: So it's not a case of encouragement? It's a case of requirement?

BRETT WHITWORTH: Yes, but for some of the smaller councils, that complaints review coordinator will potentially—

The Hon. SCOTT FARLOW: Might be the chief financial officer as well or might be something else within the council?

BRETT WHITWORTH: As well as the governance manager, yes.

The CHAIR: I have just got a few more questions about the pound statistics, but particularly in relation to the Blacktown animal rehoming facility. I know that the Blacktown council has a number of LGAs that they run the pound for. They reported having an incoming number of 2,500 cats and dogs. I just wanted to clarify if that 2,500 animals were just from the Blacktown City Council LGA or if that's the total number of animals coming into the BARC facility, regardless of what LGA they come from.

ERICA van den HONERT: Blacktown does, in actual fact, look after the Lane Cove and Hunters Hill, which is why they're recorded as zero. We will take that on notice, though, because what we need to do is take those numbers from Blacktown and check them out against the different LGAs that are recorded as zero.

The CHAIR: There's more than just Hunters Hills and Lane Cove, isn't it? They have got quite a few.

ERICA van den HONERT: Same as Sydney Dogs and Cats Home, where they look after different councils. We will get back to you on that one.

The CHAIR: The reason why I ask this is that some of the LGAs that I know do use BARC also did list a number. They didn't put zero. So I guess then the total number of animals is unclear, if some of the LGAs are reporting the number and BARC is, potentially, reporting those numbers again, and some councils are putting zero and relying on—it's just a bit unclear. I just wanted to make sure there wasn't some confusion with the numbers and totals to be able to work in this space. I have got some questions for Dr Filmer and Ms Connell, as well. Are you able to advise how many pound facilities were inspected by enforcement agencies in the last 12 months?

KIM FILMER: Yes, I can. In the last six months—we have got that data separated out this time—the RSPCA have undertaken one recheck on a facility. They have also done one proactive investigation and one reactive investigation. The Animal Welfare League have undertaken six proactive investigations. That's in the last six months, and then the data I have got after that is for the full 12-month period. It's a financial year because we get them in financial years. Do you want that data as well?

The CHAIR: Yes. Thank you.

KIM FILMER: For 2023-24 the Animal Welfare League have undertaken one complaint and two—they call them routine inspections, in that financial year. And the RSPCA have undertaken two routine and one complaint investigation.

The CHAIR: Thank you. And were there any PINs or enforcement actions as a result of those inspections?

KIM FILMER: There was one notice given to one council, one of the RSPCA ones. They have been back—I spoke to the chief inspector about that this week. They have been back there three times now. On the second occasion, they weren't satisfied that the things that had to be done were done to solve the concerns. But they're going back again this week to recheck that, and they're pretty sure it should be sorted out now.

The CHAIR: Do you know which facility that was?

KIM FILMER: That was at Moree.

The CHAIR: Thank you. And the RSPCA usually states in their annual report that their capacity to conduct routine inspections of facilities such as animal pounds is subject to resources. Have you had any discussions with the RSPCA because they have got a reduced amount of enforcement funding this year, down to 11.3—in the previous year they had 20.5—and whether or not that will actually impact their ability to actually conduct routine inspections? And the same for the Animal Welfare League, who also received less funding. I was just wondering if there was any conversations about whether they thought it would impact that work.

RACHEL CONNELL: I'm happy to take that question, Chair. I think, as you would be aware, the Government announced funding for the RSPCA for this financial year in—I think it was about October last year. That funding is \$11.3 million, which is significantly higher. When you look at the funding they have received over the last five years, that is really quite significantly higher.

The CHAIR: Yes. I just mean from the year before. The year before, they had 20.5 at the RSPCA, and then the most recent amount was 11.3, which is a significant drop. So I'm just wanting to compare their forecast for this year, compared to the previous year, where they have got nearly half of the amount of funding, and whether that's going to impact their ability—I'm just wondering if there's been conversations with the department on their ability to inspect these facilities.

RACHEL CONNELL: We have, obviously, had detailed engagement with them in relation to the funding agreement that was put in place under the new grant framework. I would make the point that, if you look at the funding over the last five years, in terms of inspector numbers, there's—

The CHAIR: I'm just interested in the last two years rather than historic—I mean, historically, they were given a few cents.

RACHEL CONNELL: That's right.

The CHAIR: The whole inquiry we did showed that they weren't able to do the work that they were required to undertake because they were only receiving \$500,000.

RACHEL CONNELL: I think probably the key thing to keep in mind is in 2023 they had 38 inspectors. In October last year they had about 50 inspectors, and the funding that we've provided them enables them to recruit about 53 inspectors.

The CHAIR: To clarify, your understanding is that you think that their capacity to actually conduct routine inspections of pounds will increase, despite the fact that the funding has halved?

RACHEL CONNELL: I can't speak to the way they're undertaking their practices at the moment. All I can speak to is the fact that they have been funded. That funding allows them to employ roughly about 53 inspectors. They obviously have funding through a range of other sources, so this isn't the only source of funding that they rely on. Under the terms of the deed, they have an obligation to make sure they undertake their enforcement and compliance obligations under the POCTA Act to an appropriate standard.

The Hon. MARK LATHAM: Just quickly, Mr Whitworth, in March of last year the department and yourself were satisfied that the respondent, Mr Saravinovski, had engaged in misconduct. You submitted a referral to the tribunal. What public disclosure was there about that referral?

BRETT WHITWORTH: There was no public disclosure. We're not obliged to make a public disclosure. The fact that we have referred something to NCAT and then the method and process by which it lists an item—it did become public as a result of it being listed.

The Hon. MARK LATHAM: Prior to the 14 September council election, who knew about this matter and referral? You, the Minister, some people in the department, your barrister, NCAT and, maybe a little bit, ICAC—would that be a pretty good summary of who had knowledge?

BRETT WHITWORTH: You're assuming that ICAC is the third party—

The Hon. MARK LATHAM: Sorry, the third-party integrity agency.

BRETT WHITWORTH: I can't speak to the number of people that might have picked up on the fact that when it was listed—because when it was listed, there was also an argument for a non-publication order. So I can't talk to the fact that people may have seen that it popped up on a public website at NCAT.

The Hon. MARK LATHAM: Can you take that on notice, to see if it had popped up?

BRETT WHITWORTH: I can assure you that it was on a public website at NCAT. What I'm saying is I can't speak to the number of people that would have seen that—

The Hon. MARK LATHAM: As of March 2024, it was on a website?

BRETT WHITWORTH: —when it was listed. There is a listing process.

The Hon. MARK LATHAM: When was that? When was it listed?

BRETT WHITWORTH: That, I can take on notice—the dates on which there were listing hearings.

The Hon. MARK LATHAM: Can you? Is it perhaps possible that you have a record of the nature of the listing? That would be helpful as well.

BRETT WHITWORTH: The listing is simply, "The matter is being considered in today's"—

The Hon. MARK LATHAM: Just his name, and that's it?

BRETT WHITWORTH: Yes. It would be—

The Hon. MARK LATHAM: No description of the allegation?

BRETT WHITWORTH: No, it's simply the name, which is the deputy secretary—

The Hon. MARK LATHAM: Right. Okay. Still, if you could provide a copy of what was the listing on notice, please, that's helpful as well.

BRETT WHITWORTH: Okay.

The Hon. MARK LATHAM: In your discussions with the Minister to say, "We have to be thorough. It would be good to move this along," was the Minister mindful of the forthcoming local government elections and, obviously, sorting out the ticket and whether this guy runs again?

KIERSTEN FISHBURN: We can't speak to the Minister's mind.

BRETT WHITWORTH: Yes, I can't speak to the Minister's mind.

The Hon. MARK LATHAM: But did you have a discussion with him about that? Did he raise it with you—"We have to get this sorted out so we can sort out whether or not he runs again in September"?

BRETT WHITWORTH: The Minister was anxious for this to be resolved. Again, he was concerned about the length of time that it was taking.

The Hon. MARK LATHAM: But did he mention the forthcoming election?

BRETT WHITWORTH: I would have to go back and try to recollect.

The Hon. MARK LATHAM: You'll take that on notice? Thank you.

The CHAIR: Normally we would break at this point for afternoon tea but, given we're so close to finishing, I wanted to see if there were any questions or anything that people wanted to answer.

BRETT WHITWORTH: Madam Chair, if I could just deal with a couple of things that have been brought to my attention. I was asked when I was advised about the community justice centres and the Government decision. I can say that that was on 17 October 2024. I received an email from the relevant official at the Department of Communities and Justice. It is a mandatory requirement to have a complaints review coordinator in place. All councils should have one, but councils do share that—some of those smaller councils will share a complaints review coordinator. At the risk of extending, I think the complexity—I probably oversimplified the complexity of a community housing provider and the way in which they obtain the exemption from rates. I think I implied that it was as a result of the transfer. I believe it's more about them being a benevolent organisation.

The CHAIR: Any question from Government members?

The Hon. STEPHEN LAWRENCE: No. Thanks, Chair.

The CHAIR: Wonderful. In that case, thank you to everyone for your attendance today. The Committee secretariat will be in touch in the near future regarding any questions taken on notice and any supplementary questions as well. Thank you for your time. We'll finish today here.

KIERSTEN FISHBURN: Thank you very much, Chair. Thank you, as always, everyone for your courtesy to the department and my staff.

(The witnesses withdrew.)

The Committee proceeded to deliberate.