

PORTFOLIO COMMITTEE NO. 7 – PLANNING AND ENVIRONMENT

Monday 2 September 2019

Examination of proposed expenditure for the portfolio area

LOCAL GOVERNMENT

UNCORRECTED

The Committee met at 9:30

MEMBERS

Ms Cate Faehrmann (Chair)
The Hon. Mark Buttigieg
The Hon. Catherine Cusack
The Hon. Ben Franklin
The Hon. Emma Hurst
The Hon. Shayne Mallard
The Hon. Mark Pearson (Deputy Chair)
The Hon. Peter Primrose
Mr David Shoebridge

PRESENT

The Hon. Shelley Hancock, *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: I welcome everyone to the public hearing inquiry into budget estimates 2019-2020. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respects to Elders past and present of the Eora nation, and extend that respect to other Aboriginals present. I welcome the Minister for Local Government, Ms Shelley Hancock, and the accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Local Government. Today's hearing is open to the public and is being broadcast live via the Parliament's website.

In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also like to remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcasting of proceedings are available from the secretariat. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018.

There may be some questions that a witness could only answer if they had more time and or with certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or member's staff seated in the public gallery should be delivered through the Committee secretariat. I remind the Minister and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. I ask everyone to please turn their mobile phones to silent for the duration of the hearing.

All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. I remind the Minister that she does not need to be sworn as she has already sworn an oath to her office as a member of Parliament.

JAMES HAY, Deputy Secretary, Energy, Climate Change and Sustainability, sworn and examined

JANE GIBBS, Director, Planning and Risk, Department of Planning, Industry and Environment, affirmed and examined

TIMOTHY HURST, Director, Local Government, Planning and Policy, Department of Planning, Industry and Environment, sworn and examined

JAMES BETTS, Secretary, Department of Planning, Industry and Environment, affirmed and examined

The CHAIR: I declare the proposed expenditure for the portfolio of Local Government open for examination. The questioning of this portfolio will begin at 9.30 a.m. All witnesses, including the Minister, will be questioned in the morning session. After the lunch break, we will continue questioning government witnesses. The Minister will not be questioned in the afternoon and evening sessions. I understand that this session will finish at 11.30 a.m. We will have questions from the Opposition and the crossbench. As there is no provision for any witness to make an opening statement, we will begin with questions from the Opposition.

The Hon. PETER PRIMROSE: Minister, you support forced council mergers, do you not?

Mrs SHELLEY HANCOCK: Is that a rhetorical question?

The Hon. PETER PRIMROSE: It is a question to you, Minister.

Mrs SHELLEY HANCOCK: I concede that there has been a lot of concern throughout the whole amalgamation process. However, the benefits of amalgamation are now evident, and many of our new councils are benefitting from the new councils—the new structures. So in asking me a question do I support forced amalgamations, the policy now is for no further forced amalgamations. On my watch, I think I will be pleased about that.

The Hon. PETER PRIMROSE: As I understand it, Minister, you are saying that you do not support any forced council mergers in this term of government?

Mrs SHELLEY HANCOCK: It is Government policy not to have any further forced amalgamations in this term of government. I will be standing by that and supporting that policy.

The Hon. PETER PRIMROSE: You rule out any more forced council mergers?

Mrs SHELLEY HANCOCK: Absolutely.

The Hon. PETER PRIMROSE: If they are bad for this term of government why were they good in the last term of government?

Mrs SHELLEY HANCOCK: Because of the perceived benefits for amalgamations which have accrued. Now our new councils are working collaboratively and in a positive way and moving forward, and I think that is what we all need to do. That period is behind us. We have now perceived the benefits of some of our merged councils. Some of them were facing financial instability and now they are moving forward in a most positive way, and I have met with many of them.

The Hon. PETER PRIMROSE: They were good then but they are not good in the future. Is that correct?

Mrs SHELLEY HANCOCK: I do not think I said that at all. I did not say that. I said in the past the amalgamation process was difficult but now the benefits are accruing and the benefits are perceived by those new councils to benefit the new councils. In the future the policy is not to force any further amalgamations on our communities.

The Hon. MARK BUTTIGIEG: What do you mean by "perceived"? You said that these benefits are perceived by the councils.

Mrs SHELLEY HANCOCK: They are actually real. They have been achieved and so if you look at some of the achievements—

The Hon. MARK BUTTIGIEG: In what tangible sense?

Mrs SHELLEY HANCOCK: I can give you a list of all of the benefits for the new councils, if you wish.

The Hon. PETER PRIMROSE: Before we go on to that, however, will you confirm—

The Hon. CATHERINE CUSACK: Point of order: My point of order is about the question to the Minister about what the benefits are. She was about to start giving that information which is of interest and is actually critical to the whole core of the questioning. Could the Minister have the opportunity to continue answering that question before she is asked the next question?

The CHAIR: That is a fair point. The Minister will answer that question.

The Hon. PETER PRIMROSE: I am happy to come back to clarify the Minister's position again.

Mrs SHELLEY HANCOCK: For instance, the City of Canterbury Bankstown reduced customer service call waiting times by 37 per cent and development application processing times by 38 per cent. They are real achievements of those merged councils. The City of Canterbury Bankstown integrated enhanced systems to allow residents to lodge a development application, return a library book or pay rates at one single location. Cumberland Council, in partnership with NSW Family and Community Services, transformed the Wentworthville Community Centre into a one-stop shop for residents seeking information, advice or referrals for more than 20 community and local, State and Federal government agencies. As for better infrastructure, again, Canterbury Bankstown completed or progressed 300 capital projects, including bus stops, disability access upgrades, sports field and lighting improvements and the installation of CCTV cameras to fight illegal dumping. MidCoast Council established a \$30 million road care program. Do you want me to continue or can I provide all of that information to you?

The Hon. MARK BUTTIGIEG: Minister, these are all functionalities that the council presumably would have regardless. You are saying that they are a direct result of merging.

Mrs SHELLEY HANCOCK: Yes.

The Hon. MARK BUTTIGIEG: Why did you use the word "perceived" instead of "real"?

Mrs SHELLEY HANCOCK: Because for some of those joint organisations perhaps the benefits were at a time perceived and now they have become reality for many of those merged councils or the new councils.

The Hon. PETER PRIMROSE: I refer to my point, why is it the case that you are saying that you do not support any more forced council mergers but you have just outlined what you believe are benefits from earlier council mergers?

Mrs SHELLEY HANCOCK: It is Government policy for no further forced amalgamations. I stand by that policy.

The Hon. PETER PRIMROSE: Why does the Government have that policy?

Mrs SHELLEY HANCOCK: No, it is Government policy for no further forced amalgamations, probably because we have gone as far we can go on forced amalgamations.

The Hon. PETER PRIMROSE: On the one hand—

Mrs SHELLEY HANCOCK: I will finish the answer. There may be provision for voluntary amalgamations, but no forced amalgamations.

The Hon. MARK BUTTIGIEG: On the one hand you are advocating the very tangible as opposed to perceived benefits of forced amalgamations and on the other hand you are saying, "We don't really need to do it". Why? Is it because the community has shown a clear distain for forced council mergers, notwithstanding the fact that you believe they are still a good thing? Where does the Government stand on this? I am confused, like the Hon. Peter Primrose.

The Hon. CATHERINE CUSACK: With respect, that is a really confusing question.

The CHAIR: It is not a confusing question. It is relevant to the portfolio.

The Hon. MARK BUTTIGIEG: Let me restate the question. As Mr Primrose clearly articulated, in one breath, you are pro forced amalgamations—and you just outlined what you say are the real benefits of that—and now there will be no more forced amalgamations. What is the reason for that? Is it because the community has spoken loudly and clearly and are against forced amalgamations?

Mrs SHELLEY HANCOCK: I think you need to understand how communities are now accepting the amalgamations and the new councils. Most of them have come to see me—my door is always open and we discuss the challenges, their opportunities and their funding opportunities in particular. We are moving forward. In moving

forward with those new councils we are working towards them achieving better outcomes for their new councils. Therefore, there is no necessity, as I said, at this stage to even contemplate any further mergers. If there are voluntary submissions, which can come to me or the Office of Local Government for consideration, we will consider voluntary amalgamations. But these amalgamations were considered at a time when the Government was looking at Fit for the Future proposals and we had many councils who were facing complete financial instability.

The Hon. PETER PRIMROSE: Did you support the Fit for the Future process, Minister?

The Hon. SHAYNE MALLARD: Point of order: This is estimates, the budget forward. This is questioning about previous government policy under a different Minister and, indeed, under a different Premier. I do not know why we are going into the history and not going forward on the estimates and the budget.

The Hon. PETER PRIMROSE: I am sorry you do not understand—

The Hon. CATHERINE CUSACK: At least be relevant to the current financial year, if possible.

The Hon. MARK BUTTIGIEG: To the point of order: Is the Minister not expected to be across her portfolio historically and going forward?

The Hon. SHAYNE MALLARD: She was not the Minister at the time.

The Hon. CATHERINE CUSACK: It is just that she has come here prepared for budget estimates in the year 2019.

The Hon. MARK BUTTIGIEG: Are you serious?

The CHAIR: Order! Given that questions can be generally relevant to the portfolio, members can ask questions whether they are historical or in the future at budget estimates. Mr Buttigieg, I remind you to be generally relevant in your questions.

Mrs SHELLEY HANCOCK: I am happy to answer questions based on former Ministers and former governments. I think the question was: Did I support Fit for the Future? Yes, I did at the time because I felt, as I just said in my previous answer, that many councils were facing enormous financial instability and we needed to ensure that those councils had a pathway forward into the future. Amalgamations were one step in that process.

The Hon. PETER PRIMROSE: Have you read the KPMG report that was said by then Premier Baird to be the basis for his forced mergers?

Mrs SHELLEY HANCOCK: Some time ago—and I cannot recall what it said but I read a lot of reports, Mr Primrose, as you can imagine and as you will know. I cannot quite recall it. If you want to go that far back it is going to be difficult for me to recall the contents of that.

The Hon. PETER PRIMROSE: Many communities who are still concerned, particularly to try to understand why they were forcibly merged, have asked for a copy of that report. Given, as you have indicated, it is now so old, will you make that report available to those communities?

Mrs SHELLEY HANCOCK: Which council areas have asked for a copy of that report?

The Hon. PETER PRIMROSE: Tumbarumba, Gundagai and quite a number of others. I have, indeed, sought a copy of the report.

Mrs SHELLEY HANCOCK: Who else?

The Hon. CATHERINE CUSACK: I think he has been asking the same question since 2015.

The Hon. PETER PRIMROSE: Yes, and numerous ministers and Premiers have not made it available. Now, as this current Minister is saying, it is almost a historical document; I am sure there is no reason to withhold it any longer.

Mrs SHELLEY HANCOCK: I am advised the Department of Premier and Cabinet [DPC] has released a report under the Government Information (Public Access) Act [GIPAA], as appropriate.

The Hon. PETER PRIMROSE: The KPMG report?

The Hon. SHAYNE MALLARD: It will be in the State Archives soon.

The Hon. PETER PRIMROSE: So the report is available. Will you table that report?

Mrs SHELLEY HANCOCK: There you go. You can read it.

The Hon. PETER PRIMROSE: Will you table that report?

Mrs SHELLEY HANCOCK: It has been released under GIPAA so you can get it and read it.

The Hon. PETER PRIMROSE: Excellent. I am sure that will be of great interest for a whole range of communities.

Mrs SHELLEY HANCOCK: Good night-time reading for you, Mr Primrose.

The Hon. PETER PRIMROSE: It will be more than that. Given your support for Fit for the Future and what you believe are the benefits for those communities, for those communities that remain concerned and disagree with the forced council mergers you would support voluntary de-mergers if those communities sought that, would you not?

Mrs SHELLEY HANCOCK: I received two submissions from the councils to which you referred earlier—Tumbarumba-Tumut and Gundagai-Cootamundra—and those submissions are being examined by me. A decision will be made as soon as possible. Obviously, there is a process that we go through when we examine proposals for boundary changes or de-mergers, as you refer to them, and we are working through the process. We have to first check whether those proposals are appropriate and technically correct. We get to the stage now where I am about to make a decision on both those submissions. You will be informed, obviously, when I make a decision.

The Hon. PETER PRIMROSE: You have indicated a couple of matters that you will take into account. What specific things will you take into account when you are assessing applications such as those from Cootamundra?

Mrs SHELLEY HANCOCK: What were the two matters that you referred to for me take into account, sorry? You were not quite clear on that.

The Hon. PETER PRIMROSE: You indicated that you would be taking a couple of matters into account, such as whether they are appropriate.

Mrs SHELLEY HANCOCK: I do not do that. The Office of Local Government [OLG] undertakes that examination of the proposals. They then advise me about the technicality of the proposal—whether it is correct or incorrect—and then I assess those proposals, with advice from the Office of Local Government. They are not matters; they are an absolute part of the complex process.

The Hon. PETER PRIMROSE: When you do your assessment, what issues would you take into account as a Minister?

Mrs SHELLEY HANCOCK: Clearly I would take into account issues such as the impact of a de-merger on a community and that it could be quite costly. I would take into account the residents' views, whether they are majority residents' views. Clearly I would take advice from the Office of Local Government about any proposals that I have received. As I said before, I have received two. You referred to others. I am not sure whether you have others. You said there were more.

The Hon. PETER PRIMROSE: There are other communities who have indicated they may wish to de-merge. In terms of taking account of residents' views, how would you take account of that?

Mrs SHELLEY HANCOCK: Residents meet with me. Local members of Parliament meet with me and express their views about the impact on the merger process for those new councils. I take all of those matters into consideration, including yours, including the Opposition's, including my department and including my staff. All of those views are taken into consideration by me. I do not take these decisions lightly, Mr Primrose. I take the portfolio of Local Government quite seriously. I want to move forward in a very positive way in supporting councils in whatever I can. I do not want to be a dictator; I want to be a partner with councils. I think you appreciate that. I know your passion and your previous commitment to the local government sector. I congratulate you on that and the few discussions we have had in your role as former shadow Minister for Local Government. It is about really listening and that is what I have been attempting to do since being sworn in as Minister: to listen to all views, councils, general managers, joint organisations. You name it, I am listening.

The Hon. CATHERINE CUSACK: Hear, hear!

The Hon. PETER PRIMROSE: Is there a formal manner in which you would assess the views of the local residents and local communities?

Mrs SHELLEY HANCOCK: There are submissions that come to me. The formal manner is that it goes through the process. It could be referred to the Boundaries Commission if my decision is to refer to the Boundaries Commission or to the Office of Local Government. These are matters for me to decide upon in the following weeks and months about both those councils. I have said to you that I will take all of those matters into consideration that are presented to me regarding both their proposals.

The Hon. PETER PRIMROSE: When you were last in Tumbarumba, meeting with local residents, what were their views to you?

Mrs SHELLEY HANCOCK: I have not been to Tumbarumba.

The Hon. PETER PRIMROSE: Will you go to Tumbarumba and meet with local residents?

Mrs SHELLEY HANCOCK: My plan is to visit as many local government areas as I can in the next months—towards the end of the year, of course, when I have time. At the moment I have been meeting with as many councils, joint organisations and mayors as I can in every free moment that I have. But, in fact, I have not been to Tumbarumba. I have been to, obviously, Tumut many times. I have been to Cootamundra and Gundagai. I am listening to their views; I am aware of their views. They transmit to me their views both by media and by other avenues. I have said to you and I will continue to say that I will listen to the views of those residents and take them into consideration when making my decision.

The Hon. PETER PRIMROSE: To understand what the local community thinks, given that you will be making your assessment based upon the advice of the Office of Local Government, or whatever it is called—

Mrs SHELLEY HANCOCK: What do you mean "whatever it is called"? It is the Office of Local Government. That is pretty offensive to those who work in the Office of Local Government.

The Hon. PETER PRIMROSE: We will come to that later on. I do not want to mislead the community.

Mrs SHELLEY HANCOCK: Nor do I.

The Hon. PETER PRIMROSE: But can we have a look at the issue? If you are going to make an assessment of the views of local communities, would you not think it would be wise to go and visit Tumbarumba and talk with local residents down there before you make—

Mrs SHELLEY HANCOCK: If time permitted and if time permits I will do that.

The Hon. PETER PRIMROSE: Will you meet with the residents of Tumbarumba before making a final decision on what their views are?

Mrs SHELLEY HANCOCK: I am not going to indicate to you at this stage what I will do in terms of my visits to Tumbarumba in anticipation of making a decision. I will make a decision in due course based on all of the information given to me regarding Tumbarumba and Tumut.

The Hon. PETER PRIMROSE: Minister, I will just ask one more time if I may so we are crystal clear on this.

Mrs SHELLEY HANCOCK: Crystal.

The Hon. PETER PRIMROSE: You have indicated that you are assessing the views of local communities and local residents in a number of ways. You will soon be making a decision in relation to Tumbarumba. My simple question to you would be: Given that you are visiting a whole range of councils, would it not be wise to at least go and meet with the people in Tumbarumba before you make that assessment?

Mrs SHELLEY HANCOCK: That may be your assessment but I have given my answer to that question about my ability to visit that council area. That may be the case. It may not. I will make a decision as soon as I think it is appropriate to do so. That is my answer to your question. I am sorry if I have disappointed you on that.

The Hon. PETER PRIMROSE: I think it is pretty clear what is going to happen.

The Hon. BEN FRANKLIN: What is clear is that she is not going to be bullied into making a decision about her diary by you.

The CHAIR: Order!

The Hon. PETER PRIMROSE: No. If I may, Chair. Minister, simply, will you meet with the people of Tumbarumba?

The Hon. BEN FRANKLIN: She has answered that question four times already, Mr Primrose.

Mrs SHELLEY HANCOCK: I have answered the question.

The Hon. CATHERINE CUSACK: Have you run out of questions, Mr Primrose?

The Hon. BEN FRANKLIN: Literally the same question four times.

The Hon. PETER PRIMROSE: I am simply, given the uncertainty of—

The Hon. CATHERINE CUSACK: Is Labor finished now?

The CHAIR: Order! Mr Primrose, if you have another question for the witness—

The Hon. CATHERINE CUSACK: I think he has run out.

The Hon. MARK BUTTIGIEG: Could I ask a follow-up, Chair?

The Hon. PETER PRIMROSE: I think it is pretty clear that the Minister is not going to go and visit Tumarumba.

Mrs SHELLEY HANCOCK: That is your presumption, not mine; nor is it my conclusion, Mr Primrose.

The Hon. PETER PRIMROSE: You will not.

The Hon. CATHERINE CUSACK: Do you realise how silly this sounds?

Mrs SHELLEY HANCOCK: Do not make presumptions based on my answers, Mr Primrose.

The Hon. PETER PRIMROSE: Your non-answers, Minister.

The Hon. CATHERINE CUSACK: It is just so silly.

The CHAIR: Order! We will go to Mr Buttigieg for another question.

Mrs SHELLEY HANCOCK: Listen back to my answer.

The Hon. MARK BUTTIGIEG: Minister, perhaps you can inform us as to how you prioritise your time regarding those sorts of things. If you have got a community that is up in arms about a forced merger and you need to make a decision about it, I think what Mr Primrose is suggesting is that you would prioritise that area.

Mrs SHELLEY HANCOCK: I understand that.

The Hon. MARK BUTTIGIEG: You are suggesting that is not necessarily so. Why?

Mrs SHELLEY HANCOCK: For the reasons that I have just given in my answer to Mr Primrose. I have answered that question. If time permits I will but the fact is that I will make a decision as quickly as possible because I think the community one way or the other needs to have a decision. I will do that as quickly as possible.

The Hon. MARK BUTTIGIEG: So by definition it is not a priority if you may not go there, is it?

Mrs SHELLEY HANCOCK: Not at all. Of course this issue is a priority for me. I understand the concerns expressed in that community and in Cootamundra.

The Hon. MARK BUTTIGIEG: Minister, there are orders of priority in anyone's diary, are there not? If it is such an outstanding issue where the community is up in arms, you would think that it would be a number one priority, but clearly it is not.

Mrs SHELLEY HANCOCK: Clearly there are a number of priorities for me in a number of Acts of Parliament—

The Hon. MARK BUTTIGIEG: I understand the demands.

Mrs SHELLEY HANCOCK: —including the Coastal Management Act, including the Companion Animals Act and the Impounding Act. Every single one of them contains priorities for me and priorities for my time. To single out one as being a number one priority and say I should therefore visit is simply a simplistic view of my portfolios and my responsibilities. It is simply simplistic.

The Hon. MARK BUTTIGIEG: You have answered the question. It is not a priority. We understand.

Mrs SHELLEY HANCOCK: That is your response, not mine.

The CHAIR: Thank you, Minister. We will move to questions from the Hon. Mark Pearson.

The Hon. MARK PEARSON: Good morning and welcome, Minister, and everybody with you. When I was first elected the Premier established a joint committee to investigate and inquire into companion animal breeding facilities because there was a great deal of concern about the wellbeing and welfare of dogs and cats, particularly dogs, in companion animal breeding facilities. During that inquiry we travelled across New South Wales and had several meetings with local government officials as well.

The RSPCA and the Animal Welfare League NSW receive about 15,000 complaints every year in relation to alleged animal cruelty. When we travelled into more regional and rural areas evidence came out that the local ranger was often the person who had their ear to the ground, was aware of many issues—maybe through a noise complaint or through another environmental impact complaint—and often saw evidence and situations which ended up being critical to investigations into companion animal breeding facilities et cetera. Under the Prevention of Cruelty to Animals Act the only prescribed officers with power to enter and investigate are the RSPCA officers, Animal Welfare League and the police. Considering those resources are fairly stretched, would the Minister consider—this was one of the recommendations to the Government from the inquiry—that rangers be given the same prescribed powers under the Prevention of Cruelty to Animals Act as the RSPCA and Animal Welfare League have because they are often in these remote areas and that would give them the platform or the capacity to be able to more directly and effectively investigate matters?

Mrs SHELLEY HANCOCK: That is a very good question and I thank you for it.

The Hon. SHAYNE MALLARD: Well-researched.

Mrs SHELLEY HANCOCK: Sorry?

The Hon. SHAYNE MALLARD: I am saying it was a good question and well-researched.

Mrs SHELLEY HANCOCK: It was a good question. Regarding the Prevention of Cruelty to Animals Act, the responsibility for that lies with my colleague the Hon. Adam Marshall. I share that responsibility as well. I take any comments regarding animal cruelty very seriously. We respect the work of animal welfare organisations and the RSPCA but if it is felt by the Government or the Office of Local Government that we need to extend to rangers the powers under the Companion Animals Act we will examine that and take it very seriously, as we do with animal cruelty. You quoted 15,000 cases of animal guilty. That is simply unacceptable. Recently we have seen a number of animal cruelty acts referred to the courts and fines imposed. I think it is totally unacceptable that we have people in our community who are capable of imposing cruelty on innocent animals. Again I reiterate my support for the RSPCA and the partnership that this Government has with the RSPCA to the tune of \$1 million a year and a further \$11 million to expand their facilities at Yagoona.

I am continually impressed also by some of the work that councils themselves do within their powers. For instance, Sutherland Shire Council does fantastic work. It has a low-kill policy. The Camden Council has a no-kill policy. We also want to reduce the rates of euthanasia. Some 80 per cent of pet registry fees go back to councils to make sure that they can implement some of the programs that are now being undertaken for ownership, for rehoming of animals that have been sick, injured or hurt. I think we are doing quite well with rehoming. Just last week we had National Dogs Day celebrated in the New South Wales Parliament. That was also about spreading the message about rehoming—adopting not shopping—to really give a forever home to some of the animals perhaps to which you are referring that have been treated so abominably and so cruelly by some of the most despicable people in this State.

The Hon. MARK PEARSON: It is quite interesting that when I asked local rangers that very question—would they would welcome having that extra power—most of them said yes. More of the concern was that it would mean more work. Council managers would be saying, "We really can't take on more responsibility". Therefore, will the Minister consider a purse or extra resources out of the budget to go towards this proposal?

Mrs SHELLEY HANCOCK: Again I absolutely sympathise with the views that you are expressing to me but these are matters for council to allocate their resources. We assist now more than ever before with the pet registry fees going back to council for those very personnel. If councils wish to employ more rangers, that can come out of those fees that are now going directly back to councils to assist them. If councils feel they are under-resourced, it is a matter for them to employ another ranger. We do assist. We absolutely assist all local councils with their pounds, and rehoming organisations the same, and RSPCA. We assist wherever we can and as much as we can. We would all like to do more but we are doing as much as we can at the moment. Congratulations to you on your work in this place.

The Hon. MARK PEARSON: There are a lot of people on the ground doing the work. Local councils have an obligation to ensure that all pound facilities and services meet the regulatory requirements under the

Prevention of Cruelty to Animals Act, as you would be aware, as well as the NSW Animal Welfare Code of Practice No. 5—Dogs and cats in animal boarding establishments. This includes providing adequate food, daily exercise and veterinary care when required. I am advised by animal advocacy groups that many councils are either unaware or fail to comply with these obligations. What efforts does your department make to ensure councils are accountable for their regulatory responsibilities?

Mrs SHELLEY HANCOCK: All pounds, including council pounds, must comply with the Prevention of Cruelty to Animals Act. That is their responsibility under that Act. I would give—

The Hon. MARK PEARSON: But, Minister, you would be aware that it is a more broad legislation where a more specific regulation is the boarding establishments or housing establishments for dogs and cats.

Mrs SHELLEY HANCOCK: Are you referring to some instances of cruelty or lack of care? I regard that as cruelty.

The Hon. MARK PEARSON: Standards of care and standards of nutrition, standards of veterinary care if required and also temperature control in extreme temperatures. There are a lot of concerns that during extreme cold weather or extreme hot weather the climate control is inadequate. Animals suffer a lot from heat stress and cold stress. This has been collated over the last several years. It just seems that there are some councils—as you referred to, Sutherland is doing extremely well but there are other councils that are not even meeting the minimum standards required. What can your department do? What should your department be doing to ensure those standards are met?

Mrs SHELLEY HANCOCK: Can I say again with regard to the Office of Local Government that we work with councils on a daily basis and they are facing all sorts of challenges. If these are challenges that are being faced by local government we will work with them to ensure that they comply with the Act. That concerns me and I have read those reports too about, perhaps, substandard care in some of council pounds. But let me reassure you that I as the Minister and my department will work proactively with councils to address some of those challenges that they are facing. Whether they are financial challenges or they are based on financial challenges we will work with them. I as Minister do not want to see—even though these are matters for council, I do not want to see any animals suffer as a result of conditions they are experiencing either in our pounds or in our RSPCAs or animal welfare or anywhere else. And I will do precisely whatever I can to ensure that we help local council. That is my role.

The Hon. MARK PEARSON: I am glad that is on the record now and I will come back to you about it. I would like to refer back to some of the questions that the Opposition were asking.

Mrs SHELLEY HANCOCK: On mergers?

The Hon. MARK PEARSON: On merging of councils. What is your view about forcing a merge as opposed to encouraging it?

Mrs SHELLEY HANCOCK: I think in previous years and previous decades councils were encouraged to voluntarily merge and that was not always successful. Councils did not see the benefits of merger. They did not want to lose their identity, perhaps. But in terms of forced amalgamations, it took place under the responsibility of two previous Ministers and I was not involved in that. But as I have said to Mr Buttigieg and Mr Primrose, I have now seen the benefits and I started to read a long list of benefits that have been accrued as a result of merged councils and new councils, many of whom come to see me regularly to talk to me about the wonderful things that they are doing. And I think we need to encourage them, rather than go backwards and talk about the negative experiences of forced amalgamations, to now look at the future. I look to the future and the benefits and moving forward rather than going back and harping over what happened or should have happened and we move forward.

The CHAIR: Thank you, Minister. How many councils in New South Wales have made climate emergency declarations?

Mrs SHELLEY HANCOCK: We have the most recent at Northern Beaches. We have Sydney City and we might have Canterbury Bankstown Council. Three.

The CHAIR: I think you also have Central Coast Council, Clarence Valley Council, Hawkesbury City Council, Inner West Council—

Mrs SHELLEY HANCOCK: They are a matter for council resolutions. I cannot be aware on a daily basis of every resolution passed by every council, but yes.

The CHAIR: There is quite a number.

Mrs SHELLEY HANCOCK: Quite a number.

The CHAIR: What support have you given to these councils to enable them to take steps locally to reduce emissions?

Mrs SHELLEY HANCOCK: In particular I think we should start to look at the coastal councils because I think most of them are facing some complex issues and challenges regarding coastal erosion or inundation, whether that is due to natural factors or anthropogenic factors. We have now completed a framework where we look at some of those complexities—the coastal management framework incorporates the Coastal Management Act 2018, the coastal management hazard manual, the coastal set where we incorporate a number of previous policies into one policy—and we have committed to \$83.6 million to 2021 to resolve some of these lingering issues that have been around for decades.

They are facing, certainly some of the North Coast councils in particular, water quality issues, erosion issues and inundation issues, and part of the whole coastal management plan process involves the preparation of coastal management programs. Before we had piecemeal, fragmented ownership of rivers, say Richmond River. We had an inability of certain areas to come to an agreement about a coastal zone management plan and now we are working towards a more holistic view, a long-term view, of some of the problems for councils that councils are facing in these vulnerable and exposed communities and we are supporting them financially, not just with coastal zone management plans but coastal management programs—

The CHAIR: Thank you, Minister. I think you have not addressed much of the question which was around what is the Government doing to assist the councils to reduce carbon pollution or greenhouse gas emissions. I think your response was in relation to adaptation as opposed to the mitigation part of addressing the climate emergency. Is there anything the Government is doing to assist the local governments to reduce their emissions.

Mrs SHELLEY HANCOCK: I am advised that we have Increasing Resilience to Climate Change [IRCC] grants that are available. They are contestable grants, a \$3.5 million program to support local councils across New South Wales to increase their resilience to and reduce risks from climate change. Round one of the IRCC closed on 1 March 2019 with 37 applications received. Based on the appraisal assessment of the grant applications by an external technical advisory committee, 10 projects totalling \$1,011,300 have been selected for funding by the management committee. Round two is now open. That is perhaps the program that you might have been referring to or asking about is the IRCC grants program. That is what the Government—

The CHAIR: Yes, again, that is about resilience—

Mrs SHELLEY HANCOCK: You asked what the Government was doing.

The CHAIR: Yes, but nothing in terms of addressing emissions? Is the Government's response to these councils who were declaring climate emergencies is that we cannot do anything now to reduce emissions? We just have to prepare like hell because climate change is upon us then?

Mrs SHELLEY HANCOCK: Sorry, can you repeat the question?

The CHAIR: Is it—

Mrs SHELLEY HANCOCK: I thought I answered the question that you asked me.

The CHAIR: I was asking about—

Mrs SHELLEY HANCOCK: But what is the issue that you think has been neglected in my answer?

The CHAIR: The difference between climate mitigation and adaptation. One is reducing carbon emissions—

Mrs SHELLEY HANCOCK: Yes.

The CHAIR: The other is adapting to climate change. The resilience package that you just talked about then I think is part of that, as is the coastal management strategy. There is another key component which is what the question is about. It is around reducing emissions, which is what I understand some local councils are wanting to do. Has the Government done anything to assist local governments and councils to reduce their emissions at the local level?

Ms GIBBS: We are assisting councils with carbon net zero preparedness through council local strategic planning statements but through some other measures as well. Councils are finding their communities are increasingly interested in reducing emissions in their local government areas, such as the councils that you have

mentioned, and are calling on councils to take action. Councils are responding to community concerns and demonstrating long-term vision around a low emissions and resilient future. As you mentioned, mitigation and adaptation are the flip side of climate change. Councils also need to meet planning requirements that are being put in place by the New South Wales Government, including through the preparation of local strategic planning statements which are given effect through the Environmental Planning and Assessment Act 1979.

Regional councils are calling on the Department of Planning, Industry and Environment to facilitate access to baseline emissions of profiling tools, emission reduction pathways, reporting tools, case studies and capability building activities. A regional workshop series includes face-to-face workshops and webinars to ensure equitable access across the State to information and tools and those include community emissions profiling, step-by-step guidance to develop and implement an emissions reduction plan, understanding sector specific pathways such as energy and agricultural sector transition, local case studies and capability building around climate change risk assessment and building resilience based on the recently released climate risk assessment guidance note.

There are 11 workshops proposed around New South Wales in October and November 2019 with the exact dates still to be set and there will be a minimum of one workshop to be delivered per New South Wales planning region. Workshops will be delivered collaboratively with the joint organisations of councils, but will also include a small number of councils who are not members of JOs. Webinars will also be included as part of the workshop series to ensure that all councils can access the information that is available.

The CHAIR: What is the funding underneath that program of works you outlined? Is there funding to support local government reducing their emissions or is this just strategic plan development?

Ms GIBBS: We have a team of people that assist councils in terms of capacity building and the other specific funding would be the increasing resilience to climate change grants program that the Minister previously mentioned. Although I note that it does have resilience in the title, money is also available to assist councils to reduce risk from climate change. We obviously could include mitigation activities.

The CHAIR: Thank you for that comprehensive answer. Back to amalgamations. Minister, this is an example of Snowy Valleys Council long-term financial plan which predicts a general fund deficit every one of the next four years until 2027-28. Regarding the amalgamations in relation to this council you said that the efficiencies and savings generated by the merger will allow the new council to invest in improved community service levels and/or a greater range of services. What follow-up has been done by your department to assess this?

Mrs SHELLEY HANCOCK: The department is continuing to work with all councils.

The CHAIR: What councils have undertaken surveys of service levels post amalgamation?

Mrs SHELLEY HANCOCK: Sorry?

The CHAIR: Could you outline for the Committee what councils have undertaken surveys of service levels? These improved service levels that you have promised, have councils undertaken surveys in relation to those improved service levels for the community that you are aware of?

Mrs SHELLEY HANCOCK: We do not require them to do this, that would be their choice if they have undertaken surveys. I cannot be aware of every single survey or decision of a council. It is certainly a matter for councils.

The CHAIR: Minister, you said and promised—

Mrs SHELLEY HANCOCK: I did not make a promise.

The CHAIR: —that this would allow councils to invest in improved community service levels and/or a greater range of service. How do you keep track of that? How do you know whether the promise to allow councils to have improved community service levels and/or a greater range of services has been met if you do not know whether councils are undertaking surveys?

Mrs SHELLEY HANCOCK: Because we work with councils very closely and the list of councils and merged councils that I read out before about their achievements—yes, Mr Shoebridge is here to assist you.

Mr DAVID SHOEBRIDGE: No, the Chair does not need assistance.

The CHAIR: Order! Could you continue?

Mrs SHELLEY HANCOCK: I do not think I made a promise. I indicated some of the achievements of the new councils and I started to read them out and I could take the Committee's time if you wish but I said

I would take it on notice and provide that information, I think to Mr Buttigieg or Mr Primrose. I did not make a promise. I told the Committee about the achievements. I informed the Committee about the achievements. We know about those achievements because we work closely with the local government sector, our general managers. Office of Local Government has an outreach service that works with local government. We are aware of their achievements.

The Hon. PETER PRIMROSE: Mr Hurst, the Minister indicated earlier on that the KPMG report used by Mr Baird to justify his forced council mergers that a number of us sought through the NSW Civil and Administrative Tribunal [NCAT] had been released. I am aware that the assumptions documents underlying that were released. Can you tell me on what date the full long form KPMG report was released and where we might access it, please?

Mr HURST: Mr Primrose, I understand that the Minister said that the report had been released as appropriate. You are correct, there were elements which were not released through that process. Those that are, are available, as you are aware. I think you quoted some of those elements of the report.

The Hon. PETER PRIMROSE: I am familiar with the assumptions document but a number of people, the Save our Councils group and myself, went to NCAT seeking a copy of the long form documents. So I can be clear: As opposed to the assumptions document released a couple of years ago that is on the Department of Premier and Cabinet website, has the long form document been released?

Mr HURST: Just to be quite clear, the document that can be released has been released and is available and has been available for some time.

The Hon. PETER PRIMROSE: Yes, I am familiar with that. We have actually got the document. So I am crystal clear.

The Hon. CATHERINE CUSACK: It is just nauseating.

Mr DAVID SHOEBRIDGE: Point of order: Ms Cusack regularly interrupts with points like that in the middle of questioning. She knows it is disorderly, particularly that kind of embarrassed exasperation. I ask the Chair to bring her to account early so we do not have it all day.

The Hon. CATHERINE CUSACK: It is quite genuine. I assure you my expression is absolutely sincere and genuine.

The Hon. BEN FRANKLIN: Pots and kettles, Madam Chair.

The CHAIR: Order! Mr Primrose will continue.

The Hon. PETER PRIMROSE: I will ask one more time if I can. The documents sought by myself, Save our Councils and others, the KPMG report, has that been released?

Mr HURST: So we can be clear about the documents that have been released I am happy, through the Chair, to take on notice and provide you with a list of the documents that have been released following, as you observed, those NCAT processes.

The Hon. PETER PRIMROSE: Minister, will you release the other documents—those documents sought by myself and the Save our Councils group, which you now indicate are almost historical documents, that were used by then Premier Baird to justify the forced merger of a number of councils? They have been sought by many community groups for a long period of time.

Mrs SHELLEY HANCOCK: I will take that question on notice but I think what the deputy secretary has indicated is that he will give you a list of the documents that are available for your perusal.

The Hon. PETER PRIMROSE: I have read the documents, Minister, but I and a number of community groups, including those groups in councils like Gundagai, Tumbarumba and Guyra, have been seeking copies of those for many years. I was initially led to believe from your response—and it was my fault maybe for misunderstanding—that they had been released. My understanding is that they have not been released and I am asking if they will be released.

Mrs SHELLEY HANCOCK: It is my understanding, I might be corrected here, the Cabinet documents were not released as it was an NCAT decision.

The Hon. PETER PRIMROSE: I am asking: Will they be released?

Mrs SHELLEY HANCOCK: That was a Cabinet decision and I am not going to discuss Cabinet decisions.

The Hon. PETER PRIMROSE: Okay, so no.

The Hon. MARK BUTTIGIEG: Minister, you have raised the Office of Local Government in several responses.

Mrs SHELLEY HANCOCK: Have I? As assisting, yes.

The Hon. MARK BUTTIGIEG: Could you specify for us what your understanding is of the functions of that office?

Mrs SHELLEY HANCOCK: The functions of the Office of Local Government have not changed. The status as a standalone agency has changed and it has now been integrated into the Department of Planning, Industry and Environment [DPIE]. That to me is a positive step forward so that we can collaborate with those with planning expertise and environmental expertise. The functions have not changed, the staff numbers have not changed. The Office of Local Government is still in Nowra—69 members of staff in Nowra and I am pleased to say that 71 per cent of those are women—local people working within that organisation, with a range of functions, have not changed. They range from investigations, interventions, outreach services and, again, working with councils on a whole range of challenges that they are facing. That range of functions, if you are referring to the change of the status of the Office of Local Government, has not changed.

The Hon. MARK BUTTIGIEG: The status is the same, the functionality is the same. What has been abolished, if anything? Is it just the name?

Mrs SHELLEY HANCOCK: I guess, yes. Nothing has been abolished in terms of the functions or the presence of the Office of Local Government in Nowra; nothing has changed. The Office of Local Government as a standalone agency working as a silo has changed and has been integrated into the new agency—DPIE—as you know, which now examines a range of issues. I am happy about the fact that we have lost no staff, that I am able to collaborate with my Cabinet colleagues on a range of issues that are common to all of us—we all look at planning issues, we all look at environmental issues. The collaboration which follows as a result of the new structure within that cluster is of benefit to all of us, not just me as the Minister or my Cabinet colleagues but the residents of New South Wales as well—that we can work together on issues of commonality.

The Hon. MARK BUTTIGIEG: You mentioned 69 just now. My understanding is that under previous pronouncements—in fact, in question time on 21 August this year, you said:

The 65 staff of the Office of Local Government in Nowra continually reach out to our rural and regional councils

So is it 65 or 69?

Mrs SHELLEY HANCOCK: In Nowra. There is a small presence of the Office of Local Government in Sydney, as well. I think I was referring to the Office of Local Government in Nowra, at the time. I can give you specific numbers—

The Hon. MARK BUTTIGIEG: Your total full-time equivalent [FTE] is 69 across the board, is it?

Mrs SHELLEY HANCOCK: Mr Hurst, would you like to confirm?

Mr HURST: Yes, I will clarify.

Mrs SHELLEY HANCOCK: As the Deputy Secretary, Mr Hurst will confirm those to assist you, Mr Buttigieg.

Mr HURST: As at 30 June 2019 the Office of Local Government had 57.7 ongoing employees and 10.80 temporary employees, for a total FTE of 67.97. That is spread between both the Sydney and the Nowra offices. In terms of a gross headcount, at 30 June this involved 61 staff as ongoing employees, 11 as temporary employees and five contingent labour, for a total headcount of 77 staff.

The Hon. MARK BUTTIGIEG: So we are talking about 68 FTEs, more or less?

Mr HURST: At 30 June.

The Hon. MARK BUTTIGIEG: Minister, do you guarantee those jobs will be in existence in perpetuity?

Mrs SHELLEY HANCOCK: In perpetuity?

The Hon. MARK BUTTIGIEG: One year, two years, three years? I am a bit confused because if you look at *Budget Paper No. 3*, under the cluster heading "Office of Local Government", it says:

The Office of Local Government is abolished under the Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2019, effective 1 July 2019. The persons employed in the functions of the Office of Local Government transfer to the Department of Planning, Industry and Environment.

So as an entity it is in effect abolished, is it not? And you have transferred—

Mrs SHELLEY HANCOCK: I think I answered that question, Mr Buttigieg, about the use of the word "abolition"—abolition as a standalone agency, not abolition of the Office of Local Government and its functions and roles in Nowra and in Sydney. Your question was whether I can guarantee that there would be no job losses into perpetuity and then you refined that to say two or three years. Currently, government policy regarding regional jobs is that they will be no job losses in the regions.

The Hon. MARK BUTTIGIEG: The implication is that if there are no job losses in the regions—do you have a time frame on that? Is it in the next term of government?

Mrs SHELLEY HANCOCK: Government policies refer to this term of Government. If the future government wishes to change that policy—but currently in this term of Government no job losses in the regions.

The Hon. MARK BUTTIGIEG: That is good. So you guarantee those—

Mrs SHELLEY HANCOCK: You may wish to change it if you get into government, I do not know.

The Hon. MARK BUTTIGIEG: We may indeed. We may wish to increase them.

Mrs SHELLEY HANCOCK: You may.

The Hon. MARK BUTTIGIEG: Can I get this on the record, Minister. You guarantee those FTEs in regional areas for the next term of Government?

Mrs SHELLEY HANCOCK: I will do everything in my power to ensure that not one member of the Office of Local Government will lose their job as a result of any decisions made by this Government. I have—and I am fortunate enough to live in Nowra—met all of those employees, or most of them. I am thoroughly impressed by the work that they do and I will fight for the retention of every single one of those jobs. I am proud of the work they do and I am so grateful for the advice they give me on a daily basis when I seek to meet with various councils about issues—their issues and their challenges—and I will fight to retain every one of those jobs, rest assured.

The Hon. MARK BUTTIGIEG: That is very gratifying; thank you for that answer. That is the regional ones. What about the non-regional jobs? There are another four or five FTEs involved in that. Are they on the never-never? What is your view about those jobs?

Mrs SHELLEY HANCOCK: As the Minister for Local Government I will fight to retain every job within the Office of Local Government. That is my personal commitment. The Government's commitment is no job losses in the region. My personal commitment is to have no job losses in the Office of Local Government.

The Hon. MARK BUTTIGIEG: Full stop?

Mrs SHELLEY HANCOCK: Full stop. That is my aim.

The Hon. MARK BUTTIGIEG: That is great. Congratulations, Minister.

Mrs SHELLEY HANCOCK: No need to be sarcastic about it.

The Hon. MARK BUTTIGIEG: I am not being sarcastic.

Mrs SHELLEY HANCOCK: That is my earnest commitment to the Office of Local Government.

The Hon. MARK BUTTIGIEG: Excuse me, Chair, I was not being sarcastic at all. I happen to agree with you, Minister. If your remit is to keep jobs in the regions that is great and we support that fully.

Mrs SHELLEY HANCOCK: Thank you.

The Hon. MARK BUTTIGIEG: Just to clarify, the Government's policy is no job losses in the regions and you will back that in 100 per cent and ensure that happens?

Mrs SHELLEY HANCOCK: Yes.

The Hon. MARK BUTTIGIEG: Great. In terms of the allocation of the budget to that office—

The Hon. CATHERINE CUSACK: A budget question!

The Hon. MARK BUTTIGIEG: Yes, Ms Cusack, we are asking questions about the budget. There is an allocation of \$261.4 million for the financial year 2018-19 and then in the financial year 2019-20 it is "not applicable", "not applicable". In the context of what you just said, can you explain why that appears in the budget papers as \$261.4 million funding one year and none the next, if it still exists?

Mrs SHELLEY HANCOCK: Because the budget has been absorbed into the DPIE structure, so it will not have its own individual budget.

The Hon. MARK BUTTIGIEG: That allocation simply gets shifted into the department and those FTEs go on and essentially the same roles, we just do not like the name "Office of Local Government" anymore?

Mrs SHELLEY HANCOCK: We retained the title of the "Office of Local Government".

The Hon. MARK BUTTIGIEG: Well, no.

Mrs SHELLEY HANCOCK: Well, yes.

The Hon. MARK BUTTIGIEG: I am confused again. In *Budget Paper No. 3* at page x it says:

The Office of Local Government is abolished ...

The Hon. SHAYNE MALLARD: As a silo.

The Hon. MARK BUTTIGIEG: "Abolished" in my understanding of the English language—which may not be as sophisticated as yours—means "gone", "finished", "stopped". Is it abolished or not?

Mrs SHELLEY HANCOCK: No.

The Hon. MARK BUTTIGIEG: It isn't? So why would you—

Mrs SHELLEY HANCOCK: I do not really know the premise of your question. I think I have answered the question in terms of the functions remaining the same, the personnel remaining the same, me being committed to retaining the number of jobs. You want me to say it has been abolished? No it has not been abolished; it has been integrated into DPIE, as has its budget. That is why it does not appear in the future budget papers.

The Hon. SHAYNE MALLARD: It is no longer a silo.

The Hon. MARK BUTTIGIEG: So again I put to you—and I am not trying to be tricky with this stuff—what you are saying is that you have shifted these FTEs into a departmental function, a cluster function, so you can cross-fertilise information with your colleagues and get across all the various issues—

Mrs SHELLEY HANCOCK: Correct.

The Hon. MARK BUTTIGIEG: —but essentially nothing has changed in terms of functionality and outcomes? It is exactly the same, it is just that you have got rid of the name "Office of Local Government" and that is what you mean by abolished?

Mrs SHELLEY HANCOCK: If you go to Nowra, if you look at correspondence coming out of the Office of Local Government, it is still called the Office of Local Government—nothing will change. It is simply its status as a standalone agency has changed.

The Hon. MARK BUTTIGIEG: So we have actually been misled in Parliament and in the budget papers when you say it is abolished. It is not abolished. You are saying the name is still there. I do not understand. Is it abolished or is the name still there?

Mrs SHELLEY HANCOCK: Mr Hurst, can you answer this before I get frustrated.

Mr HURST: I will attempt to clarify. I think the Minister has done a very good job of explaining the situation. We are talking about the implications on a separate reporting agency on how it is constructed as a legal entity rather than the name of the Office of Local Government, its functions and its continuing operations.

The Hon. MARK BUTTIGIEG: I will just finish off, just to clarify it. When you say in the budget papers that it has been abolished, it is not what you really mean?

Mr HURST: Those are the words that are used in a legal document to describe legally a process.

The Hon. MARK BUTTIGIEG: Legally it is abolished but practically it is not?

The Hon. CATHERINE CUSACK: It's a budget paper.

Mr HURST: What I am saying is that the organisation continues to exist within the Department of Planning, Industry and Environment cluster. It still has a budget, it still has functions, it still has people. It still has a name and an identity that continues through that process.

Mr BETTS: So the only thing that is abolished is the discrete administrative status of the OLG, previously outside of the main department, now within the main department performing exactly the same functions, with the same personnel and with the same trading name as previously.

The Hon. MARK BUTTIGIEG: Would it not have been more appropriate to specify that administrative function as being abolished rather than say OLG has been abolished, because it is actually misleading?

Mr BETTS: I think that is what we are clarifying today.

The Hon. PETER PRIMROSE: Thank you, Minister. Back in January the Riverina Eastern Regional Organisation of Councils [REROC] applied for \$61 million to the State Government for what I thought was an excellent program called Southern Lights. The idea was to replace 80,000 street lights with more modern LED lights. That would not only be environmentally better in terms of energy use but it would also improve security in the streets. The Government has indicated that it is not going to support that project. I was wondering whether you could approach REROC and take that matter up with your colleagues and ask them to reconsider?

Mrs SHELLEY HANCOCK: Thank you, Mr Primrose. I was disappointed that they did not receive funding for that project as well because I have spoken to REROC about it. It is absolutely a commendable project and I certainly will commit to taking that up with my Cabinet colleagues; \$61 million is money well spent for that particular project.

The Hon. PETER PRIMROSE: I appreciate that. Thank you, Minister. The former Tumbarumba Shire Council was one of the most financially viable councils in the State. Can you indicate why it was forced to merge with Tumut Council to form the larger Snowy Valleys Council?

Mrs SHELLEY HANCOCK: Again we are going backwards.

The Hon. CATHERINE CUSACK: It is just that we have been listening to this all morning.

Mrs SHELLEY HANCOCK: We can go on all morning.

The Hon. CATHERINE CUSACK: I know Mr Shoebridge wants to defend this but he has not been sitting here listening to it all morning.

The CHAIR: Order! The Opposition is asking questions. They have just under two minutes to go. The Hon. Peter Primrose will continue.

The Hon. PETER PRIMROSE: I have asked a question.

Mrs SHELLEY HANCOCK: If you are asking me why, those decisions were not made by me, they were made by the Government. Sectors of the community are concerned about that decision and so are you. As I have said before, I have received two submissions regarding demerger from Cootamundra, Gundagai and Tumbarumba-Tumut. I am in the process of examining both of those proposals currently, taking into consideration all of the community comments that have been made, advice from the Office of Local Government et cetera, and I will make my decisions as soon as possible. If you want to have a look at the reasons, you could look at the delegates' report, revised by the Boundaries Commission in 2015, as to the actual reasons given at that time.

Mr DAVID SHOEBRIDGE: But the delegates' report recommended against the merger. You were aware of that, were you not, Minister?

Mrs SHELLEY HANCOCK: You could avail yourself of the Boundaries Commission—

Mr DAVID SHOEBRIDGE: It said don't do it.

Mrs SHELLEY HANCOCK: You could avail yourself of the delegates' report.

Mr DAVID SHOEBRIDGE: It said don't do it.

Mrs SHELLEY HANCOCK: Well, it is done, Mr Shoebridge. It is done and we can move on surely.

The Hon. PETER PRIMROSE: No, let us understand, Minister—

Mrs SHELLEY HANCOCK: You have asked me several times about both of the proposals that I have received. I have received them and I am examining both of them.

The Hon. PETER PRIMROSE: Minister, earlier on I asked—

Mrs SHELLEY HANCOCK: I can't say anything more than that at this stage to you.

The Hon. PETER PRIMROSE: Earlier on I asked if you would go and meet with the residents and you said you would look at it in terms of your timetable before you made the decision. I then asked a question about why. You have indicated to go and read a report that actually recommended against it, so I am asking you now what evidence is there that the newly forcibly merged council today is more financially viable than the former Tumbarumba council, because I have read it and I have read the reports and I have been there. What evidence is there?

Mrs SHELLEY HANCOCK: All I can say to you at this stage is I am examining both proposals submitted to me—

The Hon. PETER PRIMROSE: But that wasn't the question, Minister. What evidence is there?

Mrs SHELLEY HANCOCK: —and that is my answer to you.

The Hon. PETER PRIMROSE: What evidence is there?

Mrs SHELLEY HANCOCK: I am examining both the proposals submitted to me and I will make a decision as soon as possible based on all of the evidence that I have before me.

The Hon. PETER PRIMROSE: What is that evidence, Minister, that it is more financially viable?

Mrs SHELLEY HANCOCK: I have answered the question several times this morning.

The Hon. PETER PRIMROSE: No, you have not but we will come back to it.

Mr DAVID SHOEBRIDGE: Minister, to carry on the Tumbarumba issues, in fact there have been three proposals put to either you or your predecessor for the demerger. The first was on 12 February 2018, the second was on 5 September 2018 and I think the last formal proposal under section 215 was on 4 March 2019. Tumbarumba has been waiting more than a year and a half for an answer on their first proposal. I am not blaming you for the delay of your predecessor, Minister, but when are you going to give them an answer?

Mrs SHELLEY HANCOCK: Just in relation to the first two proposals, Mr Shoebridge, I am advised that under the Act the first two proposals were not valid. That is part of the process about assessing those proposals to estimate whether they are valid or not. As you know, I do not want to waste time in making decisions. I have released reports that were pending. I have passed an Act of Parliament or delivered an Act of Parliament to address some of the concerns of the local government sector. I want to make a decision on this as quickly as possible but there is a process that comes before me. It has to be assessed as being valid under the Act. Once that has been assessed it will come to me for a decision. I cannot say anything more than that but I will try to be fair and try to make the decision as quickly as possible. In terms of the other two proposals, they were not considered to be valid under the Act.

Mr DAVID SHOEBRIDGE: Do you have advice on that that you are willing to table with this Committee but, more importantly, give to the Tumbarumba community that spent countless hours pulling together those proposals and have been waiting for a formal response?

Mrs SHELLEY HANCOCK: Sorry, what was the question? Do I have advice?

Mr DAVID SHOEBRIDGE: Do you have formal advice that you can table with this Committee but, as I said, more importantly, provide to the Tumbarumba community about those two earlier proposals?

Mrs SHELLEY HANCOCK: About the two earlier proposals?

Mr DAVID SHOEBRIDGE: The ones you say are invalid?

Mrs SHELLEY HANCOCK: Yes. For both previous proposals the advice was in writing, yes, so we provided the advice in writing at the time.

Mr DAVID SHOEBRIDGE: You provided an answer but not the advice you were given. You provided an answer in correspondence but not the advice—

Mrs SHELLEY HANCOCK: Well, the previous two I was not the Minister.

Mr DAVID SHOEBRIDGE: Yes, I accept that. Minister, it is unfortunate that there is a collective frustration that you are inheriting and I accept that. There is a collective frustration amongst local government that you are inheriting because of the failure for action in the last number of years and it is unfortunate but that

frustration is there in the sector. Will you provide not just the correspondence asserting the outcome of the advice but also the advice your predecessor was given about those two earlier proposals for full transparency with the Tumbarumba community?

Mrs SHELLEY HANCOCK: As I said, I am sure that advice was given by the Office of Local Government regarding the first two proposals so they should be aware of that and now have submitted a valid proposal which I am examining. Would you agree with that?

Mr DAVID SHOEBRIDGE: Well, I would agree that the current proposal is valid, but the actual advice that your predecessor was given has not been provided to the Tumbarumba community. I accept the conclusion was provided to them in correspondence but I am asking about the advice itself. Perhaps you could take that on notice?

Mrs SHELLEY HANCOCK: I will take that on notice, Mr Shoebridge, in terms of that advice. I understand the question that you are asking me.

Mr DAVID SHOEBRIDGE: Minister, again, I say the frustration is because for so long nothing ever came out and was given to these communities and you have inherited that problem. It is a frustration across the sector, which I am sure is frustrating for you too. Could I ask you about Snowy Valleys Council, the one that has brought together Tumbarumba and Tumut? For almost 12 months that council has been unable to account for approximately \$4 million missing from its reserves. Are you aware of that?

Mrs SHELLEY HANCOCK: Yes.

Mr DAVID SHOEBRIDGE: Have you put in your own auditors to chase down that \$4 million?

Mrs SHELLEY HANCOCK: Snowy Valleys Council is undertaking its own examination of the issues to which you refer and I am very well aware of. We are working with them on that as well and that report will be submitted to the Office of Local Government when it is completed. The council is aware of the issues and it is working on those issues. It has called for submissions—is that the right word?

Mr HURST: They are considering it.

Mrs SHELLEY HANCOCK: Council is considering it. It is examining these issues itself and considering the report and then I will be advised of that. I think all parties are aware of the challenges that that council faces.

Mr DAVID SHOEBRIDGE: The concerns of the residents of Tumbarumba, which was one of the most financially viable councils in the State, are that the Tumbarumba reserves have been lost by Snowy Valleys Council. After years and years of community effort and community contribution to its council, that money has literally been lost with this amalgamation. Are you aware of those concerns?

Mrs SHELLEY HANCOCK: I am certainly aware of those concerns and I am aware that Snowy Valleys Council is examining this issue. That is the matter for council and it will report to me and we will have further discussion about that so-called "lost" money.

Mr DAVID SHOEBRIDGE: Minister, the concern of the community is that it is actually Snowy Valleys Council that lost it. Therefore, allowing Snowy Valleys Council to determine its own investigation, to undertake its own audit is not you stepping up and ensuring that there is transparency. Why have you not directed the Office of Local Government to do its own audit?

Mrs SHELLEY HANCOCK: Because again I stress to you, Mr Shoebridge, that this is a matter for the Snowy Valleys Council. Obviously its community is aware of the allegations that have been made and it is completing its own report. Then I would encourage that council to communicate the outcome of that report with its community, as is appropriate.

Mr DAVID SHOEBRIDGE: Minister, were you aware that this is a council that delegated signing off on 2017-18 annual financial statements—the council itself did not review its budget before signing off on it, it delegated it—down to the general manager? One of the most fundamental obligations of the council was actually delegated. Are you aware of that?

Mrs SHELLEY HANCOCK: Yes. Mr Shoebridge, if I could just say at this stage I do not see my role as Minister for Local Government as being interventionist or as being dictatorial. Under the Act I have no powers to intervene in council matters and decisions that they make—you would be aware of that. I encourage my office, the Office of Local Government, to work closely with councils and they do but I am not interventionist. I am not going to be, even though some of my colleagues ask me to intervene in certain councils because there are

misbehaving councillors. They ask me to remove them or sack them—I do not do that. I am not of that nature and under the Act I have no powers. It is up to the council to actually work within their resources to finalise reports. Snowy Valleys Council is finalising a report into those matters and the allegations that you have made. They are very serious allegations. And then we can talk about that report later. It will be reported back to the community as well. It is a matter for council. These are not decisions by councils.

Mr DAVID SHOEBRIDGE: I accept your position that by and large local government should be respected and allowed to undertake its duties without undue influence from the Minister or the State Government. We agree on that. But where there is a council that has, on the face of it, lost \$4 million and failed to do the most basic due diligence, which is review its annual budget before passing it. Surely that is a warning bell for you as a Minister that you should intervene and have some separate integrity in the process and not simply say, "We will just let them go on and continue the contract and sort it all out."

Mrs SHELLEY HANCOCK: I absolutely understand what you are saying. The addition to that is that certainly there is a role for me and the Office of Local Government in terms of intervention but it does not happen just on whim or on the basis of allegations. It happens as a result of a fairly complex process. As with councillor behaviour the local council itself has to make certain claims, code of conduct complaints. If there are persistent breaches of pecuniary interest—three strikes you are out, et cetera. There is a process of intervention. If those issues fail at a local government level there is a process by which the Office of Local Government can become involved. Performance improvement orders can be issued and have been issued from the Office of Local Government. We may get to that stage. We have got to that stage with a number of councils throughout the State. If it is necessary in this case, we will do that.

Mr DAVID SHOEBRIDGE: I accept the argument that it is ordinarily multiple infractions but I have given you here two serious allegations of infractions: one, the loss of \$4 million and, two, the council failing to review before signing off on the budget. Ordinarily, yes, you would wait for three strikes and you are out but when one of the strikes is a \$4 million loss of funds, surely that is where you should be considering your powers and intervening with a performance audit.

Mrs SHELLEY HANCOCK: You have made the allegation, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: It is not just me; it's the community.

Mrs SHELLEY HANCOCK: I do not necessarily agree with your assertions but a process is underway. At the current stage there has been no breach of the Act, and that is where we will leave it.

Mr DAVID SHOEBRIDGE: You cannot say there has been no breach of the Act before the investigation has concluded, Minister. Have you already formed that conclusion?

Mrs SHELLEY HANCOCK: Currently, no breach of the Act.

Mr HURST: It has not been raised with us.

Mrs SHELLEY HANCOCK: It hasn't been raised with us. Mr Hurst, would you like to add some information for Mr Shoebridge because I know he is interested in this issue.

Mr HURST: Mr Shoebridge, if you have evidence that the Act has been breached I would encourage you to bring that information forward to the Minister or the Office of Local Government. In the meantime we are satisfied that council is undertaking the processes to work with its community to get to the bottom of the allegations. That is the appropriate way for this to happen under the processes established by the legislation.

Mr DAVID SHOEBRIDGE: Well, review its minutes of October 2018. That is the evidence. I have given it to you.

The Hon. EMMA HURST: Minister, the Australian Capital Territory, South Australia, Western Australia and Tasmania have introduced laws requiring cats and/or dogs to be desexed at a certain age usually by about three to six months, with an exemption for registered breeders. Given we have got a significant over-population of companion animals in New South Wales leading to thousands of healthy animals being euthanised every year, is the Government considering introducing mandatory desexing of cats and dogs in New South Wales?

Mrs SHELLEY HANCOCK: Part of our policy under the Companion Animals Act aims to actually increase desexing by reducing pet registration fees for desexed animals. At the moment we do not have any plans to pursue that but I understand what you are saying; that we do have too many animals, I guess, out there in the community without a home, perhaps. We would pursue that. We continue to pursue all avenues that we can to

reduce the number of animals that are euthanised. Before you came in we talked about the wonderful work that goes on in our rehoming organisations—our pounds, our RSPCAs and animal welfare organisations—to find homes for animals that have been surrendered or injured. But we will pursue everything that we can—I will as a Minister, too—to reduce those incidents of animals out in the community where they are subject to cruelty, perhaps, or injury.

The Hon. EMMA HURST: With that in mind, would you consider funding low-cost or free desexing programs or is the Government already doing that?

Mrs SHELLEY HANCOCK: In terms of reduced pet registration that is what we are doing. So the pet registration fee is much more expensive if you want to register a dog that is not desexed. So there is the incentive to have a desexed animal.

The Hon. EMMA HURST: Do you think that lower income earners may just fail to register and fail to desex their animal?

Mrs SHELLEY HANCOCK: It could be an ongoing problem with those who are finding difficulty, I guess, caring for an animal. There is more to caring for an animal than those kind of fees involved. It is also feeding and caring for an animal that is quite expensive. We do try to reduce the costs. Again, with the pet registration scheme, we have reduced those costs as incentives to increase the incidence of desexing of animals as well as microchipping and online pet registration identification numbers so that if animals are lost you can recover your animal. We are doing all we can in that space for companion animals under the Act.

It is an area of interest for me, and clearly for you as well. We all want to work in that space to make sure that we do not have high rates of euthanasia at all, that we aim to rehome as many animals as we can and that we encourage people to adopt not shop. Adopt an animal, do not shop for an animal. I am not sure whether you were here for the National Dog Day last week. That was the aim. That is the partnership with RSPCA and our local councils that we are undertaking currently. I am pleased with the results but we continue to look at those results.

The Hon. EMMA HURST: On 1 July a number of new government regulations came into force regarding the NSW Pet Registry that you have been talking about. These regulations require anyone selling a cat or dog to include an identification number, a microchip, breeder and rehoming number in their advertisements. How is your department trying to enforce these new regulations?

Mrs SHELLEY HANCOCK: Are you talking about recalcitrant owners who do not do that?

The Hon. EMMA HURST: How are you planning to make sure that that actually takes place?

Mrs SHELLEY HANCOCK: Obviously the agency will examine the advertisements for sale of dogs or cats to ensure that they do have an ID number, which is now the law, to which you referred correctly. We will do everything we can. Actually, not just enforcement but also an education process is involved here. But there is enforcement by RSPCA and Animal Welfare League as well in terms of those new regulations. Again, it is an education phase that we are undertaking at the moment. Education is often better than enforcement, I think, but if education fails ultimately then we have to look at enforcement measures, as you rightly point out.

The Hon. EMMA HURST: Will most of the actual enforcement be done by a private charity rather than the Government?

Mrs SHELLEY HANCOCK: Are you talking about RSPCA?

The Hon. EMMA HURST: Yes.

Mrs SHELLEY HANCOCK: Currently, we have a very strong partnership with Animal Welfare and RSPCA. We work in partnership very well with the RSPCA. The communities trust and have faith in the RSPCA to deliver not just the education process but also our aims under the Companion Animals Act, and also the absolutely invaluable work that they do in looking and caring for dogs that have been surrendered, hurt, injured, uncared for and not wanted. The work they do is phenomenal. I encourage you and invite you at this stage—RSPCA are undertaking a huge expansion at their shelter in Yagoona. We have committed, I think, \$11 million to that expansion. When it is open, please come and have a look. Just have a look at the great work that they do. It is phenomenal. I am sure that will reinforce—I do not know if you have faith in the RSPCA—I think what the community sees as what the RSPCA do in the animal welfare space.

The Hon. EMMA HURST: I have had quite a few meetings with the RSPCA. With the enforcement and education of these new regulations and their role in it, will they get any specific funding from government to assist them or will they rely on their own fundraising to be able to perform those?

Mrs SHELLEY HANCOCK: Clearly, RSPCA is a charitable organisation but we also fund the RSPCA for not just the expansion of Yagoona but also \$1 million a year. About 80 per cent of the pet registration fees go back to councils and our rehoming organisations as well. I think that is the case?

Mr HURST: To only councils.

Mrs SHELLEY HANCOCK: So 80 per cent funding goes to councils. Their pounds and rehoming organisations—80 per cent of that goes back to council. In the RSPCA space, we fund them to the tune of \$1 million a year to assist them as well.

The Hon. EMMA HURST: Is that outside of the 2 per cent that they get as government funding to help them run or is that part of that 2 per cent?

Mr HURST: That is the money.

Mrs SHELLEY HANCOCK: That is the money.

The Hon. EMMA HURST: That is all of it.

Mrs SHELLEY HANCOCK: That is received from Minister Marshall under—

The Hon. EMMA HURST: So I think 2 per cent of their costs are funded by the Government—or just under 2 per cent. From 1 July this year, I think it was a move by you, Minister, to de-muzzle greyhounds unless they are in an off-leash park; greyhounds will still require a muzzle in an off-leash area unless they have their Greenhounds certificate. I am wondering what scientific or other expert evidence was used or if any groups were consulted to determine that it is necessary for greyhounds to still be muzzled in off-leash parks as opposed to other breeds of dogs that are not required to wear a muzzle, especially considering groups like the RSPCA.

Mrs SHELLEY HANCOCK: It is a very good question. I think if you know the greyhound breed, you would know that, generally, if they have not been racing dogs—they are not blooded—they are family-friendly, beautiful animals. However, we have to be very sure of making decisions about greyhounds and muzzling of greyhounds. We are taking a staged approach. The staged approach has been released and the decision has been made by the Hon. Kevin Anderson and me to de-muzzle greyhounds if they are on leash, but in a public space not to de-muzzle them at this stage. What we are considering is advice from the greyhound welfare agencies about rehoming and re-education to make sure that those animals are completely safe. We might all have doubts about whether greyhounds are more safe or less safe than any other animal, but in terms of greyhounds we are staging those decisions. I wanted to stage those decisions as well to be absolutely sure that the public is always safe.

The Hon. EMMA HURST: So are you concerned about greyhounds that have been blooded in the racing industry? Are those the greyhounds that you think might be unsafe in the community?

Mrs SHELLEY HANCOCK: They could be because a greyhound that has been blooded may well attack a smaller animal or a kitten or a puppy, even with the best of intentions of its owner. A child may get in the way of that or a person may get in the way of that. We are not quite sure yet about that. We need to assess whether those greyhounds that are going to be eventually de-muzzled, I would presume, are ready to be rehomed and have gone through an education process, I suppose, to ensure that they are fit for future homing. But they are beautiful animals.

The Hon. MARK BUTTIGIEG: In relation to the review of Independent Pricing and Regulatory Tribunal [IPART] of local government election costs, Minister, you are in possession of the final report, I understand.

Mrs SHELLEY HANCOCK: Correct.

The Hon. MARK BUTTIGIEG: Have you read the report?

Mrs SHELLEY HANCOCK: That report came to me on Friday, Mr Buttigieg. We have made some initial examination of that report and throughout this week and the next we will be coming up with a final government response to the *Costs of local government elections*. But, as you can imagine, if it came to me on Friday, it is Monday, we have made some initial examination. At this stage our response is not forthcoming.

The Hon. MARK BUTTIGIEG: Do you have a feel for which recommendations you may or may not support, given that presumably the discrepancy between the draft report and the final report is not that great—or am I being too presumptuous?

Mrs SHELLEY HANCOCK: I do not think you are being presumptuous at all. I do not think there are huge discrepancies between the draft and the final. In terms of my feelings at this moment about what the response

might be, I cannot give you any indication at this stage about what the Government's response might be to the *Costs of local government elections* report.

The Hon. MARK BUTTIGIEG: If the discrepancy between the draft and the final is not that great, as you have indicated, the general flavour—

Mrs SHELLEY HANCOCK: I understand it is not but I have not really seen it; I have just had some preliminary examination of it.

The Hon. MARK BUTTIGIEG: But the general flavour of that draft report was that private providers be emphasised and the role of the NSW Electoral Commission be downgraded in favour of a private provision approach and then costs shifted largely to local councils as opposed to the State Government. Do you agree with the general direction of those recommendations because what they are essentially saying, Minister, is: "We plug all these things into a big formula and try to replicate what would happen in a competitive market. We think it is more efficient for the market to do it, therefore, this should be the efficient cost. We are now going to allocate a majority of that cost to local councils". Do you agree with that?

Mrs SHELLEY HANCOCK: Yes, I think we are just speculating at the moment on a Government report that has just been handed to me. I think it is a bit premature for me to make further comment. It is just speculating. We will provide a Government response in due course. We realise that it is important to release a response as soon as possible, considering that local government elections take place next year and councils have to make some decisions about their elections. I am sure you are aware of the new counting system, Mr Buttigieg. It will be a very complex system. It is the weighted Gregory system which means counting all the preferences.

The Hon. BEN FRANKLIN: Hear, hear!

Mrs SHELLEY HANCOCK: Is that a good thing?

The Hon. BEN FRANKLIN: It is a great thing. I was on the committee. I think it is fantastic.

Mrs SHELLEY HANCOCK: Were you?

The Hon. PETER PRIMROSE: It was a unanimous decision.

The Hon. BEN FRANKLIN: It was.

Mrs SHELLEY HANCOCK: It is going to be a much more complex process. We will have a look at how that might be achieved. The report has just been handed to me and the Government response will be handed down shortly. I think it is just speculating at the moment to have any discussion about it. Otherwise, you will get me on record, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: Can I put a hypothetical to you, Minister? In the event that the commissioner's recommendation is that the majority of costs be borne by local council, would you support that? I understand that is likely to be the recommendation.

Mrs SHELLEY HANCOCK: You say you understand it is likely to be. We are speculating and asking hypothetical questions. I think I have answered it to the best of my ability: At the moment it is just too premature.

The Hon. MARK BUTTIGIEG: To be fair, Minister—

Mrs SHELLEY HANCOCK: I am being fair.

The Hon. MARK BUTTIGIEG: On a whole range of decisions you have to try to foresee what could happen. Sometimes policy decisions are based on what you foresee coming.

The Hon. BEN FRANKLIN: Point of order: The Minister has now said on a number of occasions that she received this report less than 24 business hours ago. It is not unreasonable for her to then be able to say she will provide a Government response in due course, which is what she said.

The Hon. MARK BUTTIGIEG: To the point of order: I was very specific. I asked the Minister whether or not there was a big discrepancy between the draft report and the final report. She was quite clear that there was not.

The Hon. CATHERINE CUSACK: No, she—

The Hon. MARK BUTTIGIEG: Can I finish my point of order, please? I do not think it is unfair to ask a question relating to the fact that if that discrepancy is not going to be so great then the Minister can make an informed judgement as to her position, given the likelihood that the majority of cost is going to be shifted to

council. I think the ratepayers of New South Wales would want to know because it is likely to result in an increase in their local council rates. Is that not a fair question?

The Hon. BEN FRANKLIN: My original point of order stands, which is that the Minister received the report less than 24 business hours ago and she has made it very clear that she will respond and the Government will respond. I think that is utterly reasonable.

The Hon. MARK BUTTIGIEG: It is a non-answer.

The Hon. BEN FRANKLIN: For goodness sake, Mark. The Minister received it less than 24 hours ago. It is just absurd.

The Hon. CATHERINE CUSACK: The member is clearly trying to incorrectly rephrase the Minister's answer. The Minister has said that she has not had a chance to look at the report yet. She has said that she wants to take advice.

The Hon. BEN FRANKLIN: Exactly.

The Hon. CATHERINE CUSACK: And he is asking question after question about hypotheticals based on a rephrasing of her answer which is incorrect.

The CHAIR: If the question is still in relation to a report received on Friday afternoon, that is a fair point of order. The member may ask a question beyond the report that the Minister received on Friday afternoon.

The Hon. MARK BUTTIGIEG: Sure. Let me rephrase the question. Let's pretend that there is no final report.

Mrs SHELLEY HANCOCK: We have gone from speculation to pretence.

The Hon. CATHERINE CUSACK: Let's hypothesise, let's pretend.

The CHAIR: Order! We will hear from one member at a time.

The Hon. MARK BUTTIGIEG: Minister, in relation to the draft report that I presume you have read—

Mrs SHELLEY HANCOCK: I have said to you I received the report on Friday. I had other business to attend to.

The Hon. MARK BUTTIGIEG: I am not referring to the report on Friday. I just said let's forget that. Have you read the draft report?

Mrs SHELLEY HANCOCK: Yes. Now we have had the final report.

The Hon. MARK BUTTIGIEG: Are you are aware of the draft recommendations in that report?

Mrs SHELLEY HANCOCK: Yes.

The Hon. CATHERINE CUSACK: This is tedious repetition.

The Hon. MARK BUTTIGIEG: Could you articulate for me whether or not you agree with the main thrust?

Mrs SHELLEY HANCOCK: No, I am not going to comment on the draft report.

The Hon. MARK BUTTIGIEG: You will not even comment on a draft report?

The Hon. BEN FRANKLIN: Because it is a draft.

The Hon. SHAYNE MALLARD: You do not know the difference between a draft and final report.

Mrs SHELLEY HANCOCK: I will not comment on a draft report. A draft report goes out—

The Hon. MARK BUTTIGIEG: A Minister of the Crown has no position on a draft report which is likely to have a significant effect on ratepayers in this State?

Mrs SHELLEY HANCOCK: Draft reports go out for public consultation, as you well know, Mr Buttigieg. I do not comment on draft reports. That is for the community and the key stakeholders to comment on. We examine the report when it becomes final and a Government response is provided. That is all I have to say further on that question. I do not know why needling me on this is necessary when I have given you a very clear answer.

The Hon. MARK BUTTIGIEG: I am sorry, Minister—

Mrs SHELLEY HANCOCK: You do not have to be.

The Hon. MARK BUTTIGIEG: You are under the scrutiny of an upper House Committee that wants to know a report is actually being tabled with your office on Friday. You claim that you have not had the chance to read it. That is fine. You will not comment on the draft report because—

The Hon. CATHERINE CUSACK: She has not read it.

The Hon. BEN FRANKLIN: It is a draft report.

The Hon. MARK BUTTIGIEG: —it is hypothetical, it is a draft report, so it does not exist.

Mrs SHELLEY HANCOCK: Why would I comment on a draft report that was not final?

The Hon. MARK BUTTIGIEG: We cannot even get a straight answer to a straight question.

Mrs SHELLEY HANCOCK: Why would I comment on a draft report that was not final?

The Hon. MARK BUTTIGIEG: Because presumably you do a draft for a reason—it is likely to come out as part of the final report.

The Hon. CATHERINE CUSACK: Madam Chair, is the straight question the one that begins with the words "let's pretend"?

The CHAIR: Order!

Mrs SHELLEY HANCOCK: I did not do the draft report. IPART does the report.

The Hon. MARK BUTTIGIEG: Minister, you know very well that the reason you have a draft report is to form draft conclusions on what is likely to be the final report.

The Hon. CATHERINE CUSACK: Draft conclusions? What is a draft conclusion?

The Hon. MARK BUTTIGIEG: Otherwise, why would you do a draft report?

Mrs SHELLEY HANCOCK: I did not do a draft report.

The Hon. MARK BUTTIGIEG: Okay. It is a non-answer. Thank you.

Mrs SHELLEY HANCOCK: You are asking me why I do a draft report. Anything else?

The Hon. PETER PRIMROSE: Minister, do you have any plans to review the Impounding Act?

Mrs SHELLEY HANCOCK: Are you talking about boats and trailers?

The Hon. PETER PRIMROSE: No. Leave boat trailers alone for a moment.

Mrs SHELLEY HANCOCK: That could have been on the top of the list.

The Hon. PETER PRIMROSE: The famous boat trailer legislation! No, just the Impounding Act generally.

Mrs SHELLEY HANCOCK: Not at this stage, except in relation to boats and trailers which we might have to re-examine further. If you are not talking about boats and trailers and not interested in—

The Hon. PETER PRIMROSE: This is not a trick question.

The Hon. CATHERINE CUSACK: None of them are trick questions.

The Hon. PETER PRIMROSE: A number of issues have been raised over a number of years by organisations such as the Australian Institute of Local Government Rangers that have raised concerns about the efficacy of the current provisions in the Impounding Act to allow them to undertake their responsibilities, such as vans parking in particular locations. Constant issues are raised in relation to shopping trolleys and a number of councils have raised—

Mrs SHELLEY HANCOCK: And share bikes and things of that nature. Is that what you are talking about as well?

The Hon. PETER PRIMROSE: Share bikes, but extending those provisions to shopping trolleys—

The Hon. SHAYNE MALLARD: They are called "Dastyaris" now.

The Hon. PETER PRIMROSE: —in the communities that believe that is appropriate. I cite a council such as Burwood Council that has indicated the problems it has had using the current provisions of the Impounding Act in relation to shopping trolleys. Other communities may not be—

Mrs SHELLEY HANCOCK: Are they countenancing difficulties regarding using the Impounding Act or the current legislation?

The Hon. PETER PRIMROSE: Yes, considerable difficulties. They are just one.

Mrs SHELLEY HANCOCK: Have they written to me?

Mr HURST: I am not aware that Burwood has written. No.

Mrs SHELLEY HANCOCK: I am not aware that Burwood has written to us, but I would encourage you to ask Burwood Council to write to me specifically about that request or that submission. We are quite happy to listen.

The Hon. PETER PRIMROSE: Okay. There are a number of other issues.

Mrs SHELLEY HANCOCK: On shopping trolleys?

The Hon. PETER PRIMROSE: Shopping trolleys, but also, as I said, groups like the Australian Institute of Local Government Rangers have raised concerns as well. Maybe the Office of Local Government could look into this issue about whether it is appropriate to review certain provisions and maybe even refer it to an appropriate committee at some point.

Mrs SHELLEY HANCOCK: Encourage them to write to me, please, about that because I am not aware of the Burwood Council issue at all. I am certainly aware of impounding problems with other—

The Hon. PETER PRIMROSE: There is a whole range of issues.

Mrs SHELLEY HANCOCK: And boats and trailers at Canada Bay.

The Hon. PETER PRIMROSE: As I said, it is non-partisan. There are purely issues in relation to the operation of what is now an extensive and important Act, but one that is probably getting a bit long in the tooth. That is all.

Mrs SHELLEY HANCOCK: Like both of us.

The Hon. PETER PRIMROSE: Many here.

Mrs SHELLEY HANCOCK: No, I don't think so.

The Hon. PETER PRIMROSE: No names, no pack drill. Minister, the current member for Cootamundra publicly promised to request that you hold a review into the forced merger of Cootamundra and Gundagai councils. When did you receive this request from the member for Cootamundra?

Mrs SHELLEY HANCOCK: I have not received a formal request from the member for Cootamundra to undertake a review. I have had discussions with the member for Cootamundra as well as community members from Cootamundra and Gundagai but the member has not formally requested of me a review of that Act.

The Hon. PETER PRIMROSE: Following your discussions with her and other members of the community, what actions have you taken and what actions do you propose to take?

Mrs SHELLEY HANCOCK: I am not going to indicate what actions I propose to take. As with many, many questions this morning regarding Temora and Snowy Valley and Cootamundra Gundagai, I am going to make those decisions as soon as possible based on the information I have received. I understand there is a level of anxiety, in particular in the township of Gundagai, within a certain group of community members. It concerns me when any community is concerned in a local government area [LGA]. And I have had discussions with the member for Cootamundra, who is an outstanding and passionate advocate for her community.

The Hon. CATHERINE CUSACK: Hear, hear!

Mrs SHELLEY HANCOCK: Outstanding. That is why she has, I think, a margin—somebody might correct me here, Mr Franklin—of 27 per cent.

The Hon. BEN FRANKLIN: I think that is about right.

Mrs SHELLEY HANCOCK: Even with merger proposal in front of her, even with those controversies, the member for Cootamundra, who tirelessly advocates for her community, proved to her community that she would be a wonderful representative for that area.

The Hon. PETER PRIMROSE: Given the margin you have mentioned and how wonderful she is—

Mrs SHELLEY HANCOCK: I am not sure that it is. I might be corrected. Is it 27 per cent, Catherine?

The Hon. CATHERINE CUSACK: Yes.

Mrs SHELLEY HANCOCK: A lot bigger than mine, anyway.

The Hon. PETER PRIMROSE: And your assertion about how wonderful she is, will you do what she has requested and hold a review

Mrs SHELLEY HANCOCK: As I have indicated to you this morning—to you, to Mr Buttigieg, to Mr Shoebridge—I will make that decision as soon as possible.

The Hon. PETER PRIMROSE: I would have thought, given your praise for her, you would have taken her word, but obviously—

Mrs SHELLEY HANCOCK: I cannot always accede to the requests of every member of Parliament who comes to see me, Mr Primrose. I cannot always do that. That is one of the disappointing jobs of being a Minister: You cannot please everybody.

The Hon. PETER PRIMROSE: Oh well. Perhaps it is a matter of priorities.

The Hon. MARK BUTTIGIEG: Priorities.

The Hon. BEN FRANKLIN: To assist, Minister, it is 27.1 per cent.

Mrs SHELLEY HANCOCK: Thank you very much, 27.1 per cent.

The Hon. CATHERINE CUSACK: Wow! That is huge.

Mrs SHELLEY HANCOCK: It is bigger than mine.

The Hon. PETER PRIMROSE: Has it been indicated it may have been worthy of listening to her, Minister, and taking her advice?

Mrs SHELLEY HANCOCK: Certainly listen to her.

The Hon. PETER PRIMROSE: But not take her advice. What projects in the Shoalhaven local government area would be axed in 2021 to pay for the extra contribution that would be required in relation to the payment of the emergency services levy [ESL]?

Mrs SHELLEY HANCOCK: That is a matter for council to determine which projects it might axe in anticipation of the emergency services levy next year. As you would understand, the Government has decided to meet the cost of the increase this year. Next year any projects that might be "axed" as you call it, or facilities reduced, is up to the council to decide. I am not sure of the exact amount. I think to Shoalhaven Council it was something like \$300,000 anticipated increase this year, so presumably the same if not a little bit more next year. It would have to investigate ways it might absorb that into its budgets, whether there would be projects that may be cut. I cannot indicate to you at this stage what it might do. That is a matter for council.

The Hon. PETER PRIMROSE: I understand from published information that the amount is about \$350,000 next year.

Mrs SHELLEY HANCOCK: I was close.

The Hon. PETER PRIMROSE: What consultation has occurred with councils regarding the proposed 2020-2021 levy?

Mrs SHELLEY HANCOCK: Can I just reiterate, Mr Primrose, I just want to reinforce the fact that the Workers Compensation Legislation Amendment (Firefighters) Act 2018 was to ensure that firefighters who developed any kind of cancer in the listed 12 cancers would be absolutely supported under a well-funded workers compensation scheme. The decision was made that that workers compensation scheme would be funded by the ESL, which is a shared arrangement, as you know, between insurance companies, local government and State Government. My discussion with councils and any consultation to which you are referring, is that councils appreciate the legislation and the need for the legislation, and accept that there would be an increase in their ESL

levy next year and this year. This year was an issue for them and a problem because their budgets had already been finalised and advertised, and it would have been, perhaps, a cut in services this year had we not decided to fund to the tune of \$14 million?

Mr HURST: \$13 million.

Mrs SHELLEY HANCOCK: Some \$13.6 million, which State Government has now picked up the increase to local government. In terms of the ESL, it is a shared responsibility. Next year it is up to councils to undertake what they see as fit in terms of their own budgets. But what was your question again?

The Hon. MARK BUTTIGIEG: The question was—

Mrs SHELLEY HANCOCK: I did not ask you.

The CHAIR: Order!

Mrs SHELLEY HANCOCK: What was your final question?

The Hon. PETER PRIMROSE: What consultation have you undertaken?

Mrs SHELLEY HANCOCK: Consultation. Okay, but I wanted to reiterate the reason why we have this. In terms of consultation, all of the comments that have come to me regarding this have been, "Look, we understand there will be an increase next year. We appreciate that. We understand the reason for this legislation." They are the comments that have been made to me. In terms of consultation, we will be talking. We are consulting with the local government sector all of the time, Mr Primrose. And we will continue to do that.

The Hon. MARK PEARSON: Just following on from my colleague, the Hon. Emma Hurst's question in relation to greyhounds—Minister, you would be aware that bleeding or coursing of greyhounds is actually unlawful.

Mrs SHELLEY HANCOCK: Of course.

The Hon. MARK PEARSON: And that the McHugh report, which your Government called for in the inquiry into the greyhound racing industry, concluded that 90 to 95 per cent of greyhounds that have gone into the greyhound industry racing probably have been blooded or have been coursed, or have been involved with chasing animals and coursing. Therefore, almost all of the greyhounds that have been rehomed or are in the community or are retired probably—most likely—would have gone through that particular bleeding experience. Given the fact that the RSPCA studies around the world, including RSPCA Australia, have concluded that really, a greyhound unmuzzled and unleashed is no more a risk to the community or to other animals in the community than any other animal, will you reconsider and turn your mind again to this question as to whether muzzling is really necessary if a greyhound is off the leash?

Mrs SHELLEY HANCOCK: It is a matter that we are considering—total de-muzzling. But, as I indicated before, we are taking a staged and careful process and this has been done in consultation with my colleague the Hon. Kevin Anderson, so we work in partnership in the space. We are considering the next step.

The Hon. MARK PEARSON: I can understand that Minister, that concern.

Mrs SHELLEY HANCOCK: I cannot indicate to you when the next step is, but we have made progress on de-muzzling and we will continue to examine what we can do about the next stage or the final stage about de-muzzling, but that is in consultation with my Cabinet colleague that we will have those discussions.

The Hon. MARK PEARSON: Thank you for that answer. I am not sure if you would be aware that on some advertising websites animals are advertised for free, for example on Gumtree. There is an ongoing concern that, as you know, dogfighting continues in our communities. When I was an inspector I was called by council rangers concerned about being tipped off about dogfighting activities and finding dogs that were either injured or dead that did not make the grade in the fight. The rangers are still being called to these situations and, in some suburbs and towns, dogfighting is considered to be on the increase. The concern here is that a concerned member of the public has gathered over 130,000 signatures on a petition calling for Gumtree and other sites to stop advertising animals for free because, I am not sure if you are aware, but they are often taken, if not purchased or stolen, and used to blood fighting dogs. So it could be any small dog; it does not have to be a fighting dog. This activity is occurring—

Mrs SHELLEY HANCOCK: It is occurring?

The Hon. MARK PEARSON: It is occurring and this is a concern and this is why there is 130,000 signatures that free animals can often be used for this bleeding of fighting dogs.

Mrs SHELLEY HANCOCK: That is disgusting.

The Hon. MARK PEARSON: What will the new advertising regulations do to regulate who is purchasing or taking such animals, rather than those who are stopping them and ensuring they are not going to illegal dogfighting, used for these purposes of blooding?

Mrs SHELLEY HANCOCK: Could I say that I think every person in this room first of all regarding the dog-fighting allegations you are talking about would be appalled to hear that is still occurring. I would say that if you have any kind of evidence or allegations of where or when that you report that to the RSPCA, Animal Welfare League or to the police. I cannot stress that enough. It is just appalling that if, as you say, this is occurring regularly—is that what you are saying to me? How often?

The Hon. MARK PEARSON: This is what is happening. Those things are being reported but dog-fighting syndicates are very sophisticated, surprisingly, and as soon as they get a whiff that they may be given a visit by a inspector they often move on. What this is about is—

Mrs SHELLEY HANCOCK: Advertising free—

The Hon. MARK PEARSON: —putting into legislation or regulation that whoever purchases a dog or takes a dog, whether it be free or not, that they must give their details.

Mrs SHELLEY HANCOCK: So you know.

The Hon. MARK PEARSON: That is one way of frustrating or getting more information about this particular issue.

Mrs SHELLEY HANCOCK: I understand what you are saying. That is good advice. I will seek advice on that from the responsible pet ownership group. I think we are going to meet very soon because that is an issue you raise that we need to address. I thank you for that advice.

The Hon. MARK PEARSON: Local councils use poisons from time to time to try and control unwanted animals or pest animals, for example rabbits. One of the drugs that is being used is a controversial drug called pindone. The question is to local councils or managers of local councils, do they actually seek advice on the humaneness or otherwise of any poisons that are used to control pests or unwanted animals in local government areas?

Mrs SHELLEY HANCOCK: I am not sure. You would have to ask each individual council about the advice that they sought, whether it is scientific or otherwise. I do not know whether they do seek advice.

The Hon. MARK PEARSON: In terms of animal protection and welfare it is a difficult balance to get right if there is an argument to say that some animals are a pest or unwanted. There is a humorous article about tombstones tilting and falling over because of rabbits digging underneath and upsetting the under structure in cemeteries. For that reason and that reason alone there was a lot of pindone poisons put out which caused a whole series of issues.

Mrs SHELLEY HANCOCK: What were the issues?

The Hon. MARK PEARSON: The issues were that children could come into contact with the poisons because they are usually just left out like orange carrots and there was an issue with the protection of unwanted targets.

Mrs SHELLEY HANCOCK: I see.

The CHAIR: Minister, I have a few questions around code of conduct complaints.

Mrs SHELLEY HANCOCK: Yes.

The CHAIR: Do you know the average time it takes for code of conduct referrals made to the Office of Local Government to be investigated?

Mrs SHELLEY HANCOCK: No, I do not know the average time because they vary in complexity. If they are referred to the Office of Local Government they certainly vary in complexity. They might be a first offence or second offence. So, no, I do not know the average time. Mr Hurst, do you know?

Mr HURST: Every matter that comes to the office needs to be assessed. As part of the assessment process we look at what evidence is supplied by the complainant. We will look closely at, for example, if a council has previously engaged a conduct reviewer to have a look at the code of conduct matter in question. We will need to assess the work the conduct reviewer did for the council at that point and see if we are going to proceed to

investigate the matter or whether we can use the original work done by the conduct reviewer. Sometimes we need to reinvestigate the matter. We may need to go out and reinterview witnesses.

The processes are going to depend on the type of matter being looked at. Some are relatively straightforward, like a failure to apologise. Other pecuniary interest matters are terribly complicated. They require a lot of detailed information to support the matter and the preparation of a departmental report if that is justified in the circumstances. I do not know that it is necessarily indicative in the time it takes about different types of complaints, how difficult they are for the office to assess and the work that goes into each of them. But I can confirm that obviously we put the time into dealing with each complaint that comes forward that is necessary to get to the bottom of the complaint if there is an issue and then to go back and advise the complainants of the outcome.

The CHAIR: How many people within the office, or not quite the office, are dedicated to looking at code of conduct complaints?

Mr HURST: We do not structure our staff at the Office of Local Government in that way. We have an investigations team and there are seven members in the investigations team. They are responsible for assisting and conducting investigations. These are not necessarily code of conduct matters under the Local Government Act. There is a broad range of investigations that they undertake. We also have a council governance team and the council governance team gives advice to councils in the administration of the code of conduct. They will assist them with the process, application of the procedures for the administration of the model code of conduct and provide advice to councillors, council staff and council complaint coordinators about how they need to acquit their obligations under the model code and the procedures to deal with those matters, even before they become an issue for the Office of Local Government.

The CHAIR: How many code of conduct complaints were received in the last financial year?

Mr HURST: Across all councils?

The CHAIR: That is right?

Mr HURST: I am not sure we collect the data but I am happy to take it on notice. If we have the data about numbers of complaints of councils I will provide that to the Committee.

The CHAIR: If you could also, if you are happy to take on notice, provide how many of those have been received in the last financial year and finalised as one lot?

Mr HURST: Once again we would not necessarily be aware of the outcome of every code of conduct complaint that happened at every council. I undertake to provide an answer to that.

The CHAIR: But finalised in terms of the responsibilities of your office?

Mr HURST: These are matters referred to us that are considered to be a complaint under the code of conduct and the data you are after is how many of those we finalised in the last 12 months? I am happy to take that on notice.

The CHAIR: We are hearing that some of the complaints, once you receive them, can take five or six months to be investigated. We have heard people feel that is unsatisfactory. Do you think five or six months to undertake an investigation with a code of conduct complaint is satisfactory?

Mr HURST: Perhaps if I could clarify. One of the issues we often run into in the time frame for dealing with code of conduct complaints is actually the fact that they normally start with the council. What will happen is that a complaint is made through the council mechanism. Council, whether the general manager or complaints coordinator, needs to decide how to deal with that complaint and if necessary appoint a conduct reviewer. The report needs to be prepared, go through procedural fairness with the named individuals, then it needs to go to a council meeting. Council can at the end point, if it is available to them, choose to refer the matter to the Office of Local Government. We might not be seeing that person's code of conduct until that point in the process.

It could take some time before it even arrives at the Office of Local Government even though the complainant will see it as one complaint process. When it comes to the office, then obviously there is a process for us in assessing it, if necessary reinvestigating and preparing a departmental report. As I said, it is going to vary according to the circumstances to ensure that we do an investigation that is meeting statutory requirements. The decisions that we make in these matters, or if we go to the civil and administrative tribunal, are all appealable. The material has to be prepared to a Supreme Court standard of evidence.

The CHAIR: Once you receive the code of conduct, when is it actioned? It does not have to be finished but are there enough resources within the office to ensure that each complaint received by the office is looked at within a fortnight or a month? Is there a backlog?

Mr HURST: No, we do much better than that. My understanding is that it generally takes only one to two days to ensure that matters that come in receive the initial assessment. Obviously the detailed assessment that needs to follow and the advice to complainants will take a little bit of time after that. We are very quick on the initial assessment to ensure that important matters are prioritised.

The CHAIR: Okay, thank you. Minister, can you advise on whether the budget positions of the newly amalgamated councils have improved, stayed the same or declined?

Mrs SHELLEY HANCOCK: I think we would have to be here for another hour talking about each particular council. I do not think you can make a general statement about whether they have improved, stayed the same or declined. I can take that on notice and Mr Hurst can provide those details, I suppose. I do not think we can make a general statement.

The CHAIR: That would be good.

Mrs SHELLEY HANCOCK: The Auditor-General has also provided a report to Parliament about those matters. That would be useful to have a look at, too.

The CHAIR: While you are taking things on notice, it would also be useful to know how many councils have increased their rates—so in how many councils are residents paying higher fees and charges and in how many councils are residents paying lower fees and charges?

Mr HURST: All their statements are published on the Office of Local Government website.

Mrs SHELLEY HANCOCK: Yes, all of that is on the OLG website—rates, fees, charges. Rates, of course, are subject to rate peg, unless they have applied for—

The CHAIR: Is it easily within one table?

Mrs SHELLEY HANCOCK: Sorry?

The CHAIR: Is it compiled within one table or do you have to go to each different council to find that out?

Mrs SHELLEY HANCOCK: One report.

Mr HURST: One table. That is comparison over time.

Mrs SHELLEY HANCOCK: Yes, so it is probably relatively easy to navigate.

The CHAIR: Thank you, Minister, for attending this hearing. We are finished with your questioning. The Committee will break for lunch and return at 2.00 p.m. for further questioning of government officers.

(The Minister for Local Government withdrew.)

(Luncheon adjournment)

The CHAIR: The Committee is now starting the afternoon session and we will go straight to questions from the Opposition.

The Hon. PETER PRIMROSE: Thank you, Chair. I will let you sort out whoever is appropriate to ask this question. I go to *Budget Paper No. 3*, page 4-78. Halfway down, under the cash flow statement, it talks about "Other investing". I note that the budgeted loss was \$40,000 but the actual revised figure was \$3.055 million. Can you please explain what that is about?

Mr BETTS: I will ask Mr Hurst to source that information.

Mr HURST: This line in the cash flow statement is about the net changes in investing activities from the Office of Local Government during the past year. The revision is actually based on an increase in cash payments. I know it looks like a negative figure there in the cash flow statement but it reflects an increase in cash payments against the original budget because of the spending from the Companion Animals Fund on developing the cats and dogs register and the total value of the register to 30 June 2019 is \$3 million.

The Hon. PETER PRIMROSE: So the \$3 million was totally involved with unbudgeted funding for the cats and dogs register, is that correct?

Mr HURST: It is unbudgeted in the sense that the money rests with the Companion Animals Fund. This is the proceeds from the State's contribution from annual registration fees and those funds were applied for the work on the register during the year.

The CHAIR: Mr Buttigieg.

The Hon. MARK BUTTIGIEG: Thank you, Chair. In regards to the draft Independent Pricing and Regulatory Tribunal report that was released earlier in the year and the final one which the Minister informed us this morning was received on Friday, do any of you have a view about the likely outcomes of that report in the context of the draft report's findings? We were told this morning by the Minister that there is likely to be similar outcomes, the implications being that significant cost shifting will occur on to local councils to foot those election bills. Do any of you have a view on that?

Mr BETTS: I do not think we have got anything to add to the remarks that the Minister made this morning, unless you disagree, Mr Hurst?

Mr HURST: I do not think that that was quite what the Minister said about the draft report. That is not what I recall her saying.

The Hon. MARK BUTTIGIEG: What she said was that she did not want to comment on it because the report was in draft and she had not had the time to read the final report but what she did say was that the recommendations of the draft report were likely to be similar to the final report so we have got a situation where senior bureaucrats and the Minister do not have a view on either the draft or the final report in respect of likely cost burden regarding the conduct of local government elections, is that what we are saying?

Mr BETTS: Recognising the report came in on Friday and, as the Minister explained this morning, we have not had an opportunity to read it as carefully as we would want to before giving evidence to a parliamentary committee.

The Hon. MARK BUTTIGIEG: Sure, so just to clarify: Do you concur with the Minister that there is likely to be similar recommendations in the final report with the draft report?

Mr BETTS: As Mr Hurst indicates, I do not recall that that is exactly what the Minister said this morning.

The Hon. BEN FRANKLIN: It isn't.

Mr BETTS: But we do stand by what the Minister said.

The Hon. MARK BUTTIGIEG: In that respect then if the recommendations of the draft report were to be reflected in the final report, which basically what IPART is saying is that local government, in other words councils, should bear a much higher cost for conducting local government elections—if that were to be the outcome, do you have a view on it, whether or not that is fair or whether or not local councils are likely to be able to bear that cost?

Mr BETTS: So you are asking me to speculate on the Government's response to a speculation about what is in the report?

The Hon. MARK BUTTIGIEG: No, what I am asking you to do is form a view on a draft recommendation?

Mr BETTS: Sorry, that is not the way we do business.

The Hon. MARK BUTTIGIEG: Again, let me just put this on the record: So senior bureaucrats and the Minister do not have a position on either the recommendations of a draft report and the likely recommendations of a final report with regards to a significant cost shift that is about to occur?

The Hon. BEN FRANKLIN: That is patently not what they are saying. What they are obviously saying, Mr Buttigieg, is that they will respond to that, the Government will respond—

The CHAIR: Order! If one member could ask the questions. Is it a point of order?

The Hon. BEN FRANKLIN: My apologies. This is a point of order. The point of order is that the secretary has answered this question four times already and made it very clear. I ask that the member move on to the next question. He can happily waste everybody's time but it is just insane.

The Hon. MARK BUTTIGIEG: I am happy for the honourable member to get furious about a line of questioning—

The Hon. SHAYNE MALLARD: That's not fury.

The Hon. CATHERINE CUSACK: Madam Chair, is it a line of questioning? He is just giving an incorrect restatement of the Minister one after another.

The Hon. PETER PRIMROSE: How is this a point of order?

The CHAIR: If we could hear one member at a time, please, Ms Cusack.

The Hon. CATHERINE CUSACK: It is not a question. They are entitled to be asked proper questions in budget estimates. But to sit there restating incorrectly what he claims the Minister said is not a genuine question. This time ought to be used to extract information.

The CHAIR: Order! Thank you. What I heard was that you were asking a question but you were asking Mr Betts his view or opinion but it is not necessarily his view or opinion that we should be asking him. If you could continue, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: I think I have heard enough, that is, that the Government does not have a position. So let us move on.

The Hon. CATHERINE CUSACK: It is an opportunity to get information.

The CHAIR: Order!

The Hon. CATHERINE CUSACK: We are all here for that purpose.

The Hon. MARK BUTTIGIEG: Precisely but there is no information forthcoming.

The Hon. CATHERINE CUSACK: You are wasting everybody's time. It is nonsense.

The CHAIR: Order!

The Hon. PETER PRIMROSE: If you don't want to be here, leave.

The CHAIR: Could all members please refrain from interjecting across the table and could we just hear from one member at a time. It is Mr Buttigieg's time to ask questions. Proceed.

The Hon. MARK BUTTIGIEG: Mr Betts, could you define what your position is and what it entails exactly?

Mr BETTS: In relation to the matter we have just been discussing? Well, a draft IPART report came out a few months ago. The "I" in IPART stands for "independent". The Government decided—

The Hon. MARK BUTTIGIEG: I am sorry, Mr Betts, just your actual role in the department?

The Hon. PETER PRIMROSE: This is not about IPART.

The Hon. MARK BUTTIGIEG: What you do in your role?

Mr BETTS: Oh, just generally?

The Hon. MARK BUTTIGIEG: Just generally, yes, your responsibility?

Mr BETTS: Okay, thank you.

The Hon. MARK BUTTIGIEG: We are off the IPART train.

The Hon. CATHERINE CUSACK: They have invited you here, they do not know why. They are hoping you can help them.

The CHAIR: Order! If Mr Betts could answer the question, please?

Mr BETTS: Obviously within the conventions of the Westminster system of government I am part of the Executive of the New South Wales Government. I head up a department with 11,400 employees ranging across a whole series of divisions, agencies and other administrative structures. I am appointed by the Premier. My contract is with the Premier. I work closely with the six cluster Ministers, the Ministers within our cluster, which is the terminology we use to describe the Department of Planning, Industry and Environment and its various satellite agencies. I am the employer of those 11,400 staff. My activities range from overseeing the operations of the department in a financial sense, in a personnel sense, in an administrative sense, ensuring that appropriate governance and risk management frameworks are in place, providing policy advice to government and administering a range of different legislative functions and financial functions.

The Hon. MARK BUTTIGIEG: So the Office of Local Government, which was raised in this morning's questioning, is that a direct reporting line to you?

Mr BETTS: No, the Office of Local Government, which is headed up by Mr Hurst, reports to the Deputy Secretary responsible for Planning and Assessment, Marcus Ray, who in turn reports to me.

The Hon. MARK BUTTIGIEG: Are you able to tell us how many people precisely are employed in the Office of Local Government at the moment?

Mr BETTS: Yes, we can source that figure for you. I think we did this morning. From memory it is on a full-time equivalent basis about 67, but I would not want to misquote that figure. We have it to hand—68.

The Hon. PETER PRIMROSE: So 68?

The Hon. MARK BUTTIGIEG: You did specify that this morning.

Mr BETTS: It was 67.97 in 2018-19.

The Hon. MARK BUTTIGIEG: Are you able to specify the suite of roles and positions that are entailed in general terms?

Mr BETTS: Yes, we could do that by level of seniority or I could ask Mr Hurst maybe to give you a bit of mud map of who is doing what within that headcount.

The Hon. MARK BUTTIGIEG: That would be good.

Mr HURST: Sure. Within the 57.17 ongoing employees, of those roles six are part of the Senior Executive cohort. We have one legal officer grade 5, two legal officers grade 3s, seven clerks grade 11/12, 19.6 equivalent full-time [EFT] at the clerk grade 9/10 level, 10.36 EFT at clerk grade 7/8 level, 6.81 EFT at the clerk grade 5/6 level, three EFT at clerk grade 3/4 level and 1.6 EFT at the clerk grade 1/2 level. Within the 10.8 EFT of temporary employees, we have 1.6 EFT at the clerk grade 11/12 level, four EFT at the clerk grade 9/10 level, four EFT at the clerk grade 7/8 level, one EFT at the clerk grade 3/4 level, for a total of 10.6 EFT.

The Hon. MARK BUTTIGIEG: Was that the configuration 12 months ago, for example, or has something changed between then and now in terms of those positions?

Mr HURST: Yes. Would you like me to read the structure that was in place in 2017-18?

The Hon. MARK BUTTIGIEG: I am interested in the quantum. We had the same amount of activities 12 months ago, did we?

Mr HURST: No, we did not.

The Hon. MARK BUTTIGIEG: Has there been a reduction?

Mr HURST: Yes.

The Hon. MARK BUTTIGIEG: Will you specify what the reduction has been?

Mr HURST: The equivalent figures for 2017-18 were 60.12 EFT for ongoing roles and 13.20 EFT for temporary roles, for a total of 73.32 EFT. Without going through each individual level, broadly speaking the difference would be from one temporary role at the Senior Executive band, two temporary roles at the clerk grade 7/8 level, 2.7 EFT of temporary roles at the clerk grade 5/6 level, one EFT at the clerk grade 3/4 level, one EFT at the clerk grade 1/2 level. That is the broad characterisation of the differences between the two years.

The Hon. MARK BUTTIGIEG: We have had an effective reduction of some roughly six EFTs in that 12-month period?

Mr HURST: It would be 5.3 EFTs.

The Hon. MARK BUTTIGIEG: What was the rationale behind those EFTs over that 12-month period?

Mr HURST: All of those roles were temporary roles. These were positions that were funded as part of the local government reform process during the Fit for the Future work. Obviously the Fit for the Future process is completed and the reform funding has now been released. So the temporary roles that we engaged as part of that process are no longer required to meet the business-as-usual functions for the office.

The Hon. MARK BUTTIGIEG: This morning the Minister was quite clear that she foresaw no reduction going forward. Do you concur with that undertaking?

Mr BETTS: Yes.

The Hon. MARK BUTTIGIEG: Are you able to deliver that? There are no overriding parameters regarding Fit for the Future and all the rest of it that have to be met in the next 12 or 24 months?

Mr BETTS: No, the overriding consideration is the commitment of the Premier about protecting regional jobs, about which you heard from the Minister this morning. And with the great majority of staff in the Office of Local Government located in Nowra which is a regional area and only a handful of important support staff located in Sydney, we see no scope for any material alteration in those numbers.

The Hon. MARK BUTTIGIEG: I want to touch on what seems to have been a fairly significant change in reform. As I understand it the Office of Local Government—and this was the confusion this morning of the obfuscation surrounding the so-called abolition of the Office of Local Government although it is still constantly referred to—is now being subsumed into the broader departmental reporting. It twins with planning, environment, local government. There is a view in the community that in those two competing roles there is an inherent conflict. In other words to have a reporting line whereby people looking at things from a planning perspective and then local government also reporting there could be a conflict because of competing objectives. Will you provide your view on that? Do you think that is a problem?

Mr BETTS: Yes, certainly. I do not believe that that is a problem at the moment. The Office of Local Government has sat within the planning cluster for a long period of time. It is worth being very clear about what the functions of the Office of Local Government are. They are not to usurp the functions which are performed by 27 agencies across government in relation to 67 different Acts where local government has a role but rather the focus that Mr Hurst has in his organisation is on capability, good governance, financial viability and structure with local government not to intrude into other very discrete areas like the operation of the statutory planning system. I will ask Mr Hurst to amplify it.

Mr HURST: I can confirm that the roles and functions, as the Minister said before, are unchanged and that includes the roles that were outlined by the Minister ranging from assisting councils with governance advice through to the investigations functions, the management of the companion animals system framework—all of these functions remain the same before 30 June and after 30 June.

The Hon. MARK BUTTIGIEG: The view that local councils via the Office of Local Government should have a degree of autonomy which have been vested under the previous reporting structure, there is no issue there whatsoever by the structural changes that are happening?

Mr BETTS: Correct.

Mr HURST: In fact, that is not what we are hearing. We have a council engagement team. They spend their time out in metropolitan and regional New South Wales engaging with councils. They are working very hard to ensure that councils continue to see the role of the Office of Local Government is not changing through this process and in fact assisting them to understand how we can help them engage more broadly with government but also specifically in how they undertake their functions as a council.

The Hon. MARK BUTTIGIEG: Mr Betts, has the Minister since taking on her role been in regular contact with you?

Mr BETTS: Yes. I am in regular contact with all the Ministers in the cluster.

The Hon. MARK BUTTIGIEG: How often does she contact you or do you have conversations with her about her portfolio?

Mr BETTS: Without going into too much detail about the administrative functions of the department, we have a meeting of all the Ministers in the cluster which takes place at least once a fortnight. I would expect to liaise either with the Minister or her office in between those meetings. Most of the business, it is fair to say, of the department is transacted through Mr Hurst, as is entirely appropriate in his role as head of the Office of Local Government. I see Minister Hancock on a weekly or fortnightly basis.

The Hon. MARK BUTTIGIEG: To date there has been no conflict of opinion in terms of what her outcomes or advice might have been in respect to policy? Has everything been cordial and on track and in agreement?

Mr BETTS: There are always policy discussions that go on within government and I am not at liberty to talk about all the conversations I have with any Minister about policy options. But, no, it is a strong working relationship—no major points of contention or difference. There is strong alignment but from time to time with

any Minister it is the responsibility of the Secretary to give frank and fearless advice which may be advice that Ministers do not always want to hear. But I have to say Minister Hancock is a very good Minister to work with and is very receptive to advice from the public service.

The Hon. SHAYNE MALLARD: Hear, hear!

The Hon. PETER PRIMROSE: I refer to State outcomes. Obviously as we have been discussing and the Minister discussed earlier today, the Office of Local Government has been, if you like, de-siloed into the department. What are the State outcomes that apply specifically to local government in Minister Hancock's area of administration?

Mr BETTS: I might ask Mr Hurst to lead that discussion.

Mr HURST: Of the Premier's Priorities there are none which the Office of Local Government is solely responsible for delivery. We are a small agency, as you can understand, but we do contribute from time to time, both in the development of policy about the other priorities of the Premier and other State priorities. But as I mentioned, there are none of them that are solely the responsibility of the Office of Local Government to deliver.

Mr BETTS: In terms of Premier's Priorities, planting one million trees in Sydney by 2022, I think, is clearly a target that can be met only with strong collaboration between State government and local government. As you heard from the Minister this morning, we try to have a very respectful relationship with local government and to join them as equal partners in attempting to achieve our objectives.

The Hon. MARK PEARSON: New South Wales pound statistics collected for the period 2013 to 2014 show that council pounds rehomed 5,549 cats and dogs but killed 14,641 animals—a vast majority being completely healthy animals. Animal advocates complain that many councils either fail to lodge or are late in lodging their kill statistics—otherwise called "euthanasia statistics", incorrectly. Can you advise to the Minister how many dogs and cats have been killed in council pounds or shelters, including euthanasia undertaken by your organisations contracted by local councils to provide animal accommodation services for abandoned or seized animals? Can you provide those statistics for each year since 2014? You can take that on notice if it is preferable.

Mr BETTS: We will take it on notice unless Mr Hurst has it at his fingertips.

Mr HURST: I would point out that we do collect the data that you refer to. Part of the—

The Hon. MARK PEARSON: I am just wondering why it is not been published since 2014.

Mr HURST: The data is part of ensuring that we support councils in reducing euthanasia rates. The Responsible Pet Ownership Program and the introduction of the Pet Registry are also features that we are relying on to drive down euthanasia rates at the pounds. If pet owners keep their details updated on the Pet Registry, it makes it easier to reunite them with their lost pets. The data that we have published shows that there is a marked reduction in euthanasia rates. I am happy to take on notice about the publication of the later data, if we have it available.

The Hon. MARK PEARSON: How much is the grant that has been given to the RSPCA to expand their shelter at Yagoona?

Mr HURST: I understand that the total amount is \$12 million over two financial years, with the funds to be provided through the budget of the Office of Local Government.

The Hon. MARK PEARSON: What will the funds be used for mainly in the expansion of that shelter? Are you aware or would you need to take that on notice?

Mr HURST: I understand it is for a contribution towards the capital costs of upgrading the facility. It is to be matched with funding that the RSPCA has on its own. But as for the specific purpose that they are putting it to, I will have to take that on notice.

The Hon. MARK PEARSON: Mr Hay, you are responsible specifically in your portfolio for the aspects of climate change and sustainability. How long have you had that position?

Mr HAY: Since the start of Department of Planning, Industry and Environment eight weeks ago.

The Hon. MARK PEARSON: For eight weeks only. Have you been given a directive or is part of your directive or job description different to the person who held the role before, considering the concerns about climate change and sustainability that have arisen over the past decade?

Mr HAY: There was no direct parallel to this role prior to my start. Maybe the secretary may wish to talk about the establishment of the role.

The Hon. MARK PEARSON: The description of your job is a new role, is it?

Mr BETTS: It is a new role and it is an important signal from the Government, which is also reflected in the portfolios allocated to Minister Kean around Energy and Environment. The New South Wales Government take seriously the need for a unified approach to carbon and energy policy. Some would argue that it is overdue but it is a welcome development nonetheless, and that finds its expression within the public service structure through the new position that has been created for Mr Hay.

The Hon. MARK PEARSON: Has there been a stronger interest from the department in any development applications [DAs] across New South Wales which in any way might impinge or have an influence potentially on climate change? Is that part of the reasoning for that?

Mr BETTS: It is more general than the statutory planning system; it is a desire to ensure that the decisions that we take about the transition of our energy sector in the context of moving towards net zero carbon emissions by 2050 is recognised but that also has implications absolutely for the statutory planning system. The policy work that Mr Hay is working on will be available to be taken into account when decisions are taken on major planning applications.

The Hon. MARK PEARSON: Are you aware of any concerns by the community, particularly in relation to development applications for intensive farms or factory farms? Over the past, say, decade or so has there been an increase in concern about any development application relating to proposals to build intensive farms? By intensive farms, I mean layer hen facilities, piggeries or broiler meat chicken or turkey meat facilities?

Mr BETTS: I am just a bit conscious that we are getting out of the policy zone of Local Government here in asking these questions but I do not know if Mr Hay has more information on that.

The Hon. MARK PEARSON: It does tie in with the climate change and environmental concerns.

Mr HAY: Yes, for the environment Minister rather than the Minister for Local Government.

Mr BETTS: That would be the appropriate forum in which to ask these questions, or perhaps to the planning Minister.

The Hon. SHAYNE MALLARD: Both of those are next week.

The CHAIR: They are next week. I have one question. What is the plan exactly for partnering with Local Government and councils to ensure that one million trees are planted by 2020?

Mr BETTS: The Premier has only recently announced that priority. That has been a longstanding or much more longstanding objective to plant five million trees in a longer time frame. We are at the very early stages of mapping out exactly what the game plan will be for planting those trees. We are keen to work with local government. We are currently designing the systems by which we and they can measure planting rates, which also need to be seen in the context of clearing rates because we want to see a net increase in tree canopy. That is the ultimate objective of what we are attempting to achieve. We have some baseline data which has been produced by the Greater Sydney Commission but the exact way in which we work with local government is something that we want to liaise with them about and we are at a very early stage of doing that right now. Again, these are good questions to ask the environment Minister.

The CHAIR: Yes, but in relation to local council partnering—

Mr BETTS: As I say, very—

The CHAIR: It has not been worked out yet?

Mr BETTS: It has not been worked out yet but clearly councils have very significant responsibilities as stewards of public open land. They have responsibilities as stewards of parks, just as many agencies across government who have landholdings which could be very prospective for the planting of additional trees. It will be a collective effort within the State Government and different teams of government, including Local Government.

The CHAIR: Is there more money that is coming to councils to be a part of that?

Mr BETTS: Certainly some money is available within the State Government. I will have to take on notice the extent to which that money will be available to councils.

The Hon. PETER PRIMROSE: Mr Hurst, I go back to our earlier discussion about staffing in the Office of Local Government as it now exists. You mentioned you might be able to provide—please take it on notice—an organisational chart. Can you take that on notice, unless you have something that you can table?

Mr HURST: I think I read out the staffing structure of the organisation. I am happy to provide that staff-by-classification number on notice if that would assist.

The Hon. PETER PRIMROSE: Yes, please. That would be useful and it may save us having to continually ask for that. I have got the organisational charts for the agency and also for the senior executive team. It would be useful to have it so that I can put the three together for the office. I will go back to the State outcomes. Mr Betts, you indicated there were no specific State outcomes per se with the Office of Local Government. I would be grateful if you could indicate what measures the Office of Local Government is using to determine its success or otherwise in meeting its part in delivering what State outcomes it is privy to.

Mr BETTS: Yes. I will start with a general comment about the whole of the department, which is that we are moving in the coming months towards the establishment of the first all-encompassing business plan for the Department of Planning, Industry and Environment that will identify all the key outcomes which now form the basis and structure for our budget and populate each of those with performance indicators for the agency as a whole. Within that, there may well be indicators that relate specifically to the performance and outputs of the Office of Local Government. Tim, is there anything you want to add to that from your point of view?

Mr HURST: Only that the four-year strategic plan for the Office of Local Government was published a couple of years ago, that we reviewed it in consultation with the new Minister and the Minister has agreed that that strategic plan should continue to guide our operations for the remainder of that planning period. It talks about, in some detail, the different aspects of the Office of Local Government's operations. Included in that is how we engage with other parts of government to assist them to implement the Government's policies. That is probably the overarching document that provides our link with the rest of the New South Wales Government and how we would consider it part of our role to assist them in achieving those outcomes.

The Hon. PETER PRIMROSE: What would you say is the most significant outcome-indicator information you collect in relation to achieving the outcomes that are indicated in that document?

Mr HURST: The office's own strategic plan does not have outcome indicators attached to it. It talks about the outcomes more generally but it does not provide measurable amounts against those items.

Mr BETTS: If we look at the State outcomes which are ascribed to the department and the cluster more generally, within each of those you can see that there are functions performed by local government where a significant contribution can be made. To take something like sustainable and secure water resources, local councils across regional New South Wales have significant responsibilities in terms of drinking water quality and in terms of the stewardship of sewerage services. Similarly, in terms of creating community benefit from government land and government property, there are opportunities for councils to work with us, with our landholdings, where we identify surplus or underutilised land where we may be able to achieve good, collective outcomes in areas like social housing or increasing public open space.

Sustainable and productive regional industries and communities, again, as landowners and as part of the statutory planning system, local councils can play significant roles there. So not necessarily germane to the day job of the Office of Local Government, which is more about ensuring the strength and good governance of the local government sector, but you can see that that sector has a significant role to play in the overarching objectives for our cluster across a number of different fronts.

The Hon. MARK BUTTIGIEG: Mr Betts, I understand you are a board member on Infrastructure NSW. Is that right?

Mr BETTS: Yes, that is right.

The Hon. MARK BUTTIGIEG: In respect of communication between DPIE, OLG, EPA and Infrastructure NSW on the 20-year waste strategy, can you outline if there has been any communication between those two departments?

Mr BETTS: I am sure there has been communication between all those different agencies in relation to the waste strategy. It was something that was recommended and supported in the State Infrastructure Strategy, which Infrastructure NSW produced when I was the chief executive of that organisation about 18 months ago. Clearly, EPA has had a very significant role in terms of waste management and waste policy and EPA sits within the Environment, Energy and Science part of DPIE. So all of these clusters, all of these different agencies,

Infrastructure NSW sits within the Premier's cluster—we have our own cluster—are working collaboratively towards the production of a waste strategy for the Government, which we hope to land by the end of the year.

The Hon. MARK BUTTIGIEG: Are you able to elaborate on the nature of the communication that took place?

Mr BETTS: It is ongoing collaboration through working groups and other meetings. It is a very collaborative ongoing relationship, as I would want it to be.

Mr HURST: If I could just add there is an executive-level steering group for the 20-year waste strategy and I am represented on the executive-level steering group. This is the joining up of the different agencies relevant to that 20-year waste strategy in action.

Mr BETTS: Yes, which relates to the outcome about resilient and sustainable environment.

The Hon. MARK BUTTIGIEG: So, given local councils' role in collecting and disposing of waste, you are satisfied that that conduit of consultation and feedback is occurring through that communication?

Mr HURST: The Office of Local Government is not providing the role of consulting with councils. We are providing a local government input within the Government side of the development of the policy. Obviously, the process will involve engagement with councils. That has just not occurred yet as part of the process.

The Hon. MARK BUTTIGIEG: It has not occurred yet?

Mr BETTS: Can I clarify one point? I talked about the strategy being ready by the end of the year. We are intending to issue an issues paper by the end of the year with a strategy to flow from that. My apologies.

The Hon. MARK BUTTIGIEG: Okay. Mr Hay, are you able to tell the Committee what your position is and what your role involves on a daily basis?

Mr HAY: I am the Acting Deputy Secretary for Energy, Climate Change and Sustainability. As the name says, within that function is the energy policy team which was from the Department of Planning. There is the climate change and sustainability work that came from the Office of Environment and Heritage, and there is waste policy that we were just touching on—the circular economy, if you like—so bringing together the 20-year waste strategy.

The Hon. MARK BUTTIGIEG: Prior to the abolition of the Office of Local Government that occurred on 1 July 2019—we heard about the reasons for that this morning—what did your role involve?

Mr HAY: I am new to the department. I came in for this role. I am acting in this role at the moment.

The Hon. MARK BUTTIGIEG: Okay. Have you had any communications with the staff of the Office of Local Government?

Mr HAY: No.

The Hon. MARK BUTTIGIEG: Okay. As everyone knows, development in western Sydney is moving ahead at a pace. Houses are springing up left, right and centre.

The Hon. SHAYNE MALLARD: More to the right, we hope.

The Hon. MARK BUTTIGIEG: I am sure. Given that your role incorporates sustainable development, can you detail what you are doing in concert with local councils to make sure that development is sustainable and we are not just getting massive clusters of houses springing up all over the place, without any real thought regarding infrastructure and sustainability?

Mr BETTS: I preface this by saying these are primarily matters that can be addressed through the planning Minister and the environment Minister.

The Hon. MARK BUTTIGIEG: Based on the previous questions, you kind of head up that overarching reporting, so do you have a view on that: about how we are handling sustainability of development in those areas?

Mr BETTS: My overarching comment is that that is not so much a matter for this hearing but, rather, for the hearing that is due next week for the environment Minister and the planning Minister. Clearly, environmental sustainability is a very important consideration as we plan for the new greenfields metropolis in western Sydney and around the airport. That raises questions that can be addressed in other hearings around the housing typology that we use, around tree canopy that we have talked about, which is absolutely critical to keeping temperatures down and ensuring livability and good health outcomes in western Sydney. There are

major opportunities around new approaches to urban design, to housing types and the way in which those are configured, to urban typologies, and so on. There is a major agenda which we can explore in those hearings around environmental sustainability, bringing down energy costs through more efficient design, recycling of water. Lots of opportunities.

The Hon. MARK BUTTIGIEG: Are you aware of the koala population out at Campbelltown?

Mr BETTS: That falls within the remit of the Minister for the environment.

The Hon. MARK BUTTIGIEG: It happens to be the only chlamydia-free colony in New South Wales and there was a plan to create a koala national park in Campbelltown. My understanding is that the Government has refused to do likewise. Does the department have any plans to ensure the viability of the koala community going forward?

The Hon. CATHERINE CUSACK: Point of order: Even though these officers have responsibilities ranging across other portfolios, the purpose of the hearing today relates to local government and the member's question should pertain to local councils.

The CHAIR: Yes. I have heard enough. I will remind Mr Buttigieg that this is the Local Government estimates and if your questions could be broadly relevant to local government. That was probably a question for the environment Minister.

The Hon. MARK BUTTIGIEG: Sure, okay. Ms Gibbs, could I ask you what your position is and what you do on a daily basis?

Ms GIBBS: Yes. My title is Director, Planning and Risk, and the reason that I am here is that the Minister for Local Government administers the Coastal Management Act, among other things. But relevant to this Committee, I work on issues related to coastal management in New South Wales.

The Hon. MARK BUTTIGIEG: Prior to the abolition of the Office of Local Government what was your role and what did it involve, if anything?

Ms GIBBS: My role was in the Office of Environment and Heritage and I had a similar role to what I have now.

The Hon. MARK BUTTIGIEG: So hardly any change at all.

Ms GIBBS: No.

The Hon. MARK BUTTIGIEG: Have you had any communications with the Office of Local Government staff?

Ms GIBBS: Yes.

The Hon. MARK BUTTIGIEG: In what regard? Since the abolition of that title.

Ms GIBBS: Since 1 July?

The Hon. MARK BUTTIGIEG: Yes.

Ms GIBBS: Since that time it has been obvious that the Coastal Management Act has been assigned to Minister Hancock as the responsible portfolio Minister—

The Hon. CATHERINE CUSACK: It is not obvious to him, unfortunately.

Ms GIBBS: It is in the Allocation of the Administration of Acts.

The Hon. CATHERINE CUSACK: I think he needs to—

Ms GIBBS: Do you want me to continue?

The Hon. MARK BUTTIGIEG: Sorry, I missed that last bit. I was interrupted.

Ms GIBBS: Since 1 July and prior to that it was obvious that the Office of Environment and Heritage was abolished and that the Coastal Management Act was assigned to Minister Hancock as the responsible portfolio Minister. I have had some discussions with the Office of Local Government in relation to how we continue to work closely with councils and local government in terms of supporting the Minister in her portfolio responsibilities.

The Hon. MARK PEARSON: Mr Betts, has there been a policy change in the Government in relation to the importance of tree canopy for keeping towns, cities or environments cool?

The Hon. CATHERINE CUSACK: Point of order: The member's question should relate to the Local Government portfolio.

The Hon. MARK PEARSON: Relates to what, sorry?

The Hon. CATHERINE CUSACK: Which program were you referring to? I thought that was an Environment portfolio program.

The Hon. MARK PEARSON: No, it is not. Mr Betts has been constantly referring to the importance of looking at canopy and ensuring that canopy is assessed, that canopy is provided in any development applications et cetera, and I am asking if there has been a change in policy in relation to that by the Government.

Mr BETTS: You are both right. It is principally for the Minister for the environment. I am very happy to cover it off there but I would just say, without wishing to get into too much detail in the wrong hearing, that one of the key conclusions from the work that the Greater Sydney Commission undertook when it produced the Greater Sydney Region Plan, which was published in March last year, was that we plan our city and we think about environmental sustainability and health outcomes. The level of tree canopy is an important metric as to how we are succeeding in planning a city effectively.

The Hon. CATHERINE CUSACK: Can I just clarify, is that being administered by the department of Local Government?

Mr BETTS: No it is not.

The Hon. CATHERINE CUSACK: Thank you.

The Hon. MARK PEARSON: That is an interesting question, isn't it though? It gets a little bit vague and I just want to be careful no-one is taking refuge in this vague crossing over of departments. You did say that you have a meeting with several Ministers because so many matters cross over in various portfolios. Why does it stop? Why is the issue, for example, of canopy trees being taken into consideration in keeping the environment cool, whether it be towns, cities, park, whatever, where the local government is involved in those decisions. Where and when and why does a line suddenly get drawn to say, "No, now it is the Environment portfolio and not ours, not the Local Government portfolio"?

Mr BETTS: I mentioned before that there are six Ministers within the Department of Planning, Industry and Environment cluster and each of those Ministers has allocated to him or her a set of legislation for which they are principally responsible. In the case of the Minister for Local Government we have the legislation which relates to local government and we have also got legislation which relates to coastal lands. The legislation which you are referring to which might relate to tree canopy or might relate to koalas is legislation which, under administrative orders, is allocated to the Minister for Energy and Environment. And I am assuming that the Committee has organised itself into ministerial portfolios because it is interested in the performance of the legislative functions of those different Ministers and will take each in turn.

The Hon. MARK PEARSON: I do not think we are going to get any better. Thank you very much.

The CHAIR: Ms Gibbs, in relation to the coastal management framework that you are working on, how many houses are deemed to be at risk by 2040 as a result of rising sea levels? What are you working towards there?

Ms GIBBS: The way that we look at the impacts of coastal management is the legislation, the Coastal Management Act 2016, defines seven different types of coastal hazards. In detail, we have identified the number of properties at risk from two of those hazards in particular, being coastal erosion and coastal inundation. In terms of houses at risk I do not have a figure for 2040 but I can explain to you the information that I do have.

The CHAIR: Yes. It would be good to know the modelling that you are basing coastal inundation and erosion on in terms of the science, I suppose.

Ms GIBBS: Yes, okay. There are currently approximately 250 properties along the New South Wales coast at direct threat from coastal erosion in the short term. Based on the modelling that we have done, this is projected to increase to around 3,300 lots by 2100 and there is a 50 per cent likelihood that at least half of the property would be affected at that time. Taking into account the projected impacts of sea level rise, there are several key locations on the coast where there are more than five houses affected. In relation to estuarine inundation we estimate there are currently 8,500 properties that are currently exposed to at least some minor

inundation. This exposure increases to some 23,700 properties if sea levels are projected to rise by .5 metres, and 50,700 properties if sea levels rise by one metre—

The CHAIR: Is this by 2100?

Mr HAY: Yes.

Ms GIBBS: What we have done is we have not said that one metre of sea level rise is definitively going to occur in 2100. We have said that if sea level rise is by one metre it would definitely be a longer term scenario that that would happen in but we cannot definitively say that it would be 2100.

The CHAIR: Where is the information that you are reading contained? What are you reading from? Is it a publicly available strategy?

Ms GIBBS: There are some publicly released reports that are on our website.

The CHAIR: And that information is in one of those reports?

Ms GIBBS: Yes.

The CHAIR: What is the report called?

Mr HURST: If you would like we could take that on notice.

Ms GIBBS: I have got a copy of it here.

The CHAIR: Okay. While you are looking for that, I was wondering what "over the short term" or "in the short term" is defined as? You said 250 properties could be lost in the short term, what does that mean?

Ms GIBBS: So that basically means at the next large storm event that occurs. Coastal erosion occurs in episodic incidents. So basically the next large coastal impact that occurs. However, it is unlikely that all 250 properties would be affected at any one time because storms tend to occur in more localised areas. You may recall the 2016 event that affected the Collaroy-Narrabeen beach; it did not affect the entire coast uniformly. Just back to your earlier question about what the name of that report is called. It is called the *NSW Estuary Tidal Inundation Exposure Assessment*.

The CHAIR: I have a question about the waste levy. Mr Hurst, have you met with local councils this year, in 2019, with regards to them asking you about increasing the waste levy particularly? Have you had those conversations? I know that quite a number of councils have been asking for the waste levy to be increased so they can deal with the recycling crisis. What approaches have been made to the association in relation to that?

Mr HURST: Yes, we meet with councils all the time. I am not aware that any of them have made representations to me or to the Office of Local Government about increasing the waste levy. The levy itself is administered by the Minister for the environment.

The CHAIR: So what is the association of Local Government. Do you have any involvement in advising or being part of the Government strategy to tackle the recycling crisis that local government is clearly facing.

Mr HURST: Yes, of course. When councils began to encounter problems with their recycling the Office of Local Government worked with agencies, including the EPA, to move very quickly and provide practical advice to councils. In particular the work that we commissioned looked at how councils could be better equipped for their negotiation with their contracted waste provider. We provided a toolkit and a self-assessment tool that allowed them to input the details of their own base operations into the system and it gave them data that we believe would assist them in understanding what the impact of the changes to the recycling market were having on them and their waste provider with the intention of allowing them to negotiate better—particularly through the period when people were worried that contracts would not be renewed in New South Wales, which did not prove to be the case fortunately. That was immediate and practical advice that we arranged to provide to councils. We are now working more generally with the EPA as the lead agency about more broadly how to deal with recycling issues within the community and, as I mentioned before, participating in the development of the 20-year waste strategy for New South Wales as well.

The CHAIR: When you say working with the EPA more broadly to help councils, what does that look like?

Mr HURST: The EPA does have a number of programs they administer, many of them funded from the waste levy proceeds. We assist them with those programs and their targeting with ensuring that the

communications material that they provide to councils and also to the general public are targeted to the issues that councils are telling us that they are facing at a local level with waste and recycling.

The Hon. PETER PRIMROSE: Mr Betts, earlier you indicated that the estimates committees are structured in the way they are because we are interested in the performance of different ministries or Ministers. How do you measure the performance of the Office of Local Government?

Mr BETTS: Mr Hurst, you referred earlier to reports that you produce.

The Hon. CATHERINE CUSACK: They measure it very effectively.

Mr HURST: Just coming back to the OLG corporate plan. The Office of Local Government has five goals. These are policy and regulatory frameworks that best meet the needs of Government, councils and the community; goal number two is high performing councils that deliver for their communities; third, targeted programs and services provided to councils and communities; fourth, councils and officials held accountable for performance and integrity; and the fifth goal is an internal goal, which is that our people, systems and processes are valued and invested in. Within each of those goals there are a number of strategies that we pursue. Each of them is broken down within the corporate plan. It is against each of those that the Office of Local Government strives to make a difference to the local government sector each year of the four years of the strategic plan.

The Hon. PETER PRIMROSE: How do you actually measure your success in meeting those goals?

Mr HURST: Every year we review the strategic plan and construct the operational plan for the next 12 months of operations. This is a process of operationalising—if that is a word—casting into a more specific detail the individual measures: how each team will apply their resources to achieving the strategies that are set under each of the goals but that we can meet within the resources that are available to us as a small team over the 12 months. There is a review element that is incorporated as part of that but also a forward-looking element tempered by the resources we have available and guides our ambition for what we are hoping to achieve against the goals over the next 12 months.

The Hon. PETER PRIMROSE: How would you know if you failed to meet any of those goals?

Mr HURST: The goals are quite broad but nevertheless I think it would be evident if the goals were failing to be met. Understanding the particular projects that will comprise the strategies is obviously an internal process that we undertake. Ultimately they are leading towards an improvement in the other four external and one internal goal that we set.

Mr BETTS: The department is overall eight or nine weeks old. We are going through a process at the moment, as I mentioned earlier, of calibrating our performance indicators to reflect the new outcomes framework which has been mandated for us in the budget process and that will lead through into the production of the first integrated business plan for the Department of Planning, Industry and Environment in the early part of next year. Because your question is a pointed and good one, I expect that would contain key performance indicators for all of our agencies so we can measure their success objectively.

The Hon. PETER PRIMROSE: It was the indicators that I was leading to but we will leave that to next year. I look forward to reading about them and having a chat. Can I move on now briefly to talk about Government Information (Public Access) Act applications [GIPAAs] for a moment. One of my favourite resources. Since 30 March, maybe it is a question directly for Mr Hurst, how many formal GIPAAs has the Office of Local Government received?

Mr HURST: I am not sure that I have the information about every application that has been received since 30 March. We do, of course, publish details of the applications in our annual report. Let us see if I have a summary here. I have information that relates to the period for 30 June 2018 to 1 July 2019, which indicates that OLG received 13 access applications in that period.

The Hon. PETER PRIMROSE: Would that be a typical number per month?

Mr HURST: Yes. This is actually for that 12-month period. Those 13 applications are broken down as 13 original access applications: two related to councillor conduct; three related to companion animals; and eight were general inquiries. Of those matters, none of them were applications for internal review, none of them were recommendations from the Information Commissioner for internal review, none of them had applications for external review made to the Information Commissioner and one had an application for external review made to NCAT and that matter is ongoing.

The Hon. PETER PRIMROSE: How many were actually refused access to the information requested?

Mr HURST: My understanding is that none were refused outright. In many cases, we were able to negotiate the transfer, often to councils who are appropriately placed to provide information. Where possible, we try to grant the access in full and in other cases, access is granted in part.

The Hon. PETER PRIMROSE: How many where access has been granted would appear on the agency's disclosure log? Would it be all of them or some of them?

Mr HURST: The material that is released in response to GIPAA requests is published on the disclosure log and provided on the OLG website.

The Hon. PETER PRIMROSE: Have any disclosures or GIPAA requests ever been taken down from the disclosure log?

Mr HURST: Not that I am aware of.

The Hon. PETER PRIMROSE: I stress that this is not a trick question. I was looking at, for example, the Department of Premier and Cabinet disclosure log. If I am a citizen I can go on to the disclosure log and see something that I am interested in, click and I can get the information. If I go to the Office of Local Government, I am told, "For access, please email"—and it gives the Office of Local Government's email address. I do not understand why DPC has a system where I can immediately access the information but with OLG I have to start a whole new process. Are you considering updating to the access information that DPC has?

Mr HURST: I am happy to take on board—if we could improve the way that access to GIPAA applications that were granted is made available to members of the public who are interested in that information. I would also note that as part of the new arrangements from 1 July, the GIPAA function is being consolidated across the cluster and provided centrally. The Office of Local Government will no longer be separately reporting GIPAA's from 1 July.

The Hon. PETER PRIMROSE: Mr Betts?

Mr BETTS: I would be very happy to look at the Department of Premier and Cabinet system. If you think it has advantages I would look at that very seriously in terms of adopting a similar system ourselves.

The Hon. PETER PRIMROSE: Thank you. The obvious advantage, as you would appreciate, is that without having to go through and check and whatever, a citizen can immediately see what has been provided.

Mr BETTS: A lot of staff time is dedicated to responding to GIPAA requests, so we might as well get some credit for that hard work.

The Hon. PETER PRIMROSE: You would get credit but it would also prevent citizens from paying \$30 for information that may already be there.

Mr BETTS: I completely agree.

The CHAIR: The crossbench have exhausted their questions for the officials before us. Does the Opposition have more questions?

The Hon. MARK BUTTIGIEG: If I could ask a couple of questions in relation to the efficiency dividends. With the Office of Local Government to be discontinued—"as we know it"—can you tell us how the OLG part of the Department of Planning, Industry and Environment is going to achieve the Treasury's efficiency dividends?

Mr BETTS: I will start off by talking about how we are going about achieving our savings requirements generally within the Department of Planning, Industry and Environment. The Government made a series of commitments during the election campaign, including in relation to reducing consulting spend and reducing our senior executive expenses, and further efficiency targets were handed to us during the budget, amounting to around \$85 million of savings required from our cluster in the current financial year. Those are being approached on a whole-of-cluster basis, cognisant of the commitment that the Government—the Premier in particular—has given around protecting regional jobs.

Forty-eight per cent of staff in the cluster, broadly speaking, are employed in regional areas. When we look at potential sources of funding, we need to look at, for each of our sub-organisations, including the Office of Local Government, the balance of regional and metropolitan staff. As we have discussed extensively today, the great majority of staff in OLG—in fact, to all intents and purposes, all of them—are regionally based. Therefore, we would not be applying the same efficiency reductions proportionally to OLG as we would to other parts of the organisation which are metropolitan.

One of the features of the so-called abolition of OLG, which is effectively just the merger of its activities and functions into the department, is that its budget now sits within the deputy secretary budget associated with planning and assessment. It will be for that deputy secretary to find savings, but those savings will have to be found—as far as possible—from reducing overheads, corporate expenses such as consulting, advertising and fleet. Our intention generally is to absolutely minimise the impact on jobs, but we recognise that some job reductions are inevitable when we have to find \$85 million worth of savings. The Office of Local Government is subject to significant protection in that process by virtue of the fact that the great majority of its staff are regionally based.

The Hon. MARK BUTTIGIEG: In a nutshell, the regional jobs will be quarantined from the efficiency dividends but there may be job losses to contribute to some of those savings—

Mr BETTS: In metropolitan—

The Hon. MARK BUTTIGIEG: —outside the regions.

Mr BETTS: Outside the regional areas, yes. I would expect the Office of Local Government to diligently look at its overhead expenditure in non-labour expense areas, such as consulting and so on, to try to find efficiency gains—recognising that every dollar that can be saved in that way is a dollar that does not have to come out of someone losing their job.

The Hon. MARK BUTTIGIEG: Sure. Of those expenses—in terms of the labour book for that sort of stuff, vis-a-vis capital expenditure, IT and all the rest of it—can you give us an idea of the percentages, the contributions?

Mr BETTS: Yes. The total expense budget for the Department of Planning, Industry and Environment is \$5.155 billion for the 2019-20 year. It is a bit hard to produce comparisons with previous years because of the extent of the machinery of government changes. There is a large proportion of that which is a fixed cost, so the scope for efficiency savings falls on a subset of that. When I am looking at different line items, I am looking at things such as advertising, which constitutes about 0.4 per cent of our expenditure.

The Hon. CATHERINE CUSACK: Point of order: Minister Stokes is going to be appearing before the Committee. Questions relating to the portfolio and the cluster which are his responsibility ought to be directed at that time. Mr Betts seems to have been asked to come to all six inquiries. The recommendation was that all those things could be addressed during that Minister's estimates hearing. It is really important to me that we focus on local government. Local government has a finite number of questions and I have no problem with that. I think we should try to tighten it back to that.

The CHAIR: I will allow Mr Betts to finish his response.

Mr BETTS: Thank you for that and you are right to say that I was straying into areas of the broader cluster. Largely to provide context for the Office of Local Government, we have heard that the headcount in full-time equivalent terms is broadly 68/69 staff. That sits within the context of 11,400 staff in the wider cluster, so you can see that it is a relatively small part of the overall picture. It is one that will benefit from having a predominantly regional workforce. Nonetheless, I have asked Mr Hurst to see what efficiency savings he can find from non-staff sources.

The Hon. MARK BUTTIGIEG: In terms of staff reductions, job losses, voluntary redundancies and all the rest of it to achieve the efficiency dividends we have got a rock-solid guarantee that the regional ones will be protected and savings, by the sounds of it, may be disproportionately shouldered by other labour parts of that department?

Mr BETTS: That is right. The metropolitan areas, being Sydney and the local government areas of Wollongong and Newcastle.

The Hon. MARK BUTTIGIEG: Right. Do we have any feel for the quantum of job losses that will need to be contributed from those areas?

Mr BETTS: Not right now because we are exploring opportunities to secure savings by every other means.

The Hon. CATHERINE CUSACK: Again, can I just clarify that you are reporting to the cluster Minister on those issues, not to the environment Minister?

Mr BETTS: That is correct.

The Hon. MARK BUTTIGIEG: I am sorry but the question was directly related to the proportionate burden that will be shared by metropolitan local government areas. I do not understand what the issue is.

The Hon. CATHERINE CUSACK: Because it was not stated in the question.

The CHAIR: The question is in order.

The Hon. MARK BUTTIGIEG: *Budget Paper No. 1*, chapter 5, indicates there will be reform savings and offsets, which in total over the next four years will net approximately \$3.1 billion. I am assuming that relates to that bigger budget you were referring to of five point something per annum?

Mr BETTS: Correct, for the whole cluster, yes.

The Hon. MARK BUTTIGIEG: That is not an insignificant amount to find over a four-year period. Do you think those sorts of cuts can achieve that efficiency dividend in terms of not compromising service to New South Wales taxpayers?

Mr BETTS: Can I have some guidance from the Chair? Am I answering this in the context of the Office of Local Government or am I being asked a question about why that cluster—

The Hon. MARK BUTTIGIEG: This is part of the problem, isn't it? You have a reporting structure which subsumes other things into a general departmental head—

The CHAIR: If you could keep it generally relevant to Local Government again. This is what the estimates hearing today is about.

The Hon. CATHERINE CUSACK: And Tim Hurst has—

The CHAIR: Members are able to ask questions that are generally relevant to this portfolio so your response should be generally relevant.

Mr BETTS: I am confident—

The Hon. CATHERINE CUSACK: We tried to explain it to him but he would not listen.

The CHAIR: Order!

Mr BETTS: I am confident that the Office of Local Government will be able to make a contribution towards that overall saving without compromising its capacity to perform the functions that we have described during the course of today's hearing.

The Hon. MARK BUTTIGIEG: Thank you.

Mr DAVID SHOEBRIDGE: You may have answered this before I came in, in which case I apologise. What is the financial contribution that the Office of Local Government—or that part of the department that is still called the Office of Local Government—is going to have to make to the efficiency dividend for this financial year? What is the dollar figure?

Mr BETTS: To be determined at this stage. As I was explaining before you came into the room, the Office of Local Government is the beneficiary of a Premier's commitment around no regional job losses, given that the lion's share of its staff are based in Nowra, which is a regional area. I therefore have asked Mr Hurst, just as I have asked all other deputy secretaries in the department, to find to the maximum extent possible savings from sources other than labour expenses and we are working through that process at the moment, looking at things like travel, consulting spend, the use of recruitment consultants, more efficient approaches to procurement et cetera.

Mr DAVID SHOEBRIDGE: Is it a 3 per cent across-the-board efficiency dividend this year? What has the department been asked to produce?

Mr BETTS: It is \$85 million during the course of this year.

Mr DAVID SHOEBRIDGE: Does that mean the Office of Local Government will have to do its proportionate share—

Mr BETTS: No.

Mr DAVID SHOEBRIDGE: —but do it from sources other than staff?

Mr BETTS: Yes, so we would seek to ensure that OLG as far as possible offers up savings from non-staff sources but that needs to be consistent with its continuing ability to do its job.

Mr DAVID SHOEBRIDGE: When will there be an answer on this?

Mr BETTS: I am confident that we will have an answer within the next six weeks.

Mr DAVID SHOEBRIDGE: Will there be transparency on this? Will you be publicly reporting upon where those efficiency dividends are delivered? It is not just a question for you, Mr Betts. We have had this same kind of iteration in a series of budget estimates now about efficiency dividends, so the question is: How will we get transparency on it so we know how the actual budget plays out?

Mr BETTS: You will get transparency through the usual ways in which departments report financial information, whether that is through annual reports or through mid-year budget updates or through budget papers. Also, where staff are affected I meet every fortnight with the unions. I have a policy of total disclosure with the union movement. I do not want my staff or union delegates to be finding out things after the event so it is a rolling process of disclosure at this stage.

Mr DAVID SHOEBRIDGE: Apart from that discussion about job losses with unions, you have offered annual reports, which we will not see until after the conclusion of the financial year, you have offered budget updates, which are at best March of next year, or you have offered the budget that we will get—

Mr BETTS: So I have offered absolutely the standard suite of reporting materials that Parliament is entitled to.

Mr DAVID SHOEBRIDGE: What I am putting to you is—

The Hon. CATHERINE CUSACK: Point of order: The Minister for Local Government in that portfolio is not reporting on these matters. This is at a cluster level and these questions ought to be directed at that opportunity. The focus for this portfolio is Local Government.

The CHAIR: The question is in order. The first part of Mr Shoebridge's question was about efficiency dividends within the Office of Local Government and Mr Betts is now—

The Hon. CATHERINE CUSACK: I understand but now he is asking about the reporting processes at a cluster level and when things will be available. This is not the forum for that information.

The CHAIR: It is generally relevant. Mr Betts can proceed.

Mr BETTS: I think I have answered the question. Unless otherwise directed or subjected to parliamentary questions or other channels by which you can achieve information, we will routinely report our financial performance through the usual channels.

Mr DAVID SHOEBRIDGE: Mr Betts or Mr Hurst, did IPART hand its final report on local government election costs to the Minister on 30 August?

Mr BETTS: We have discussed that extensively in this session.

Mr DAVID SHOEBRIDGE: Did they?

Mr BETTS: Yes.

The Hon. CATHERINE CUSACK: We are going over the same material.

Mr DAVID SHOEBRIDGE: Given that we waited the better part of two years for the delivery of the first report, have you given a commitment to a firm time frame for the release of this?

Mr BETTS: Do you want to say anything on that, Mr Hurst?

Mr HURST: In the previous session the Minister indicated that she had only received the report on Friday.

Mr DAVID SHOEBRIDGE: I know that.

Mr HURST: That she was seeking advice on the report and I believe her undertaking was that she would release the report with the Government response as soon as possible.

Mr DAVID SHOEBRIDGE: Given that local governments across New South Wales are having to set their budgets now and plan for the September 2020 election, is there a commitment in the office to get that report out at least before the end of this calendar year and have a decision?

Mr BETTS: There is a commitment from the department to provide that advice to Ministers in an expeditious fashion. The timing of the release of the report will be a matter for the Minister.

The Hon. CATHERINE CUSACK: The *Hansard* of this morning will help.

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: Is it the position of the New South Wales Government that the NSW Electoral Commission should not be unduly advantaged or disadvantaged in competing with private electoral service providers in the provision of election services? Is that the position of the New South Wales Government or is it the position of the Office of Local Government when it comes to local government elections?

Mr HURST: Obviously the Minister undertook that a Government response to the report would be provided at the time that the final report is released. That will incorporate advice from the Office of Local Government if accepted by the Minister.

Mr DAVID SHOEBRIDGE: Does the Office of Local Government have a view as to the public confidence in the integrity of the NSW Electoral Commission as against private electoral service providers? Have you done any review of public confidence in that regard?

Mr HURST: No, the Office of Local Government has not done an assessment of public versus private providers. It is not a function of the Office of Local Government.

Mr DAVID SHOEBRIDGE: Given that it is only in local government that there is competition between public and private electoral providers, how could you possibly provide advice to the Minister on IPART's recommendations without doing that basic research about comparing private for-profit electoral providers as against the NSW Electoral Commission?

Mr HURST: Sure. I understand the issue here. It is a Government response. It is not based solely on the advice of the Office of Local Government and we do take advice from other agencies across the Government in providing that position to the Minister and to the Government. I would expect that through that process a range of views will come forward about issues including competition in the market for election providers and electoral services.

Mr DAVID SHOEBRIDGE: But yours is the only agency responsible for the only sector that has had the competition. Have you done that basic research about public confidence between private for-profit providers for electoral services and the NSW Electoral Commission. Have you done your due diligence?

Mr HURST: Once again there are other agencies which are also involved in this space. The NSW Electoral Commission, as I am sure you are aware, reports to the Premier, and the Department of Premier and Cabinet supports the Premier in decisions relating to the Electoral Commission. There are also other agencies within the New South Wales Government with expertise in competition issues and the major markets. I would propose that we consult with those agencies as well in providing advice to the Minister.

Mr DAVID SHOEBRIDGE: I am asking not about consulting with other agencies. I am asking about you doing due diligence in your own patch. Have you reviewed the difference in terms of public support for elections that were run by private providers as against the NSW Electoral Commission. I am not asking about other agencies, I am asking about you, Mr Hurst?

Mr HURST: I have not personally done that.

Mr DAVID SHOEBRIDGE: Or your office?

Mr HURST: The office will do what is necessary to provide advice to the Minister to inform the Government response as part of a whole-of-government process.

Mr DAVID SHOEBRIDGE: I will put this proposition, and you can agree or disagree. You cannot possibly give competent advice to the Minister about that recommendation from IPART about competitive neutrality unless you have done that basic due diligence and determined this question about public confidence for private as against public-private—

The Hon. CATHERINE CUSACK: Point of order: The department is going through a whole process that was explained earlier. I think Mr David Shoebridge's frustration is the fact that he had not heard about that process that is being undertaken. It is very difficult to now have him—

The CHAIR: I have been listening to all of the questions very carefully throughout this entire hearing. The line of questioning by Mr David Shoebridge is very different to what other members have been asking today. Mr David Shoebridge can continue.

Mr BETTS: I think Mr David Shoebridge asked us a question to which the answer is we will provide the best advice we can. If the Government requires undertaking the due diligence you described then that is what we will do. If it does not, we will not. But we only received the report on Friday.

Mr DAVID SHOEBRIDGE: Mr Hurst, Pittwater residents put in a de-amalgamation petition, under, I think, sections 2 and 5 of the Local Government Act some time ago. Has there been a formal response to the petition?

Mr HURST: I am sorry, I am not aware if the Office of Local Government has received a de-amalgamation proposal for the Northern Beaches local government area.

Mr DAVID SHOEBRIDGE: Into the Pittwater proportion of it. Do you want to take that on notice? I have a note that one was provided in 2018.

Mr HURST: I am not aware of that. I am happy to take that on notice and respond.

Mr DAVID SHOEBRIDGE: What is the current time frame for dealing with code of conduct complaints received by the office?

Mr BETTS: As we discussed this morning.

The Hon. CATHERINE CUSACK: We have gone through the whole thing.

Mr BETTS: Guidance, Chair. Do you want us to answer the same question?

The Hon. CATHERINE CUSACK: It is really hard to repeat so much material.

Mr DAVID SHOEBRIDGE: The time frame I have is that it has taken upwards of five months for those to be investigated. I am more than happy for you to refer to your previous answer. Did you answer that question of whether it is upwards of five months in earlier answers?

Mr BETTS: The Minister answered that this morning, so you might want to refer to that.

The CHAIR: I understand the Minister took some of that on notice.

The Hon. MARK BUTTIGIEG: I think part of the answer was they do not really monitor it that closely.

The Hon. PETER PRIMROSE: We are happy to defer to Mr David Shoebridge.

The CHAIR: Have you finished your questioning?

Mr DAVID SHOEBRIDGE: No. The last published report for your dealing with a code of conduct complaint was dated 7 November 2018. Has there not been a further conclusion of a councillor misconduct allegation by your office since 7 November 2018?

Mr HURST: Matters are concluded regularly. Obviously there is a flow of matters that come in as complaints or allegations that are assessed. We did discuss this process this morning and, where necessary, proceed to investigation, a finding of misconduct and the imposing of sanctions. This is a regular and ongoing process.

Mr DAVID SHOEBRIDGE: The last reported one was 7 November 2018, a year ago. I am assuming that your online register is up to date. Is it that there has not been another concluded complaint since 7 November 2018 or is the register simply not up to date.

Mr HURST: The latest misconduct decision that has involved the publication of a statement of reasons, which is not necessarily required under the legislation, you are right, was in November 2018 in the matter of Councillor Duffy from Orange Council. But not every decision results in the publication of statement of reasons on the website. It is one of the sanctions available under the Local Government Act.

Mr DAVID SHOEBRIDGE: How many decisions have been handed down that have not been included on the register?

Mr HURST: I am happy to take on notice other matters that may have been concluded in that time.

Mr DAVID SHOEBRIDGE: Including since 7 November 2018?

Mr HURST: Yes, I am happy to do that.

Mr DAVID SHOEBRIDGE: Does the office keep a register of code of conduct complaints and resolutions by each of the individual councils?

Mr HURST: We also discussed this this morning and it was one of the matters that, through the Chair, I agreed we would provide further information on.

Mr DAVID SHOEBRIDGE: Previous to this Committee and in its previous iteration, my office has asked questions on notice about code of conduct complaints and the numbers. We have previously been referred to the website of the Office of Local Government. The website of the Office of Local Government contains no such data. Will you provide the Committee with the numbers rather than a reference to a website of code of conduct complaints and the cost of those code of conduct complaints by councils?

Mr HURST: I undertook that I would provide the detail on notice. But I am also aware that the information on councillor complaints and the cost of code of conduct is reported by council. They are obliged to do so. So the information is there Mr David Shoebridge.

Mr DAVID SHOEBRIDGE: Do you not undertake a statewide review? Do you do that due diligence across the sector? Do you leave it in separate siloed reports in each of the hundred-odd council websites?

The Hon. CATHERINE CUSACK: Point of order: The member did offer to accept a response that the answer has previously been given but now Mr David Shoebridge is not accepting that response. We are just completely retracing all of the evidence that we heard this morning.

The CHAIR: I think some of the questioning is similar to some of the questions already asked but, in fact, Mr David Shoebridge is asking for more detail or for certain information that he has asked for was not taken on notice. There is more detail in some of the questions Mr David Shoebridge has asked.

The Hon. CATHERINE CUSACK: Could I suggest that he reviews that material and then puts more questions on notice. We are completely repeating this morning's evidence.

The CHAIR: They are not exactly the same.

The Hon. CATHERINE CUSACK: I just indicated that he is welcome to refer to previous answers given and then he does that—

Mr DAVID SHOEBRIDGE: Point of order: If the member has a point of order she has to express it as a point of order with a reference to a standing order—

The Hon. CATHERINE CUSACK: Badgering the witness is my point of order.

Mr DAVID SHOEBRIDGE: If that is her point of order I suggest it is not a point of order because I am clearly not badgering the witness.

The CHAIR: Mr David Shoebridge may continue and reflect that the Committee covered the code of conduct this morning but also recognising that he is pressing for new information which he is entitled to do.

The Hon. MARK BUTTIGIEG: Part of the answer from the officer was that the individual councils published the result and, therefore, if he wants the information go to those. The question was then asked, "Don't you do an overall consolidation report?" and I thought it was perfectly in order because that had not been raised at all.

The Hon. CATHERINE CUSACK: Yes, it had been discussed.

The Hon. MARK BUTTIGIEG: Are you listening?

The Hon. CATHERINE CUSACK: I am listening. Other people here are not listening clearly.

The CHAIR: The Hon. Catherine Cusack, Mr David Shoebridge is entitled to continue asking questions which are generally relevant to the Local Government portfolio, which is what he is doing. He can continue.

Mr BETTS: Would you like us to answer the question? We are happy to provide that information to you. We will take it on notice and he will provide it in the most consolidated useable form for you.

Mr DAVID SHOEBRIDGE: A concern that is repeatedly raised by ratepayers and, indeed, councils is the average cost of a code of conduct complaint. In some councils it is in the order of \$10,000 to \$20,000 per complaint. Have you undertaken a review of the cost of code of conduct complaints, some of which are being used for kind of petty pointscoreing between councillors at an enormous cost to ratepayers?

Mr BETTS: It is not for us to second-guess the merits of something before we start investigating it. These complaints do vary in complexity and severity. Having said that, I will hand to Mr Hurst.

Mr HURST: In terms of the complaints that are made to councils I understand the criticism. You are probably aware that we have only recently updated the model code of conduct late last year. As part of updating the model code, which is a two-year process, we consulted quite extensively with councils on the operation of the provisions. There are some key changes to the model code that have been made in the 2018 version that make it easier particularly for council general managers or the complaints co-ordinators to deal with complaints earlier and to deal with them in alternate measures so that they are not necessarily having to refer every matter to a conduct reviewer and incurring that cost to the council, and also some specific provision that talks about what is a code of conduct complaint and what is not a code of conduct complaint to provide guidance to people who, as you say, have used the process for matters that are not necessarily code of conduct complaints.

Mr DAVID SHOEBRIDGE: I am assuming before you went through that reform process, you went through and looked at the numbers and did some kind of qualitative and quantitative analysis. I am asking you questions about these kinds of across-the-board numbers. What were your conclusions and what, if any, was the data that you had that supported that reform process?

Mr HURST: We do publish quite detailed information on the council complaints dataset. Every year we put out data that is consolidated from councils about all of the different complaints that come in—council by council, by topic and by theme. It is a very extensive dataset. We use that to inform the review of the code of conduct. We publish it so that members of the community are able to understand how their council compares with other councils and complaints that are generated by the community or by other councils within that council. I would encourage you to review that dataset; it is published on our website.

Mr DAVID SHOEBRIDGE: Have you undertaken a review of the IPART recommendations for council election funding to work out what the actual additional costs would be to local government?

Mr HURST: Are these the draft recommendations?

Mr DAVID SHOEBRIDGE: These are the draft recommendations.

Mr HURST: Obviously, the purpose, as the Minister mentioned this morning, of IPART producing the draft report was to consult with councils and the community on those draft recommendations. The task that we are now undertaking at the Minister's request is to advise on the recommendations in the final report.

Mr DAVID SHOEBRIDGE: I am asking you about the draft recommendation. Did you undertake some costings of what the effect of that draft recommendation would be on local councils across New South Wales?

Mr HURST: My understanding of the draft report is that IPART did the costings of what the cost of those recommendations would be on councils throughout the State. It was included within the draft report.

Mr DAVID SHOEBRIDGE: Did you review the impact on local governments, noting that a number of people from the local government sector have said that the cost will be particularly severe against regional councils and especially against smaller councils. Have you done that kind of fine-grained analysis?

Mr HURST: If you mean review, yes, I have read the report and I have read what IPART has concluded in terms of the costs in that draft report, which, as we mentioned, is not the final report.

Mr DAVID SHOEBRIDGE: Your review, if I could put it in that way, is reading IPART's report, but no more.

The Hon. CATHERINE CUSACK: IPART did the review.

Mr BETTS: In anticipation of receiving a final report, which will then be submitted to review and advice to the Minister.

Mr DAVID SHOEBRIDGE: The purpose of a draft report—

Mr BETTS: Is to consult the community.

Mr DAVID SHOEBRIDGE: —is to get the feedback from the likes of the Office of Local Government and if all you have done is read the report and not seek a separate review, that seems to defeat the purpose of the draft report and the consultation process, Mr Hurst.

Mr HURST: To seek a review of a draft report from an independent body in advance of a final report being received? No—

Mr DAVID SHOEBRIDGE: To put your submission in, to check what they have done, go to local government and say, "We have looked at this. This is going to have this negative effect upon small regional councils. That is why we would hope for a different outcome in your final report", but you have not done that. You just read the review.

Mr BETTS: Our role is to receive the final report in the light of the consultation, which is being undertaken through IPART, and then to provide advice to the Minister.

Mr DAVID SHOEBRIDGE: You were consulted with the draft report. Did you make a submission in response to the draft report?

Mr BETTS: We took the decision that we would wait until the final report came in, which is a perfectly legitimate thing for one arm of government to do when another is consulted.

Mr HURST: Incorporating the views of councils.

Mr DAVID SHOEBRIDGE: Sorry, you were one of the key stakeholders.

The Hon. BEN FRANKLIN: Point of order: My point of order is that the member is getting dangerously close to being quite rude to the witnesses, badgering them and hectoring them. I understand he wants his questioning to be robust and that is fine, but I would ask that he just does it with a lit bit more civility and respect.

The CHAIR: Thank you, Mr Franklin. I would request that Mr Shoebridge ensure that his questions are respectful to the witness.

Mr DAVID SHOEBRIDGE: Am I to understand your evidence that the Office of Local Government made no response to IPART on the draft report?

Mr HURST: We made no submission to IPART, that is correct.

Mr DAVID SHOEBRIDGE: Is that a position you take across the board on IPART reports that affect local government?

The Hon. CATHERINE CUSACK: Do you mean draft reports or—

Mr HURST: In general, we would not comment on the draft report.

The Hon. CATHERINE CUSACK: I am so sorry, Madam Chair, but he is not—

The CHAIR: The question is in order.

The Hon. MARK BUTTIGIEG: So you do not see it as part of your role to have input with regard to a draft report. That draft report does not inform your views about a submission on behalf of the local government sector. That is not your responsibility.

Mr HURST: No, the Office of Local Government does not provide a submission on behalf of the local government sector. There are other bodies that will claim to do that, including Local Government NSW. That is a member-based body that represents councils. It did make a submission. I have read its submission. To say that the office was not involved in the process is, I think, incorrect. IPART held a public hearing on the matter and the Office of Local Government attended the public hearing so that it could hear firsthand the views that were being presented at that public hearing. But it did not make a submission, no.

Mr DAVID SHOEBRIDGE: This question is for either Mr Hurst or Mr Betts. I think it is a fairly trite observation—you may agree or disagree—that the amalgamation process was highly controversial. Do you agree or disagree?

Mr BETTS: It attracted—

Mr DAVID SHOEBRIDGE: The amalgamation process for local councils, I think we can agree, was controversial.

Mr BETTS: I think we can.

Mr DAVID SHOEBRIDGE: One of the most controversial aspects of that was the purported savings that were identified as one of the key reasons for local government amalgamations identified in the various consultants' reports. Do you agree that was one of the most controversial elements of it? That is just one of the controversial elements.

Mr BETTS: It was a controversial process.

Mr DAVID SHOEBRIDGE: It was a controversial process, but one of the most controversial elements was the proposition that by amalgamating councils you would produce net financial savings. Do you agree that was highly contested?

Mr BETTS: It was certainly contested, yes.

Mr DAVID SHOEBRIDGE: I know you have been asked some questions about Tumbarumba council and I think you have been asked some questions about Cootamundra Gundagai council, but I am going to ask you now about all of those amalgamated councils. Has the Office of Local Government undertaken any review of the financial performance of those amalgamated councils as against the pre-amalgamated councils?

Mr HURST: No, we have not undertaken a separate review of the financial performance of those councils. We monitor the financial performance of every council, including the 20 new councils created in 2016.

Mr DAVID SHOEBRIDGE: Assuming that at some point a government may wish to progress further amalgamations, do you not believe it would be crucial for your office to actually review the performance of those 16 newly created amalgamated councils to provide a baseline for such further policy development?

Mr BETTS: The predicate is that the Government might want to pursue further forced amalgamations, which the Minister has ruled out this morning.

Mr DAVID SHOEBRIDGE: Forced amalgamations or voluntary amalgamations, to get an understanding about the impact of amalgamations on local government service delivery and efficiencies, the most obvious thing to do is to review what has happened to the 16 amalgamated councils. But am I to understand that you have not done that?

Mr HURST: No, but the Auditor-General, I know, has looked at this question and made some comments in her report to Parliament in February. I understand there is a range of private researchers and universities that are looking at this question, not just based on the New South Wales experience but also on others as well. By the time any future government might be looking at this question I think there will be a body of evidence.

The Hon. MARK BUTTIGIEG: Can I get this right? You have a highly contentious policy—that is, forced mergers—based primarily on mooted cost savings or hypothetical cost savings that were disputed in terms of whether or not they were realised and there is no methodology put in place by the Government to measure whether or not they were realised. Is that what we are saying?

Mr HURST: The savings that we are talking about here are actually changes to the way that councils operate that allow them to provide improved services and infrastructure to their communities. Once the councils returned to an elected governing body and the administrators retired at elections in 2017, the path that those councils take is entirely determined by the elected governing body: They have to decide any or all of the savings that they might want to realise from within that palette of benefits and how they are going to apply them to the local community. It is beyond the Government's control what happens in those councils after that point in time.

The Hon. MARK BUTTIGIEG: Would you accept this is quite extraordinary from the perspective of a ratepayer? I am not blaming you people. This was government policy and you had to carry it out. What are the savings measured against what was projected pre and post? There can be no answer from Government because you do not have a methodology to do that analysis. If I were a ratepayer, I would find this extraordinary if this were the answer I was given.

Mr HURST: A number of the new councils do provide information. They provide it to different levels. Every council is accountable to its community through the integrated planning and reporting process for the budget that it sets, how it raises revenue and makes savings and where it applies its rates on those services and infrastructure mix that best suits the community. The integrated planning and reporting process is actually designed to give the community participation in understanding where those opportunities are. Where they are at an individual council level, those should be realised to be applied to other priorities for the council.

The Hon. CATHERINE CUSACK: My understanding was that the administrators made very detailed reports and that they are all available on the council websites in relation to how the funds were allocated to assist that process.

The CHAIR: Would the Government like 20 minutes to ask questions?

The Hon. CATHERINE CUSACK: It is just that we are jumping around.

Mr DAVID SHOEBRIDGE: Between Opposition and crossbench, not the Government.

The CHAIR: Order! Was that a question, Ms Cusack?

The Hon. CATHERINE CUSACK: Yes, in relation to the administrative reports.

Mr DAVID SHOEBRIDGE: Why not? That is novel.

Mr HURST: Yes. I confirm that many administrators provided an end-of-term report to their community before they retired at the September 2017 elections.

Mr DAVID SHOEBRIDGE: Mr Hurst, do you agree that good governance, if it is doing major policy initiatives, involves conceiving of a policy initiative, consulting on the policy initiative, implementing the policy initiative and then reporting on the implementation of the policy initiative. They are the key elements of good governance, are they not? Or do you disagree with any of those elements?

Mr HURST: What you are potentially not seeing is that the Government's investment in the councils was principally through the Stronger Communities Fund and the New Council Implementation Fund, and that we will, in fact, be evaluating those programs once the councils have acquitted the funding.

Mr DAVID SHOEBRIDGE: When it comes to the very large policy initiative of forced amalgamations, the initiative that was managed partly by your office and partly by Premier and Cabinet failed to have adequate consultation and has now comprehensively failed to have any assessment of the outcome, has it not? There is no assessment of the outcome that you can point to.

Mr HURST: No. I reject that. As I have mentioned, elements, particularly the financial elements, of the governance systems will be assessed. As I say, we have to wait until councils acquit the funding before that is able to be done.

Mr DAVID SHOEBRIDGE: Are you going to look at the financial performance of the constituent councils that were amalgamated into the 16 super councils and compare that to the financial outcome of the 16 super councils or post-amalgamation councils? Are you going to do that kind of basic due diligence?

Mr HURST: That is not the evaluation of how the councils applied the funding provided by the Government.

Mr DAVID SHOEBRIDGE: I am not asking you about the evaluation of how the councils applied the funding available from the Government. I am asking you about a review of the impact of amalgamations on council viability and council efficiency. Am I to understand you are not going to do that review?

Mr HURST: I think I have already mentioned that others are undertaking that work and publishing it, including the independent Auditor-General. There are other researchers looking at this question.

Mr DAVID SHOEBRIDGE: Am I to understand you are not going to do that basic due diligence to compare the financial performance of the councils before amalgamation and the financial performance post-amalgamation? Is that because you have been asked not to do it because it is embarrassing?

Mr HURST: No. I reject that statement. We do assess the performance of every council, including the 20 new councils. We do it in the context of the material that they supply to us, but also looking at the evaluations that others have provided by assessing that data. This is the way that we come to a view about the performance of all of the councils in New South Wales.

Mr DAVID SHOEBRIDGE: Mr Hurst, I put this proposition to you and you can either agree or disagree: This is a case of shutting your eyes and ears to the evidence because you do not want to see what a disaster the amalgamations have been in terms of the financial performance of those councils. You are just collectively burying your head in the sand.

Mr HURST: I reject that, Mr Shoebridge.

The CHAIR: We will return to the Opposition for another 20 minutes.

The Hon. PETER PRIMROSE: Back in 2011 there was an agreement signed between the New South Wales Government and Local Government NSW called South West 2021. That was a plan said to "make NSW number one" again:

... a 10 year plan to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability ...

Et cetera, et cetera. It was:

... the NSW Government's strategic business plan, setting priorities for action and guiding resource allocation.

Is there any proposal to renegotiate that with Local Government NSW?

Mr HURST: Sorry. I am not familiar with that plan. You say it was negotiated between the State or the Office of Local Government?

The Hon. MARK BUTTIGIEG: Between the State and Local Government NSW in 2011, relating to local government.

Mr BETTS: That was undertaken by the Office of Local Government or by some antecedent body?

The Hon. PETER PRIMROSE: It involves local government.

Mr BETTS: I am afraid we will have to take it on notice because we are unaware of something eight years ago.

The Hon. PETER PRIMROSE: So you are not involved. My questioning related to the fact that, clearly, it was done with Local Government NSW. The focus was on local government. I was going to ask about what people in the new agency will do in relation to the local government space, but if you are not familiar with it, can I ask that you take it on notice?

Mr BETTS: Sure, we will look at that. If you would like Mr Hurst to talk about general objectives for the local government sector, we would be happy to talk about those, obviously.

The Hon. PETER PRIMROSE: Okay. Please take on notice the issue there.

Mr BETTS: Okay.

The Hon. PETER PRIMROSE: But please tell me what your general objectives are for the local government sector. That presumably will be built into any negotiations.

Mr HURST: It is not clear to me, without having seen the document, about whether it has a statewide or a regional focus, but I would make the observation that the Government does work with councils, both at a regional level and more generally on these types of economic development, tourism and so on matters. I think that the Western Sydney City Deal is a fantastic example of the State working with both the Federal Government and with the councils of western Sydney to promote a joined up outcome in the development of the area surrounding the airport. This is probably a contemporary example of that type of engagement between the State and local government—in this case involving the Federal Government as well—to deliver better outcomes.

The Hon. PETER PRIMROSE: Specifically, for example, how is the Office of Local Government supporting communities like Snowy Valley, Cootamundra Gundagai when they are currently in financial arrears?

Mr HURST: Obviously, we have a program that provides assistance to any councils. The assistance is going to be targeted at councils that might, for example, be encountering financial difficulties. What we do is assist them to understand their obligations under the Local Government Act, but also how they can go about delivering better outcomes for their community, improving their decision-making and improving the access for the councillors to information that they require to make those good decisions on behalf of the community. We have quite a holistic approach to working with the councils but it is ultimately their decision on how they set their priorities and manage their budget, and they do that in consultation with their community.

The Hon. PETER PRIMROSE: Has the Office of Local Government engaged with either Snowy Valley or Cootamundra Gundagai with that program to date?

Mr HURST: Yes. I would be pleased to take on notice the record of our visits to those councils. I do not want to think that they have been singled out, but we have a regular program of council visits from our council engagement team and we provide them with a variety of advice on matters that council will be facing. Regional councils tend to be very heavily engaged in the program and we welcome the opportunity to visit them regularly and often to provide them with assistance in how they operate and manage the council.

The CHAIR: I suggest a five-minute break if that is okay with Opposition members. It is 3.50 p.m. We will come back at 3.55 p.m. to allow people to take a break. Thank you.

(Short adjournment)

The Hon. PETER PRIMROSE: The Minister this morning indicated that the Office of Local Government may have a role to play in the mergers or demergers of councils. Can you maybe detail, Mr Hurst, what that role would be?

Mr HURST: Yes, I am pleased to talk about the process. The question here, as was discussed in this morning's hearing, was that when a proposal or a purported proposal is supplied to the Minister, the office is requested by the Minister for advice on whether it constitutes a proposal under the Act, and it needs to be verified. We review the proposal. Where necessary we send the details of the electors to the electoral commission for verification that they are on the electoral role and in the correct local government area. If we, as a result of those inquiries, find that the proposal meets the requirements of the Act, it then at that point becomes a proposal under the Local Government Act and we provide it to the Minister to make a decision about initiating the process under legislation.

The Hon. PETER PRIMROSE: The code of conduct was changed by the previous Minister and Minister Hancock has mentioned that this is an area that she is looking at, especially in relation to fiduciary duties of councils and their staff. Can you tell us what processes there are to review and consult with councils about any further changes that may be proposed?

Mr HURST: I do think that this is a question probably for the Minister about those future plans. Obviously, we have an ongoing process of reviewing issues to do with the code of conduct. It is regularly updated, as was previously observed, and those updates are informed by the accumulated information that comes from the application of the code of conduct both by the office and by councils themselves. We also have a practice that we ran before this most recent update of actually going out to councils and asking them about areas where they felt the code could be amended to improve its operation. It is quite an extensive process. I would encourage any council that is having issues with the operation of the code of conduct, or indeed any councillor themselves, to provide that information either to the Minister or to OLG so that we can incorporate it in the next review. As for the timing of when there might be another update of the code of conduct, I think that is appropriately a matter for the Minister.

The Hon. PETER PRIMROSE: The Minister did indicate that she was considering looking at an update in relation to fiduciary duties of councils and staff. My question related to what would the role of the Office of Local Government be?

Mr HURST: We would manage the process of consulting on behalf of the Minister with councils on that and any other changes that the Minister would be proposing to make to the code of conduct. That is the role that we provide. And we would also provide information to the Minister about other changes that we felt were necessary or had been raised with us by councils, councillors or other stakeholder groups, as part of the process. That is the role of the Office of Local Government in the update. It is the role of the Minister to initiate the process, to review the code, and ultimately, through making of a regulation under the Local Government Act, applying a revised version of the code.

The Hon. PETER PRIMROSE: As I understand, The audit risk and improvement committees and the councils are required to be operational by March 2021. Are you aware of how many councils have already got a committee that is operational?

Mr HURST: Yes I do have some information on that. I can find it in the material here, but my understanding is that more than two-thirds of councils have some form of audit and risk committee in place. You are correct, the legislation was amended in 2016 to provide a requirement for councils to have an audit, risk and improvement committee, but the requirement does not become compulsory until six months after the next ordinary elections and that was done so that it would be the incoming council that both provided the terms of reference for its committee and selected the members because it was the incoming council that would have to deal with the audit, risk and improvement committee for the remainder of its term of office.

As I say, there are many councils that have them in some form or another at the moment. I am happy to take on notice how many councils we are aware of that have, but I would also observe that the implementation of those audit and risk committees at different councils does vary, that the guidance that we are going to be consulting on with councils is about providing the minimum features of an audit risk and improvement committee that would satisfy the legislation whereas at the moment there are is a differing implementation in different councils.

The Hon. PETER PRIMROSE: Can you talk about the guidance and information, and the resources that you might supply to councils to actually implement these committees?

Mr HURST: Yes. So before the requirement comes into effect there will need to be minimum standards that are prescribed. Obviously, it is the aim of the Office of Local Government to consult on those requirements and so the plan is to initially release an issues paper on issues, then there will be a draft of the guidance material, followed by final guidance material. Each phase of that process will allow councils and interested stakeholders to have input into the process. I think it is also important to observe that we will be working with audit and risk

professionals, and people within the local government sector who are skilled in this area in developing the initial framework that we would propose to issue as part of the issues paper, which, not surprisingly, is based on the State Government model, but which is adapted for the differences that present in the local government sector compared to the State Government sector.

The Hon. PETER PRIMROSE: What kind of information will you be maintaining about these committees? I am thinking about, will you be monitoring, in some way, their operation? Would you, at this stage, expect to be receiving statistics? I am wondering if you could also address the relationship you would see with the Auditor-General, in relation to the operation of these committees?

Mr HURST: Yes. We collect a lot of statistics on councils. I am sure councils have told you that and I am sure that we will be collecting statistics on the operation of audit risk and improvement committees as well. In terms of the relationship with the Auditor-General, without wanting to pre-empt the process that the Auditor-General follows, it is conventional, as I understand it, as part of the audit process for the audit office or any other auditor to review the internal controls of an agency as part of their initial evaluation and looking at the extent to which there is a functioning internal audit capability within the organisation, the matters that have been looked at by the organisation give some guidance to the person or the firm that is doing the audit about other areas that potentially they should target or whether, indeed, if there were systemic problems, about whether they should go back and look at that area. I think it is fair to say that most auditors use and in fact would expect there to be some form of internal audit that they could use to inform their independent audit investigations that they would undertake of a body and that in this case would include councils as well.

The Hon. PETER PRIMROSE: The Government took to the election an undertaking to take on responsibility for up to 15,000 kilometres of regional local roads, as you know, which are the responsibility of councils. What involvement, if any, have you had in the Office of Local Government in relation to working with other agencies to ensure that this election commitment is actually fulfilled, if any?

Mr HURST: We have had some discussions with the people in Transport for NSW who are looking at this area, but implementation is the responsibility for the regional transport and roads Minister and the Deputy Premier, as I understand it.

The Hon. PETER PRIMROSE: What particular areas would the Office of Local Government be focusing on in terms of those discussions?

Mr HURST: Our discussions were about the membership of the group which would be reviewing the proposals from councils.

The Hon. PETER PRIMROSE: Have you had any input from local government itself in relation to this?

Mr HURST: No, we did not seek input from councils themselves on those questions.

The Hon. PETER PRIMROSE: Will you seek their information and guidance?

Mr HURST: My understanding is that the team was also talking directly with councils about the proposal and they have designed a comprehensive program of engagement about implementation of the commitment. We were dealing quite narrowly with one aspect of the proposal where they sought our advice about individuals.

The Hon. PETER PRIMROSE: This may be a question for Mr Betts and Mr Hurst. Over the next two years are there any reviews being planned in relation to any of the Acts and regulations administered by the Minister for Local Government? You recall this morning I raised the issue of the Impounding Act and the Minister said she would consider that. Are there any planned reviews over the next two years?

Mr HURST: I am aware that a number of regulations come up for review under the Subordinate Legislation Act. In terms of their reviews of legislation itself, I think there have been discussions with Local Government NSW about the need for and the timing of a review of the Impounding Act. I am not sure that is at the level of the Minister committing to it at this stage. I do not know of any other legislation that at this stage it is proposed to go through a review process for.

The Hon. PETER PRIMROSE: I note for example the Local Government (General) Regulation 2005 is coming up on 1 September 2020. What process do you undertake when you do a review of an important regulation like that?

Mr HURST: There is guidance provided by Treasury on the process to follow when undertaking that statutory review of subordinate legislation. For such a significant regulation as the Local Government (General) Regulation—probably one of the biggest regulations on the statute book—it would be a significant and involved process and I would expect it to take more than a year to undertake to allow each aspect of it to be unpacked and consulted with the sector. My observation is that it may take longer than that deadline for that process to commence and also complete.

The Hon. PETER PRIMROSE: I am going to say it is longer than a year. It is due to expire on 1 September 2020. When do you expect that may kick off?

Mr HURST: I have to talk to the Minister about the timing of that. It is a very significant review of a piece of subordinate legislation.

The Hon. PETER PRIMROSE: Could I ask you to take that on notice?

Mr HURST: I am happy to take it on notice.

The Hon. PETER PRIMROSE: I am being asked about it so I think it is an important one.

Ms GIBBS: I have an answer to that question. In relation to Mr Shoebridge's good governance model of conceiving policy, consulting on policy, implementing policy and reporting on it, the Minister has asked the NSW Coastal Council, which is a body appointed to provide advice to her, to review the early implementation of the New South Wales coastal management framework. That includes looking at the legislation and, specifically, the aim of the task is to understand and assess how well the coastal management framework has been applied and implemented since it commenced on 3 April 2018 and make any recommendations for improvement. I cannot guarantee that will lead to legislative changes but at least we are looking at whether there are any issues with the legislation as it currently exists.

The Hon. PETER PRIMROSE: Is any other legislation being considered for review?

Ms GIBBS: The only legislation that relates to Minister Hancock's portfolio area that relates to my responsibilities is the Coastal Management Act 2016.

The Hon. PETER PRIMROSE: Thank you for that. I note that in the Local Government (General) Regulation it states that there is a number of other pieces of legislation that affect this that have not yet commenced—for example, the Water Industry Competition Amendment (Review) Act 2014 [WICAR].

The Hon. CATHERINE CUSACK: That is not local government.

The Hon. PETER PRIMROSE: It is the Local Government (General) Regulation that affects it. It is cited there. Have you any idea why, as it affects this regulation, it has not commenced?

Mr HURST: The WICAR Act is a responsibility of the Minister for water. It is probably a question for the Minister for water about the commencement of those uncommenced provisions.

Mr BETTS: As I said before, there are 67 Acts that impinge on local government but the great majority are not the responsibility of the local government Minister.

The Hon. PETER PRIMROSE: I am reading from the Local Government (General) Regulation 2005 and it specifically mentions these parts of the legislation. I would have assumed to ask the agency and the Minister, particularly given that you are about to undertake a review in less than a year which will presumably consider these matters. Are you are telling me that it is not relevant to local government?

Mr BETTS: It is relevant to the water Minister, who is giving evidence on Friday, I believe.

The Hon. PETER PRIMROSE: I fully understand that but I am suggesting that it is specifically referred to in the Local Government (General) Regulation as it affects local government. I presume the Local Government (General) Amendment (Elections) Regulation would be of relevance to local government, would it?

Mr HURST: Yes.

The Hon. PETER PRIMROSE: It is one of those also that is not mentioned. I will not pursue that because presumably some other agency has a greater interest in that than local government. I go then to the City of Sydney Act. Who in the department or cluster liaises with the appropriate staff in the office of the Minister for Transport and Roads and the Minister for Regional Transport and Roads in relation to the Central Sydney Traffic and Transport Committee?

Mr HURST: I am aware of the arrangements with the Central Sydney Traffic and Transport Committee. Transport for NSW supplies the New South Wales Government representatives onto the committee even though the establishment of the committee and its operation is within the City of Sydney local government area. As you pointed out, it is in the City of Sydney Act. It is analogous to the Central Sydney Planning Committee where obviously there are planning representatives of the New South Wales Government to participate in that committee, which draws its power through the City of Sydney Act.

The Hon. PETER PRIMROSE: Can you tell me how many meetings there have been since 30 March this year?

Mr HURST: Of the Central Sydney Traffic and Transport Committee or the Central Sydney Planning Committee?

The Hon. PETER PRIMROSE: The Central Sydney Traffic and Transport Committee.

Mr HURST: I am happy to take that on notice.

The Hon. PETER PRIMROSE: Can you also find out for me how many of these meetings have included a discussion of the light rail project?

Mr BETTS: We will take that on notice insofar as it is information that we are able to source but it does not sound like it sits within our portfolio. I think the relevant Minister gave evidence on Friday.

The Hon. PETER PRIMROSE: I am talking about the responsibility of the Minister for Local Government in the City of Sydney Act.

Mr HURST: Perhaps if I could answer it, I was previously involved in the establishment of the Central Sydney Traffic and Transport Committee and my understanding is that the minutes and papers for every meeting are published on the website of the City of Sydney. It is a committee of the council of the City of Sydney. The material that you seek should be available on that website. That is where we would go to find that information.

The Hon. PETER PRIMROSE: If it is not, I will come back and ask you. You agree this may be something that is of concern to local government?

Mr BETTS: We will certainly try to help you get that information, absolutely.

The Hon. PETER PRIMROSE: Let us go back to this: I note that the Minister for Local Government has joint responsibility for a number of pieces of legislation and I am not going to go through them all. But the Minister has joint responsibility with the Minister for Agriculture and Western New South Wales, the Attorney General and regional transport; how are the relationships for the administration of these Acts actually operationalised?

Mr HURST: As you pointed out, the Allocation of the Administration of Acts in some cases provides joint responsibility for an entire Act or in other cases for certain sections of the Act. The individual Ministers work together on areas of joint responsibility or exercise separately areas where they have individual responsibility. Without giving legal advice, my understanding is that references to the Minister in the legislation applies to the relevant Minister who has been allocated the Act in the Allocation of the Administration of Acts.

The Hon. PETER PRIMROSE: I understand; that is what I just said. For example, the Rock Fishing Safety Act 2016—jointly with the Minister for Police and Emergency Services. How do you operationalise who has responsibility for the relevant sections of each Act?

Mr HURST: I can be specific on that one. The rock fishing association has actually asked the Office of Local Government about how the different ministerial responsibilities are acquitted and we wrote back to them last week with some advice about how the two Ministers have chosen to work between themselves to jointly administer that legislation with the agencies that support each of them as a Ministers.

The Hon. PETER PRIMROSE: Would you be able to provide a copy of that letter?

Mr HURST: I can provide you with the same content as the letter.

The Hon. PETER PRIMROSE: That is fine; that is what I am seeking. Increasingly, various Ministers have responsibility for the same piece of legislation and I am trying to understand. Given that we also have clusters, it makes it difficult for us to try to ask questions in the appropriate estimates.

Mr HURST: Through the Chair, the Minister has asked me to clarify a previous question. It is about the member for Cootamundra and the Cootamundra-Gundagai matter. The Minister has asked if the Committee

would agree to have the letter tabled. It is the correspondence from the member for Cootamundra to the Minister for Local Government on this matter.

The Hon. PETER PRIMROSE: The letter that the Minister said she had not received?

Mr BETTS: Correct, which is why we are keen to clarify the situation as quickly as possible.

The Hon. PETER PRIMROSE: So has the Minister received it? I am happy to move that the letter be tabled because it was my question.

The CHAIR: Yes, I think members agree.

The Hon. PETER PRIMROSE: Again, I asked the Minister the question had she received correspondence.

The Hon. BEN FRANKLIN: She cannot be expected to know every letter that she got. She has obviously gone back and thought about it and found it.

The Hon. PETER PRIMROSE: I am sure she has gone back and thought about it, most deeply.

The Hon. BEN FRANKLIN: Which is utterly responsible of her.

The CHAIR: That has been tabled. We can continue with questions, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: We heard earlier, after a line of questioning from Mr David Shoebridge, that there is no actual mechanism for monitoring the effects of forced mergers on local councils. Could I just go to some of the more specific and concerning fallouts from those forced mergers. Do we have any statistics or data on the numbers of officers or staff made redundant as a result of the forced mergers?

Mr HURST: No. The Office of Local Government does not collect that information from councils.

The Hon. MARK BUTTIGIEG: Is the office aware of detail that local councils would be in possession of in respect to that sort of thing?

Mr HURST: It might be useful to talk about the legislative framework. The Local Government Act 1993 provides protection for roles in councils that are affected by our boundary proposal. Those protections apply for three years after the merger and limit—only to the circumstance of voluntary redundancy, I understand—people leaving the councils if they do not accept another role within the organisation. The Act provides that protection to employees and on the basis of those protections in the legislation I would be surprised if there was any council where there was a significant difference in staffing as a result.

The Hon. MARK BUTTIGIEG: Significant difference or no difference? Because if the Act is clear, from what you are telling me, there is a job guarantee proposition in the Act which says that you cannot make anyone forcibly redundant in a three-year period?

Mr HURST: Yes. Just to clarify, it is section 354B of the Local Government Act.

The Hon. MARK BUTTIGIEG: Do we know when that three-year period expires?

Mr HURST: It applies from when the proposal is first made to protect the staff, and section 354F clarifies that if a staff member is affected:

... other than a senior staff member, must not be terminated, without the staff member's agreement, within 3 years after the transfer day on the grounds of redundancy arising from the staff transfer.

That is the key provision and there is more information in the Act around some of those terms that are used.

The Hon. MARK BUTTIGIEG: Can you give us an example of how that would work in practice in terms of the trigger for the three years? I am not sure how that operates. If I am employee of council X, talk me through how that three-year period is triggered.

Mr HURST: Once again, without seeking to interpret the legislation for you, my understanding is that the protection begins with the beginning of the proposal period, which is when a proposal to alter the boundaries of the area is first made. The next key date is the transfer day, which is defined in the Act as:

... the day on which the staff concerned were transferred from the employment of one council to the employment of another council.

This could be through a boundary alteration or through a merger, for example. The legislation then says that other than senior staff members they must not be terminated without their agreement within three years after that transfer day on the grounds of redundancy arising from the staff transfer.

The Hon. MARK BUTTIGIEG: Based on that specification, do we know what the earliest trigger date would have been? In other words, presumably the first transfer that occurred under a merger?

Mr HURST: That would have been the date that the new councils were created, the earliest of which was May 2016.

The Hon. MARK BUTTIGIEG: Do we know if there has been any forced redundancies since May 2019, assuming that the Act was complied with for that three-year envelope prior to that?

Mr HURST: The office would not necessarily be aware if any council had applied redundancies at a merged council post-May 2019.

The Hon. MARK BUTTIGIEG: No, and there are no reporting requirements on those councils to the Office of Local Government?

Mr HURST: No.

The Hon. MARK BUTTIGIEG: Does the department have a feel for what is likely to occur over the next two years, given budgetary constraints and efficiency dividends and all the rest of it? Or is that something solely in the purview of each individual council?

Mr HURST: The Act also obliges councils to have a structure in place. For new councils that structure would have been put in place and it had to be reviewed by the incoming council after elections, when councils need to review the structure of the council. The positions are applied against the structure that the Act requires council to have in place for its council and administered by the general manager. I can only say that what happens to the staffing of a council is a matter for the general manager, within the priorities and budgets that are approved by the council by resolution.

The Hon. MARK BUTTIGIEG: In terms of that three-year envelope that we used as an example from the first transfer, even though the department is responsible for oversight and administration of the Act there was no actual mechanism to determine whether or not there were any forced redundancies in that three-year envelope?

Mr HURST: No formal mechanism. During this period the Office of Local Government participated in a group that was formed by the three unions that are represented in the local government sector and Local Government NSW, as the employer party to the award, so these are the four parties to the local government award. Through that process we were an observer to those meetings. I am sure if any of the parties around the table were aware of those employment provisions in the Act not being complied with by any of the councils they would have brought it to the attention of the other parties.

The Hon. MARK BUTTIGIEG: There is no feel for how much might have been paid to date on redundancy payments? Assuming that those unions have done their job—and I am sure they have because clearly the Office of Local Government does not have any hard-and-fast oversight of it—then would the office know of any redundancy payments that would have been made? Is there any mechanism for registering that sort of payout if it happens, if it would have happened since May?

Mr HURST: There is no requirement for that material to be lodged or the data to be collected by the Office of Local Government. I do know this is an issue that is of interest to the unions who are a party to the award and I would imagine that they are looking closely at matters at the councils that their members are employed at and through the participation in that group as an observer—as I mentioned the Office of Local Government is an observer—we may become aware of it through there but I am not aware of it having been raised as an issue at any of these councils to date.

The Hon. MARK BUTTIGIEG: Further to the previous questions by Mr Shoebridge and some by myself, do you think given the controversy surrounding mergers and the hypothecated savings that it was supposed to deliver that it might have been a good idea to have a reporting mechanism back to the central office, which is the OLG, to monitor those things?

Mr HURST: Staff of councils are not State government employees. Councils are independent bodies that are constituted by the Local Government Act. The council as a group, the governing body, employs the general manager and the general manager employs the staff. None of the employees of council are State government employees. They have their own industrial arrangements, their own award that is separate from the industrial arrangements that apply to State public servants. The framework that the Act provides is that these are the employees of council and that it is up to council and the Act equips councils, through their general manager, to ensure that the staff resources are provided that are appropriate to implementing the operational plan and the community strategic plan that the councils adopt.

The Hon. MARK BUTTIGIEG: But given the fact that those payments, if they were made or will be made, could have a material impact on service delivery and budgets and given that those mergers were in effect mandated by the State Government, the two are not necessarily easily divorced, are they, in terms of responsibility? You have an Act that constitutes those local councils which the department administers under the auspices of the Minister. Do you accept that there may be a view that that sort of oversight is necessary given the controversy?

Mr HURST: Where I was at with the previous answer is that the staffing is the responsibility of councils. I would imagine that councils would be reporting on figures for redundancies as part of their annual financial statements that the Local Government Act requires them to publish by the end of November each year and that the outcomes of that will be then publicly available to members of their community and also to the Office of Local Government to look at whether and how much any redundancy expense might be at any individual council. It is theirs to determine.

The Hon. MARK BUTTIGIEG: But does the department have a view on whether or not it intends to do a macro summary and collate all of those for public consumption or not?

Mr HURST: What we have done is provide a framework. The Local Government Act provides that framework for the material to be published so that communities can assess transparently what their council is spending on redundancies, if that is what they choose to spend their money on.

The Hon. MARK BUTTIGIEG: What about in terms of the non-labour aspect of the by-products of those mergers such as expenditure on information technology [IT], accounting or financial systems? Is there any reporting on that sort of thing? Presumably to merge an IT system or an accounting system there is money that needs to be spent on doing those sorts of things, perhaps consultants employed. There was no microanalysis of that sort of thing?

Mr HURST: Without going into the detail, it would be quite difficult to decide whether the updating of a finance system at a council happened as a result of a merger or whether indeed the finance system was simply at the end of its useful life and was due to be replaced. Councils make improvements to the finance systems; they fit out and move offices. They undertake all of these activities whether they are merged or not. I think part of that is the difficulty in understanding what happened as a result of the merger, what did the councils decide to do as a response to that and what was part of their normal business operations?

The Hon. MARK BUTTIGIEG: I understand the difficulty but we have a situation here where the average taxpayer looking at this process would want to know, after all that angst and controversy, whether or not there has actually been a dividend to the New South Wales taxpayer in the form of tangible efficiencies that come back to them in some form or another? Now if the microeconomic analysis or the cost-benefit analysis is not in place, the methodology to actually achieve that, it is a bit of a worry, wouldn't you concede?

Mr HURST: There is no dividend to the New South Wales Government or the New South Wales taxpayer.

The Hon. MARK BUTTIGIEG: So what was the point of merging councils?

Mr HURST: Councils are independent, self-governing bodies and any money that they realised as part of any saving that they might make in the day-to-day operations they invest in additional services and infrastructure to their communities. So the Government has no mechanism to extract money out of councils. We do not provide them with any untied grant funding. Councils, through their ability to rate and to charge fees and charges under the Local Government Act, through the processes under the Local Government Act of them setting a budget for the year, are actually the ones who are best placed to make the decisions about how they apply their resources most efficiently, where they realise savings to the extent that they want to do so and where they apply the benefits from those savings to improve outcomes. So I think any member of the community can talk to their local councillors or ask their council, if it is a merged council, what they have done since the merger and how they have applied any benefits. I know that some councils have been proactive in providing that information to their communities but it is a matter for each individual council. I think the issue here is that there was no return financially to the State from this process.

The Hon. MARK BUTTIGIEG: So the presumption was that at a local level a couple of things may happen in an ideal world: Your rates may not go up as fast as they otherwise would have, they may stay the same, they may go backwards and/or delivery of service improves. If I am a local resident in the Sutherland shire LGA, what you are telling me is I can go to Sutherland council and say, "Look, rates have gone up by 10 per cent. I want to know—". That is not a good example because they were not merged but if I am in an LGA that was merged I

want to know why my rates have gone up when you were telling me that this merger was going to provide a better outcome and they would be presumably able to say, "Well, your garbage collection has increased by once a week. We are providing better opportunities for you to take your waste to the tip" or whatever the benefit is. Is that the sort of—

Mr HURST: Those are both tangible benefits that I understand some councils have delivered out of this process.

The Hon. MARK BUTTIGIEG: Some?

Mr HURST: Any ratepayer can go to their council and ask their question and participate in the process of budget setting to understand how the council applies their money.

The Hon. MARK BUTTIGIEG: So if the department has not got the methodology in place, the macro oversight to determine whether it is happening across the board, you are saying that individual councils do have those methodologies to show residents what was achieved from the merger?

Mr HURST: They may be choosing to do so.

The Hon. MARK BUTTIGIEG: There is no requirement on them to do so?

Mr HURST: The requirement on them is through the integrated planning and reporting process to set a budget and to do so in consultation with the community. They do it based on longer term as well as shorter term objectives. The process that we have designed and implemented through the legislation provides the opportunity for the community to ask questions about priorities and how councils are applying their money to the things that the community needs and wants. That is the budget setting process for all councils, not just for new councils. That is how the system encourages ratepayers to participate in the process and influence the future direction of the council and the services and infrastructure they provide.

The Hon. MARK BUTTIGIEG: You can see how someone analysing on a probity, transparency perspective would look at this and say, "Hang on, we were told that this was going to deliver efficiency savings, X Y Z, a quantifiable model because of a merger", and then post the exercise what the Government is basically saying is, "Talk to your council and they will tell you it is okay or not". Is that the ultimate situation?

Mr HURST: It is the ultimate in transparency where elected councillors have a process—and the Act requires them. They are accountable to their community for the performance of the council.

The Hon. MARK BUTTIGIEG: Except that a lot of them were elected on the basis to stop forced mergers. A lot of it was out of their control. That is the issue.

Mr HURST: Irrespective of the platform that a councillor might have been elected on, once they become a councillor they are bound by the Local Government Act to act in the best interests of the community and to make the council successful. I would hope that before choosing to put themselves forward for election that every candidate was aware that they would then have an obligation to do their best to make that council work, to work to deliver for their local community.

The Hon. MARK BUTTIGIEG: My point is that a lot of those councillors' platforms were predicated on not merging because they knew it would be a disaster and now they are expected to clean up an outcome over which they had no control. That is the issue.

The CHAIR: Do you have a question?

The Hon. MARK BUTTIGIEG: I do. Let us move on. The New South Wales Environment Protection Authority website states that the waste levy "aims to reduce the amount of waste being landfilled and promote recycling and resource recovery". Is there a fair allocation of that waste levy going back to councils, given that primarily, as I understand it, they are charged with the education process around efficient waste measures?

Mr HURST: This is a matter for the Minister for the environment to administer the waste levy and the programs that provide those funds back to councils.

The Hon. MARK BUTTIGIEG: This is a levy levied on residents via their rates?

The Hon. CATHERINE CUSACK: For landfill.

Mr HURST: It is a levy that applies to anyone who landfills waste material.

The Hon. MARK BUTTIGIEG: Are you saying it is not a matter for this Minister or this department?

The Hon. CATHERINE CUSACK: Point of order: Will the member clarify which website he has taken this information from?

The CHAIR: It is not a point of order.

The Hon. CATHERINE CUSACK: He is quoting material and I can ask him to resource the material that he is quoting from.

The CHAIR: If the member would please ensure that his questions are generally relevant to the Local Government portfolio. The Hon. Catherine Cusack is not entitled to ask questions of other members in that way.

The Hon. CATHERINE CUSACK: I am entitled to ask for the reference that they are making.

The Hon. MARK BUTTIGIEG: It is the Environment Protection Authority website.

The Hon. BEN FRANKLIN: Under the responsibility of the Minister for Energy and Environment, which you can ask in 1½ weeks.

The Hon. MARK BUTTIGIEG: These clusters—

The Hon. CATHERINE CUSACK: All you have to do is focus on the Minister for Local Government.

The CHAIR: Order! I know it is getting late. Government members might be frustrated that we are still sitting. Opposition benches and members of the crossbench have the right to continue to ask questions.

The Hon. CATHERINE CUSACK: About Local Government.

The CHAIR: Which is what I have said. If you will let us continue.

The Hon. MARK BUTTIGIEG: Can you tell us what the rural area levy rate was in 2010-11?

Mr HURST: I do not know off the top of my head but it is a matter for the Minister for the environment.

The Hon. MARK BUTTIGIEG: Are you aware that it has increased—it has quadrupled actually—from 2010-11 to 2018-19?

Mr HURST: I was not personally aware of that but, nevertheless, it is a matter for the Minister for the environment about the change in the rate.

The Hon. MARK BUTTIGIEG: My question is, do you think that a ratepayer in New South Wales would think that was fair in rural New South Wales?

The CHAIR: I ask the member to make sure that his questions are directed in relation to the Local Government portfolio. The witness has said several times that it is not within his purview.

The Hon. MARK BUTTIGIEG: I will move to questions regarding outsourcing. Were you aware that in 2017-18 the Government plaid \$2.85 million to the Victorian Department of Economic Development, Jobs, Transport and Resources to deliver a responsible pet ownership education program in New South Wales?

Mr HURST: Yes, that is correct. It is a fantastic program—

The Hon. MARK BUTTIGIEG: I am sure it is—

Mr HURST: —that delivers a range of practical programs to target groups, to school groups, to children of preschool age and to parents who are expecting a baby about what to expect and how to deal with pets and companion animals.

The Hon. SHAYNE MALLARD: Sounds good.

The Hon. MARK BUTTIGIEG: Do you think that is an appropriate use of resources in terms of giving another State that sort of income as opposed to sourcing it locally and providing local jobs? There was no capacity to provide that in New South Wales?

Mr HURST: Actually we did undertake a tender for the services when they came up and other providers were able to compete through that process but the structure of the operation is that the intellectual property and the administration is run, as you mentioned, by the Victorian department. But the people who actually provide the services on the ground are based in New South Wales and they use companion animals that relied in New South Wales to provide the program.

The Hon. MARK BUTTIGIEG: Are you saying that a lot of the \$2.85 million would have gone to local labour but there was a component of administration and management that was done by the Victorian office, is that right?

Mr HURST: Yes, I would expect that to be the case.

The Hon. MARK BUTTIGIEG: Are there any other similar initiatives that are being outsourced to other State governments?

Mr HURST: That is the only one that I am aware of with the Office of Local Government. That is the biggest contract as the Office of Local Government that we let. It is a very important program and is central to implementing the Government's responsible pet ownership agenda.

The Hon. MARK BUTTIGIEG: In the current period there is no similar interstate outsourcing?

Mr HURST: Nothing of that magnitude, no.

The Hon. MARK BUTTIGIEG: I will just move on to glyphosate weedkillers which has been quite a concerning development whereby weedkillers, commonly known as Roundup, have been linked to cancer. There has been a court case in the United States of America recently which has awarded compensation to victims. We have had workers out of Blacktown Council going on strike on the matter and I understand some councils have voluntarily decided to switch from that product to other products. Does the department have a view on this? It seems to be quite a substantial problem and something I would have thought the Government would have had an overall approach to rather than leaving it up to individual councils?

Mr HURST: The answer is it is up to individual councils. The State Government does not impose any restrictions on the sale of the product so it is up to individual councils to decide whether or how to use it in their individual circumstances but I would hope that they consulted with their employees as part of each individual council's decisions about whether or not to use different, alternative approaches to weeds management.

The Hon. MARK BUTTIGIEG: Has the Government contemplated some sort of restriction on the use of that product, given the overall effect it has across the State?

Mr HURST: My understanding is that its use is regulated by the Australian Pesticides and Veterinary Medicines Authority, which is a Federal agency and whose guidance to people throughout Australia is that the product is safe for use if used in accordance with the label.

The Hon. MARK BUTTIGIEG: Can I put to you that the Victorian Government, as is often the case with these things, has taken a more proactive approach and launched a review of products containing glyphosate, which is, as I said, the key ingredient in Roundup? Apparently, this Government's position is to closely monitor it. Do think that is adequate, given the responses elsewhere?

Mr HURST: I think—

The Hon. CATHERINE CUSACK: Point of order: Mr Buttigieg has invited the Chief Scientist to multiple hearings, as we know—

The Hon. MARK BUTTIGIEG: Roundup is being used by local government.

The Hon. CATHERINE CUSACK: —and the Chief Scientist, as a result, is going to be appearing here twice, plus the environment Minister, who administers the EPA, so the questions can be great questions but they just need to be directed correctly to the people who can answer them.

The CHAIR: What is the point of order?

The Hon. CATHERINE CUSACK: It is that the regulation of pesticides and poisons is being undertaken by the Chief Scientist and by the EPA; it is not a local government—

The CHAIR: If the witness is unable to answer the question and wants to suggest that it is not within his purview, he is more than welcome to do so in response to Mr Buttigieg's question.

Mr HURST: There are other New South Wales agencies who have a role, including the EPA, as has been mentioned, in terms of its use in the community, and also SafeWork NSW in terms of councils' obligation as employers to their staff. There are other agencies that, if that was the direction, would be pursuing it.

The Hon. MARK BUTTIGIEG: I do find it somewhat concerning that you have people exposed to potentially life-threatening chemicals and we have government agencies passing responsibility on.

Mr HURST: To the agency best placed to manage it.

The Hon. MARK BUTTIGIEG: What these people need is action. In terms of the existential crisis that the building industry is in at the moment, not solely but partly due to the hands-off approach to the regulatory environment, particularly regarding the conflict of interest inherent in private certification, can you tell me whether or not the department has a position on that in the context of how it relates to local government and their responsibility for development applications and the fallout from what has been happening with the building industry?

Mr HURST: Councils' responsibilities for DAs come from the Environmental Planning and Assessment Act, which is the responsibility of the Minister for Planning and Public Spaces. More broadly, the questions of building standards now are led by the Department of Customer Service rather than our department.

The Hon. MARK BUTTIGIEG: My understanding is that these private certifiers used to be employed by council, which took out the inherent conflict of interest that occurs now in the industry whereby certifiers are paid by the very people who have an interest in the building being erected at any cost. Does the department have no view and no positions on that?

Mr HURST: The department is not the lead agency for those considerations.

The Hon. PETER PRIMROSE: I was pleased to move that we table the letter received from the Minister this afternoon from Steph Cooke, the member for Cootamundra, dated 23 July 2019. The letter says:

The Cootamundra Gundagai Regional Council tell me they are facing a deficit of \$30 million over the next ten years...

Mr Hurst, is that correct?

Mr HURST: I would not necessarily be aware of what operational performance the council was planning over such an extended period but councils do run deficits in their operating budget from time to time, particularly during periods of heavy investment in capital until rates or fees can catch up with the investment. I can only defer back to the question that, really, each council is responsible for setting its future operational budget in consultation with the community and in accordance with its long-term priorities established in the community's strategic plan.

The Hon. PETER PRIMROSE: I find that interesting because you also indicated that one of the reasons for the Government choosing to forcibly merge councils rather than allow them to continue on was because of its concerns about their ongoing operational and presumably capital over-expenditures, under-expenditures, whatever—their finances. Now you are saying that the central government really has no role in monitoring that. Is that the case?

Mr HURST: We do monitor the financial performance of councils but the other element to the equation is that the council may well be taking on a very ambitious program of operational improvements and infrastructure investment. I do not know whether the change in their operating performance comes from the revenue side or the expenses side. This is a question of detail but ultimately one for the council to manage.

The Hon. PETER PRIMROSE: Given the fact that it was a decision by the Government to forcibly merge the councils, it is the mayor and the general manager who are raising their concerns with the local member who has raised it with the Minister. I will not ask you to tell me what the Minister will say because that would be inappropriate, but it does imply that the State has some role, including to the council, in seeking to provide assistance to the council.

Mr HURST: It may well be that that is what they have decided to talk to the Minister about. The Office of Local Government can assist the council in practical ways that it can balance its budget or bring out a longer-term alignment of its revenues and its operating and investing amounts so that it can, in the long term, balance its budget. We can assist it with that task.

The Hon. PETER PRIMROSE: Have you offered to provide that assistance to Cootamundra Gundagai council?

Mr HURST: We have been in discussions with Cootamundra Gundagai council about its budget; we are in discussions with a lot of councils about their budgets.

The Hon. PETER PRIMROSE: Are you providing that assistance to Cootamundra Gundagai council?

Mr HURST: I have already agreed to take on notice a list of our council visits to Cootamundra Gundagai council. I can endeavour to find out if financial performance came up as an issue at those meetings, if we have a record of that.

The Hon. PETER PRIMROSE: Another point that is mentioned in Ms Cooke's letter to the Minister was concerning the absence of the KPMG report. The letter says:

... I believe an individual review would help the Government, and myself as Member for Cootamundra, to demonstrate and substantiate this position.

Clearly it is a matter for the Minister to decide whether there is a review or not and I will not ask you for that advice. But let us get this clear because there was some concern this morning about the KPMG report: The KPMG report was used by Premier Baird to make his decisions, which many of us sought copies of. We—myself, Save Our Councils Coalition and others—went to NCAT. Is that report now publicly available?

Mr HURST: The Minister gave the answer this morning about the status of the release of the report.

The Hon. PETER PRIMROSE: Can you remind me what that is?

Mr HURST: I think the Minister said that it had been released as appropriate, I think she said.

The Hon. PETER PRIMROSE: That is not an answer to a question. Maybe Mr Betts then—

Mr BETTS: Is your question a factual question about what has been disclosed?

The Hon. PETER PRIMROSE: Yes.

Mr BETTS: So we can take that on notice and point you to the relevant documentation. As you say, it has been through NCAT.

Mr HURST: We did take it on notice.

Mr BETTS: We did?

Mr HURST: Yes.

Mr BETTS: Great. We will take it on notice again.

The Hon. PETER PRIMROSE: I would have thought you would have known.

Mr BETTS: Presumably, if it had gone through the NCAT process following a GIPAA request, then NCAT has applied the law rigorously and what is disclosed is disclosed and what is not is not.

The Hon. PETER PRIMROSE: Following a closed meeting with a number of government barristers, the NCAT declined to make that report available. This morning this Committee was advised by the Minister that the report had been made available. Now I see a letter. That is something that I was unaware of, the councils coalition and Local Government NSW, when I spoke to people there earlier today, is also unaware of it. I note the letter from Ms Steph Cooke, tabled by the Minister, indicates she is also unaware of it being made available. If it is available, no-one is aware of it. Please, by all means, take it on notice because I seriously would have thought that senior departmental heads would have known if such a contentious document was actually available to the public.

Mr BETTS: As I think we indicated this morning, it may be that parts of the document or ancillary documents have been made public.

The Hon. PETER PRIMROSE: Ancillary documents have. They were made available by Minister Baird but not the full report.

Mr BETTS: The process of taking it on notice will clarify exactly what is in the public domain and what is not so you do not miss anything.

The Hon. PETER PRIMROSE: I know full well what is in the public domain.

The CHAIR: Order! The witness has said that he will take it on notice.

The Hon. PETER PRIMROSE: He has answered a question I am continuing to pursue, Madam Chair. I know full well what is in the public domain. I am simply asking again for you to clarify, please, not simply the KPMG report—it is the making it clear, it is part of the full-form KPMG report that a number of agencies and others, including myself, have sought to be released by the agency, by Premier and Cabinet and through the NCAT process. Thank you.

I understand there are about 14,000 dog-bite victims in hospitals throughout Australia every year. I am advised about four people are hospitalised per day throughout Australia as a consequence of dog bite. Do you agree that existing dog-control measures are not sufficient?

Mr HURST: The data that you provide is collected to inform the process of setting government policy and assisting councils to understand the prevalence of dog attacks within the community. There is actually an obligation in the Companion Animals Act for councils to report any incidents of dog attacks. What constitutes a dog attack is defined in the Companion Animals legislation, and the data received from councils we publish on a quarterly basis to provide transparency about councils' performance and performance of the Government's policies in the community.

Dog attack numbers continue to decline. I think an examination of the data shows that over the last few years, while this data has been published, that dog attack numbers have been consistently reducing. Part of this is going to be the efforts that councils and also the New South Wales Government have taken to implement the policies and strategies that reduce the risks to individuals and also the prevalence of dangerous or menacing dogs within the community through the recently strengthened prohibitions and the measures in the legislation.

For example, owners of dangerous dogs or dogs declared dangerous have certain requirements in terms of the facilities they are required to keep the animal in. They are required to have an identifying collar on when they are outside the enclosure. These are features of the legislation which are designed to potentially minimise the potential impact of that animal on members of the community if it has been declared dangerous in the past.

The CHAIR: Thank you, Mr Hurst. I thank our witnesses.

(The witnesses withdrew)

The Committee proceeded to deliberate.

Mr HURST: It is unbudgeted in the sense that the money rests with the Companion Animals Fund. This is the proceeds from the State's contribution from annual registration fees and those funds were applied for the work on the register during the year.

The CHAIR: Mr Buttigieg.

The Hon. MARK BUTTIGIEG: Thank you, Chair. In regards to the draft Independent Pricing and Regulatory Tribunal report that was released earlier in the year and the final one which the Minister informed us this morning was received on Friday, do any of you have a view about the likely outcomes of that report in the context of the draft report's findings? We were told this morning by the Minister that there is likely to be similar outcomes, the implications being that significant cost shifting will occur on to local councils to foot those election bills. Do any of you have a view on that?

Mr BETTS: I do not think we have got anything to add to the remarks that the Minister made this morning, unless you disagree, Mr Hurst?

Mr HURST: I do not think that that was quite what the Minister said about the draft report. That is not what I recall her saying.

The Hon. MARK BUTTIGIEG: What she said was that she did not want to comment on it because the report was in draft and she had not had the time to read the final report but what she did say was that the recommendations of the draft report were likely to be similar to the final report so we have got a situation where senior bureaucrats and the Minister do not have a view on either the draft or the final report in respect of likely cost burden regarding the conduct of local government elections, is that what we are saying?

Mr BETTS: Recognising the report came in on Friday and, as the Minister explained this morning, we have not had an opportunity to read it as carefully as we would want to before giving evidence to a parliamentary committee.

The Hon. MARK BUTTIGIEG: Sure, so just to clarify: Do you concur with the Minister that there is likely to be similar recommendations in the final report with the draft report?

Mr BETTS: As Mr Hurst indicates, I do not recall that that is exactly what the Minister said this morning.

The Hon. BEN FRANKLIN: It isn't.

Mr BETTS: But we do stand by what the Minister said.

The Hon. MARK BUTTIGIEG: In that respect then if the recommendations of the draft report were to be reflected in the final report, which basically what IPART is saying is that local government, in other words councils, should bear a much higher cost for conducting local government elections—if that were to be the outcome, do you have a view on it, whether or not that is fair or whether or not local councils are likely to be able to bear that cost?

Mr BETTS: So you are asking me to speculate on the Government's response to a speculation about what is in the report?

The Hon. MARK BUTTIGIEG: No, what I am asking you to do is form a view on a draft recommendation?

Mr BETTS: Sorry, that is not the way we do business.

The Hon. MARK BUTTIGIEG: Again, let me just put this on the record: So senior bureaucrats and the Minister do not have a position on either the recommendations of a draft report and the likely recommendations of a final report with regards to a significant cost shift that is about to occur?

The Hon. BEN FRANKLIN: That is patently not what they are saying. What they are obviously saying, Mr Buttigieg, is that they will respond to that, the Government will respond—

The CHAIR: Order! If one member could ask the questions. Is it a point of order?

The Hon. BEN FRANKLIN: My apologies. This is a point of order. The point of order is that the secretary has answered this question four times already and made it very clear. I ask that the member move on to the next question. He can happily waste everybody's time but it is just insane.

The Hon. MARK BUTTIGIEG: I am happy for the honourable member to get furious about a line of questioning—

The Hon. SHAYNE MALLARD: That's not fury.

The Hon. CATHERINE CUSACK: Madam Chair, is it a line of questioning? He is just giving an incorrect restatement of the Minister one after another.

The Hon. PETER PRIMROSE: How is this a point of order?

The CHAIR: If we could hear one member at a time, please, Ms Cusack.

The Hon. CATHERINE CUSACK: It is not a question. They are entitled to be asked proper questions in budget estimates. But to sit there restating incorrectly what he claims the Minister said is not a genuine question. This time ought to be used to extract information.

The CHAIR: Order! Thank you. What I heard was that you were asking a question but you were asking Mr Betts his view or opinion but it is not necessarily his view or opinion that we should be asking him. If you could continue, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: I think I have heard enough, that is, that the Government does not have a position. So let us move on.

The Hon. CATHERINE CUSACK: It is an opportunity to get information.

The CHAIR: Order!

The Hon. CATHERINE CUSACK: We are all here for that purpose.

The Hon. MARK BUTTIGIEG: Precisely but there is no information forthcoming.

The Hon. CATHERINE CUSACK: You are wasting everybody's time. It is nonsense.

The CHAIR: Order!

The Hon. PETER PRIMROSE: If you don't want to be here, leave.

The CHAIR: Could all members please refrain from interjecting across the table and could we just hear from one member at a time. It is Mr Buttigieg's time to ask questions. Proceed.

The Hon. MARK BUTTIGIEG: Mr Betts, could you define what your position is and what it entails exactly?

Mr BETTS: In relation to the matter we have just been discussing? Well, a draft IPART report came out a few months ago. The "I" in IPART stands for "independent". The Government decided—

The Hon. MARK BUTTIGIEG: I am sorry, Mr Betts, just your actual role in the department?

The Hon. PETER PRIMROSE: This is not about IPART.

The Hon. MARK BUTTIGIEG: What you do in your role?

Mr BETTS: Oh, just generally?

The Hon. MARK BUTTIGIEG: Just generally, yes, your responsibility?

Mr BETTS: Okay, thank you.

The Hon. MARK BUTTIGIEG: We are off the IPART train.

The Hon. CATHERINE CUSACK: They have invited you here, they do not know why. They are hoping you can help them.

The CHAIR: Order! If Mr Betts could answer the question, please?

Mr BETTS: Obviously within the conventions of the Westminster system of government I am part of the Executive of the New South Wales Government. I head up a department with 11,400 employees ranging across a whole series of divisions, agencies and other administrative structures. I am appointed by the Premier. My contract is with the Premier. I work closely with the six cluster Ministers, the Ministers within our cluster, which is the terminology we use to describe the Department of Planning, Industry and Environment and its various satellite agencies. I am the employer of those 11,400 staff. My activities range from overseeing the operations of the department in a financial sense, in a personnel sense, in an administrative sense, ensuring that appropriate governance and risk management frameworks are in place, providing policy advice to government and administering a range of different legislative functions and financial functions.

The Hon. MARK BUTTIGIEG: So the Office of Local Government, which was raised in this morning's questioning, is that a direct reporting line to you?

Mr BETTS: No, the Office of Local Government, which is headed up by Mr Hurst, reports to the Deputy Secretary responsible for Planning and Assessment, Marcus Ray, who in turn reports to me.

The Hon. MARK BUTTIGIEG: Are you able to tell us how many people precisely are employed in the Office of Local Government at the moment?

Mr BETTS: Yes, we can source that figure for you. I think we did this morning. From memory it is on a full-time equivalent basis about 67, but I would not want to misquote that figure. We have it to hand—68.

The Hon. PETER PRIMROSE: So 68?

The Hon. MARK BUTTIGIEG: You did specify that this morning.

Mr BETTS: It was 67.97 in 2018-19.

The Hon. MARK BUTTIGIEG: Are you able to specify the suite of roles and positions that are entailed in general terms?

Mr BETTS: Yes, we could do that by level of seniority or I could ask Mr Hurst maybe to give you a bit of mud map of who is doing what within that headcount.

The Hon. MARK BUTTIGIEG: That would be good.

Mr HURST: Sure. Within the 57.17 ongoing employees, of those roles six are part of the Senior Executive cohort. We have one legal officer grade 5, two legal officers grade 3s, seven clerks grade 11/12, 19.6 equivalent full-time [EFT] at the clerk grade 9/10 level, 10.36 EFT at clerk grade 7/8 level, 6.81 EFT at the clerk grade 5/6 level, three EFT at clerk grade 3/4 level and 1.6 EFT at the clerk grade 1/2 level. Within the 10.8 EFT of temporary employees, we have 1.6 EFT at the clerk grade 11/12 level, four EFT at the clerk grade 9/10 level, four EFT at the clerk grade 7/8 level, one EFT at the clerk grade 3/4 level, for a total of 10.6 EFT.

The Hon. MARK BUTTIGIEG: Was that the configuration 12 months ago, for example, or has something changed between then and now in terms of those positions?

Mr HURST: Yes. Would you like me to read the structure that was in place in 2017-18?

The Hon. MARK BUTTIGIEG: I am interested in the quantum. We had the same amount of activities 12 months ago, did we?

Mr HURST: No, we did not.

The Hon. MARK BUTTIGIEG: Has there been a reduction?

Mr HURST: Yes.

The Hon. MARK BUTTIGIEG: Will you specify what the reduction has been?

Mr HURST: The equivalent figures for 2017-18 were 60.12 EFT for ongoing roles and 13.20 EFT for temporary roles, for a total of 73.32 EFT. Without going through each individual level, broadly speaking the difference would be from one temporary role at the Senior Executive band, two temporary roles at the clerk grade 7/8 level, 2.7 EFT of temporary roles at the clerk grade 5/6 level, one EFT at the clerk grade 3/4 level, one EFT at the clerk grade 1/2 level. That is the broad characterisation of the differences between the two years.

The Hon. MARK BUTTIGIEG: We have had an effective reduction of some roughly six EFTs in that 12-month period?

Mr HURST: It would be 5.3 EFTs.

The Hon. MARK BUTTIGIEG: What was the rationale behind those EFTs over that 12-month period?

Mr HURST: All of those roles were temporary roles. These were positions that were funded as part of the local government reform process during the Fit for the Future work. Obviously the Fit for the Future process is completed and the reform funding has now been released. So the temporary roles that we engaged as part of that process are no longer required to meet the business-as-usual functions for the office.

The Hon. MARK BUTTIGIEG: This morning the Minister was quite clear that she foresaw no reduction going forward. Do you concur with that undertaking?

Mr BETTS: Yes.

The Hon. MARK BUTTIGIEG: Are you able to deliver that? There are no overriding parameters regarding Fit for the Future and all the rest of it that have to be met in the next 12 or 24 months?

Mr BETTS: No, the overriding consideration is the commitment of the Premier about protecting regional jobs, about which you heard from the Minister this morning. And with the great majority of staff in the Office of Local Government located in Nowra which is a regional area and only a handful of important support staff located in Sydney, we see no scope for any material alteration in those numbers.

The Hon. MARK BUTTIGIEG: I want to touch on what seems to have been a fairly significant change in reform. As I understand it the Office of Local Government—and this was the confusion this morning of the obfuscation surrounding the so-called abolition of the Office of Local Government although it is still constantly referred to—is now being subsumed into the broader departmental reporting. It twins with planning, environment, local government. There is a view in the community that in those two competing roles there is an inherent conflict. In other words to have a reporting line whereby people looking at things from a planning perspective and then local government also reporting there could be a conflict because of competing objectives. Will you provide your view on that? Do you think that is a problem?

Mr BETTS: Yes, certainly. I do not believe that that is a problem at the moment. The Office of Local Government has sat within the planning cluster for a long period of time. It is worth being very clear about what the functions of the Office of Local Government are. They are not to usurp the functions which are performed by 27 agencies across government in relation to 67 different Acts where local government has a role but rather the focus that Mr Hurst has in his organisation is on capability, good governance, financial viability and structure with local government not to intrude into other very discrete areas like the operation of the statutory planning system. I will ask Mr Hurst to amplify it.

Mr HURST: I can confirm that the roles and functions, as the Minister said before, are unchanged and that includes the roles that were outlined by the Minister ranging from assisting councils with governance advice through to the investigations functions, the management of the companion animals system framework—all of these functions remain the same before 30 June and after 30 June.

The Hon. MARK BUTTIGIEG: The view that local councils via the Office of Local Government should have a degree of autonomy which have been vested under the previous reporting structure, there is no issue there whatsoever by the structural changes that are happening?

Mr BETTS: Correct.

Mr HURST: In fact, that is not what we are hearing. We have a council engagement team. They spend their time out in metropolitan and regional New South Wales engaging with councils. They are working very hard to ensure that councils continue to see the role of the Office of Local Government is not changing through this process and in fact assisting them to understand how we can help them engage more broadly with government but also specifically in how they undertake their functions as a council.

The Hon. MARK BUTTIGIEG: Mr Betts, has the Minister since taking on her role been in regular contact with you?

Mr BETTS: Yes. I am in regular contact with all the Ministers in the cluster.

The Hon. MARK BUTTIGIEG: How often does she contact you or do you have conversations with her about her portfolio?

Mr BETTS: Without going into too much detail about the administrative functions of the department, we have a meeting of all the Ministers in the cluster which takes place at least once a fortnight. I would expect to liaise either with the Minister or her office in between those meetings. Most of the business, it is fair to say, of the department is transacted through Mr Hurst, as is entirely appropriate in his role as head of the Office of Local Government. I see Minister Hancock on a weekly or fortnightly basis.

The Hon. MARK BUTTIGIEG: To date there has been no conflict of opinion in terms of what her outcomes or advice might have been in respect to policy? Has everything been cordial and on track and in agreement?

Mr BETTS: There are always policy discussions that go on within government and I am not at liberty to talk about all the conversations I have with any Minister about policy options. But, no, it is a strong working relationship—no major points of contention or difference. There is strong alignment but from time to time with

any Minister it is the responsibility of the Secretary to give frank and fearless advice which may be advice that Ministers do not always want to hear. But I have to say Minister Hancock is a very good Minister to work with and is very receptive to advice from the public service.

The Hon. SHAYNE MALLARD: Hear, hear!

The Hon. PETER PRIMROSE: I refer to State outcomes. Obviously as we have been discussing and the Minister discussed earlier today, the Office of Local Government has been, if you like, de-siloed into the department. What are the State outcomes that apply specifically to local government in Minister Hancock's area of administration?

Mr BETTS: I might ask Mr Hurst to lead that discussion.

Mr HURST: Of the Premier's Priorities there are none which the Office of Local Government is solely responsible for delivery. We are a small agency, as you can understand, but we do contribute from time to time, both in the development of policy about the other priorities of the Premier and other State priorities. But as I mentioned, there are none of them that are solely the responsibility of the Office of Local Government to deliver.

Mr BETTS: In terms of Premier's Priorities, planting one million trees in Sydney by 2022, I think, is clearly a target that can be met only with strong collaboration between State government and local government. As you heard from the Minister this morning, we try to have a very respectful relationship with local government and to join them as equal partners in attempting to achieve our objectives.

The Hon. MARK PEARSON: New South Wales pound statistics collected for the period 2013 to 2014 show that council pounds rehomed 5,549 cats and dogs but killed 14,641 animals—a vast majority being completely healthy animals. Animal advocates complain that many councils either fail to lodge or are late in lodging their kill statistics—otherwise called "euthanasia statistics", incorrectly. Can you advise to the Minister how many dogs and cats have been killed in council pounds or shelters, including euthanasia undertaken by your organisations contracted by local councils to provide animal accommodation services for abandoned or seized animals? Can you provide those statistics for each year since 2014? You can take that on notice if it is preferable.

Mr BETTS: We will take it on notice unless Mr Hurst has it at his fingertips.

Mr HURST: I would point out that we do collect the data that you refer to. Part of the—

The Hon. MARK PEARSON: I am just wondering why it is not been published since 2014.

Mr HURST: The data is part of ensuring that we support councils in reducing euthanasia rates. The Responsible Pet Ownership Program and the introduction of the Pet Registry are also features that we are relying on to drive down euthanasia rates at the pounds. If pet owners keep their details updated on the Pet Registry, it makes it easier to reunite them with their lost pets. The data that we have published shows that there is a marked reduction in euthanasia rates. I am happy to take on notice about the publication of the later data, if we have it available.

The Hon. MARK PEARSON: How much is the grant that has been given to the RSPCA to expand their shelter at Yagoona?

Mr HURST: I understand that the total amount is \$12 million over two financial years, with the funds to be provided through the budget of the Office of Local Government.

The Hon. MARK PEARSON: What will the funds be used for mainly in the expansion of that shelter? Are you aware or would you need to take that on notice?

Mr HURST: I understand it is for a contribution towards the capital costs of upgrading the facility. It is to be matched with funding that the RSPCA has on its own. But as for the specific purpose that they are putting it to, I will have to take that on notice.

The Hon. MARK PEARSON: Mr Hay, you are responsible specifically in your portfolio for the aspects of climate change and sustainability. How long have you had that position?

Mr HAY: Since the start of Department of Planning, Industry and Environment eight weeks ago.

The Hon. MARK PEARSON: For eight weeks only. Have you been given a directive or is part of your directive or job description different to the person who held the role before, considering the concerns about climate change and sustainability that have arisen over the past decade?

Mr HAY: There was no direct parallel to this role prior to my start. Maybe the secretary may wish to talk about the establishment of the role.

The Hon. MARK PEARSON: The description of your job is a new role, is it?

Mr BETTS: It is a new role and it is an important signal from the Government, which is also reflected in the portfolios allocated to Minister Kean around Energy and Environment. The New South Wales Government take seriously the need for a unified approach to carbon and energy policy. Some would argue that it is overdue but it is a welcome development nonetheless, and that finds its expression within the public service structure through the new position that has been created for Mr Hay.

The Hon. MARK PEARSON: Has there been a stronger interest from the department in any development applications [DAs] across New South Wales which in any way might impinge or have an influence potentially on climate change? Is that part of the reasoning for that?

Mr BETTS: It is more general than the statutory planning system; it is a desire to ensure that the decisions that we take about the transition of our energy sector in the context of moving towards net zero carbon emissions by 2050 is recognised but that also has implications absolutely for the statutory planning system. The policy work that Mr Hay is working on will be available to be taken into account when decisions are taken on major planning applications.

The Hon. MARK PEARSON: Are you aware of any concerns by the community, particularly in relation to development applications for intensive farms or factory farms? Over the past, say, decade or so has there been an increase in concern about any development application relating to proposals to build intensive farms? By intensive farms, I mean layer hen facilities, piggeries or broiler meat chicken or turkey meat facilities?

Mr BETTS: I am just a bit conscious that we are getting out of the policy zone of Local Government here in asking these questions but I do not know if Mr Hay has more information on that.

The Hon. MARK PEARSON: It does tie in with the climate change and environmental concerns.

Mr HAY: Yes, for the environment Minister rather than the Minister for Local Government.

Mr BETTS: That would be the appropriate forum in which to ask these questions, or perhaps to the planning Minister.

The Hon. SHAYNE MALLARD: Both of those are next week.

The CHAIR: They are next week. I have one question. What is the plan exactly for partnering with Local Government and councils to ensure that one million trees are planted by 2020?

Mr BETTS: The Premier has only recently announced that priority. That has been a longstanding or much more longstanding objective to plant five million trees in a longer time frame. We are at the very early stages of mapping out exactly what the game plan will be for planting those trees. We are keen to work with local government. We are currently designing the systems by which we and they can measure planting rates, which also need to be seen in the context of clearing rates because we want to see a net increase in tree canopy. That is the ultimate objective of what we are attempting to achieve. We have some baseline data which has been produced by the Greater Sydney Commission but the exact way in which we work with local government is something that we want to liaise with them about and we are at a very early stage of doing that right now. Again, these are good questions to ask the environment Minister.

The CHAIR: Yes, but in relation to local council partnering—

Mr BETTS: As I say, very—

The CHAIR: It has not been worked out yet?

Mr BETTS: It has not been worked out yet but clearly councils have very significant responsibilities as stewards of public open land. They have responsibilities as stewards of parks, just as many agencies across government who have landholdings which could be very prospective for the planting of additional trees. It will be a collective effort within the State Government and different teams of government, including Local Government.

The CHAIR: Is there more money that is coming to councils to be a part of that?

Mr BETTS: Certainly some money is available within the State Government. I will have to take on notice the extent to which that money will be available to councils.

The Hon. PETER PRIMROSE: Mr Hurst, I go back to our earlier discussion about staffing in the Office of Local Government as it now exists. You mentioned you might be able to provide—please take it on notice—an organisational chart. Can you take that on notice, unless you have something that you can table?

Mr HURST: I think I read out the staffing structure of the organisation. I am happy to provide that staff-by-classification number on notice if that would assist.

The Hon. PETER PRIMROSE: Yes, please. That would be useful and it may save us having to continually ask for that. I have got the organisational charts for the agency and also for the senior executive team. It would be useful to have it so that I can put the three together for the office. I will go back to the State outcomes. Mr Betts, you indicated there were no specific State outcomes per se with the Office of Local Government. I would be grateful if you could indicate what measures the Office of Local Government is using to determine its success or otherwise in meeting its part in delivering what State outcomes it is privy to.

Mr BETTS: Yes. I will start with a general comment about the whole of the department, which is that we are moving in the coming months towards the establishment of the first all-encompassing business plan for the Department of Planning, Industry and Environment that will identify all the key outcomes which now form the basis and structure for our budget and populate each of those with performance indicators for the agency as a whole. Within that, there may well be indicators that relate specifically to the performance and outputs of the Office of Local Government. Tim, is there anything you want to add to that from your point of view?

Mr HURST: Only that the four-year strategic plan for the Office of Local Government was published a couple of years ago, that we reviewed it in consultation with the new Minister and the Minister has agreed that that strategic plan should continue to guide our operations for the remainder of that planning period. It talks about, in some detail, the different aspects of the Office of Local Government's operations. Included in that is how we engage with other parts of government to assist them to implement the Government's policies. That is probably the overarching document that provides our link with the rest of the New South Wales Government and how we would consider it part of our role to assist them in achieving those outcomes.

The Hon. PETER PRIMROSE: What would you say is the most significant outcome-indicator information you collect in relation to achieving the outcomes that are indicated in that document?

Mr HURST: The office's own strategic plan does not have outcome indicators attached to it. It talks about the outcomes more generally but it does not provide measurable amounts against those items.

Mr BETTS: If we look at the State outcomes which are ascribed to the department and the cluster more generally, within each of those you can see that there are functions performed by local government where a significant contribution can be made. To take something like sustainable and secure water resources, local councils across regional New South Wales have significant responsibilities in terms of drinking water quality and in terms of the stewardship of sewerage services. Similarly, in terms of creating community benefit from government land and government property, there are opportunities for councils to work with us, with our landholdings, where we identify surplus or underutilised land where we may be able to achieve good, collective outcomes in areas like social housing or increasing public open space.

Sustainable and productive regional industries and communities, again, as landowners and as part of the statutory planning system, local councils can play significant roles there. So not necessarily germane to the day job of the Office of Local Government, which is more about ensuring the strength and good governance of the local government sector, but you can see that that sector has a significant role to play in the overarching objectives for our cluster across a number of different fronts.

The Hon. MARK BUTTIGIEG: Mr Betts, I understand you are a board member on Infrastructure NSW. Is that right?

Mr BETTS: Yes, that is right.

The Hon. MARK BUTTIGIEG: In respect of communication between DPIE, OLG, EPA and Infrastructure NSW on the 20-year waste strategy, can you outline if there has been any communication between those two departments?

Mr BETTS: I am sure there has been communication between all those different agencies in relation to the waste strategy. It was something that was recommended and supported in the State Infrastructure Strategy, which Infrastructure NSW produced when I was the chief executive of that organisation about 18 months ago. Clearly, EPA has had a very significant role in terms of waste management and waste policy and EPA sits within the Environment, Energy and Science part of DPIE. So all of these clusters, all of these different agencies,

Infrastructure NSW sits within the Premier's cluster—we have our own cluster—are working collaboratively towards the production of a waste strategy for the Government, which we hope to land by the end of the year.

The Hon. MARK BUTTIGIEG: Are you able to elaborate on the nature of the communication that took place?

Mr BETTS: It is ongoing collaboration through working groups and other meetings. It is a very collaborative ongoing relationship, as I would want it to be.

Mr HURST: If I could just add there is an executive-level steering group for the 20-year waste strategy and I am represented on the executive-level steering group. This is the joining up of the different agencies relevant to that 20-year waste strategy in action.

Mr BETTS: Yes, which relates to the outcome about resilient and sustainable environment.

The Hon. MARK BUTTIGIEG: So, given local councils' role in collecting and disposing of waste, you are satisfied that that conduit of consultation and feedback is occurring through that communication?

Mr HURST: The Office of Local Government is not providing the role of consulting with councils. We are providing a local government input within the Government side of the development of the policy. Obviously, the process will involve engagement with councils. That has just not occurred yet as part of the process.

The Hon. MARK BUTTIGIEG: It has not occurred yet?

Mr BETTS: Can I clarify one point? I talked about the strategy being ready by the end of the year. We are intending to issue an issues paper by the end of the year with a strategy to flow from that. My apologies.

The Hon. MARK BUTTIGIEG: Okay. Mr Hay, are you able to tell the Committee what your position is and what your role involves on a daily basis?

Mr HAY: I am the Acting Deputy Secretary for Energy, Climate Change and Sustainability. As the name says, within that function is the energy policy team which was from the Department of Planning. There is the climate change and sustainability work that came from the Office of Environment and Heritage, and there is waste policy that we were just touching on—the circular economy, if you like—so bringing together the 20-year waste strategy.

The Hon. MARK BUTTIGIEG: Prior to the abolition of the Office of Local Government that occurred on 1 July 2019—we heard about the reasons for that this morning—what did your role involve?

Mr HAY: I am new to the department. I came in for this role. I am acting in this role at the moment.

The Hon. MARK BUTTIGIEG: Okay. Have you had any communications with the staff of the Office of Local Government?

Mr HAY: No.

The Hon. MARK BUTTIGIEG: Okay. As everyone knows, development in western Sydney is moving ahead at a pace. Houses are springing up left, right and centre.

The Hon. SHAYNE MALLARD: More to the right, we hope.

The Hon. MARK BUTTIGIEG: I am sure. Given that your role incorporates sustainable development, can you detail what you are doing in concert with local councils to make sure that development is sustainable and we are not just getting massive clusters of houses springing up all over the place, without any real thought regarding infrastructure and sustainability?

Mr BETTS: I preface this by saying these are primarily matters that can be addressed through the planning Minister and the environment Minister.

The Hon. MARK BUTTIGIEG: Based on the previous questions, you kind of head up that overarching reporting, so do you have a view on that: about how we are handling sustainability of development in those areas?

Mr BETTS: My overarching comment is that that is not so much a matter for this hearing but, rather, for the hearing that is due next week for the environment Minister and the planning Minister. Clearly, environmental sustainability is a very important consideration as we plan for the new greenfields metropolis in western Sydney and around the airport. That raises questions that can be addressed in other hearings around the housing typology that we use, around tree canopy that we have talked about, which is absolutely critical to keeping temperatures down and ensuring livability and good health outcomes in western Sydney. There are

major opportunities around new approaches to urban design, to housing types and the way in which those are configured, to urban typologies, and so on. There is a major agenda which we can explore in those hearings around environmental sustainability, bringing down energy costs through more efficient design, recycling of water. Lots of opportunities.

The Hon. MARK BUTTIGIEG: Are you aware of the koala population out at Campbelltown?

Mr BETTS: That falls within the remit of the Minister for the environment.

The Hon. MARK BUTTIGIEG: It happens to be the only chlamydia-free colony in New South Wales and there was a plan to create a koala national park in Campbelltown. My understanding is that the Government has refused to do likewise. Does the department have any plans to ensure the viability of the koala community going forward?

The Hon. CATHERINE CUSACK: Point of order: Even though these officers have responsibilities ranging across other portfolios, the purpose of the hearing today relates to local government and the member's question should pertain to local councils.

The CHAIR: Yes. I have heard enough. I will remind Mr Buttigieg that this is the Local Government estimates and if your questions could be broadly relevant to local government. That was probably a question for the environment Minister.

The Hon. MARK BUTTIGIEG: Sure, okay. Ms Gibbs, could I ask you what your position is and what you do on a daily basis?

Ms GIBBS: Yes. My title is Director, Planning and Risk, and the reason that I am here is that the Minister for Local Government administers the Coastal Management Act, among other things. But relevant to this Committee, I work on issues related to coastal management in New South Wales.

The Hon. MARK BUTTIGIEG: Prior to the abolition of the Office of Local Government what was your role and what did it involve, if anything?

Ms GIBBS: My role was in the Office of Environment and Heritage and I had a similar role to what I have now.

The Hon. MARK BUTTIGIEG: So hardly any change at all.

Ms GIBBS: No.

The Hon. MARK BUTTIGIEG: Have you had any communications with the Office of Local Government staff?

Ms GIBBS: Yes.

The Hon. MARK BUTTIGIEG: In what regard? Since the abolition of that title.

Ms GIBBS: Since 1 July?

The Hon. MARK BUTTIGIEG: Yes.

Ms GIBBS: Since that time it has been obvious that the Coastal Management Act has been assigned to Minister Hancock as the responsible portfolio Minister—

The Hon. CATHERINE CUSACK: It is not obvious to him, unfortunately.

Ms GIBBS: It is in the Allocation of the Administration of Acts.

The Hon. CATHERINE CUSACK: I think he needs to—

Ms GIBBS: Do you want me to continue?

The Hon. MARK BUTTIGIEG: Sorry, I missed that last bit. I was interrupted.

Ms GIBBS: Since 1 July and prior to that it was obvious that the Office of Environment and Heritage was abolished and that the Coastal Management Act was assigned to Minister Hancock as the responsible portfolio Minister. I have had some discussions with the Office of Local Government in relation to how we continue to work closely with councils and local government in terms of supporting the Minister in her portfolio responsibilities.

The Hon. MARK PEARSON: Mr Betts, has there been a policy change in the Government in relation to the importance of tree canopy for keeping towns, cities or environments cool?

The Hon. CATHERINE CUSACK: Point of order: The member's question should relate to the Local Government portfolio.

The Hon. MARK PEARSON: Relates to what, sorry?

The Hon. CATHERINE CUSACK: Which program were you referring to? I thought that was an Environment portfolio program.

The Hon. MARK PEARSON: No, it is not. Mr Betts has been constantly referring to the importance of looking at canopy and ensuring that canopy is assessed, that canopy is provided in any development applications et cetera, and I am asking if there has been a change in policy in relation to that by the Government.

Mr BETTS: You are both right. It is principally for the Minister for the environment. I am very happy to cover it off there but I would just say, without wishing to get into too much detail in the wrong hearing, that one of the key conclusions from the work that the Greater Sydney Commission undertook when it produced the Greater Sydney Region Plan, which was published in March last year, was that we plan our city and we think about environmental sustainability and health outcomes. The level of tree canopy is an important metric as to how we are succeeding in planning a city effectively.

The Hon. CATHERINE CUSACK: Can I just clarify, is that being administered by the department of Local Government?

Mr BETTS: No it is not.

The Hon. CATHERINE CUSACK: Thank you.

The Hon. MARK PEARSON: That is an interesting question, isn't it though? It gets a little bit vague and I just want to be careful no-one is taking refuge in this vague crossing over of departments. You did say that you have a meeting with several Ministers because so many matters cross over in various portfolios. Why does it stop? Why is the issue, for example, of canopy trees being taken into consideration in keeping the environment cool, whether it be towns, cities, park, whatever, where the local government is involved in those decisions. Where and when and why does a line suddenly get drawn to say, "No, now it is the Environment portfolio and not ours, not the Local Government portfolio"?

Mr BETTS: I mentioned before that there are six Ministers within the Department of Planning, Industry and Environment cluster and each of those Ministers has allocated to him or her a set of legislation for which they are principally responsible. In the case of the Minister for Local Government we have the legislation which relates to local government and we have also got legislation which relates to coastal lands. The legislation which you are referring to which might relate to tree canopy or might relate to koalas is legislation which, under administrative orders, is allocated to the Minister for Energy and Environment. And I am assuming that the Committee has organised itself into ministerial portfolios because it is interested in the performance of the legislative functions of those different Ministers and will take each in turn.

The Hon. MARK PEARSON: I do not think we are going to get any better. Thank you very much.

The CHAIR: Ms Gibbs, in relation to the coastal management framework that you are working on, how many houses are deemed to be at risk by 2040 as a result of rising sea levels? What are you working towards there?

Ms GIBBS: The way that we look at the impacts of coastal management is the legislation, the Coastal Management Act 2016, defines seven different types of coastal hazards. In detail, we have identified the number of properties at risk from two of those hazards in particular, being coastal erosion and coastal inundation. In terms of houses at risk I do not have a figure for 2040 but I can explain to you the information that I do have.

The CHAIR: Yes. It would be good to know the modelling that you are basing coastal inundation and erosion on in terms of the science, I suppose.

Ms GIBBS: Yes, okay. There are currently approximately 250 properties along the New South Wales coast at direct threat from coastal erosion in the short term. Based on the modelling that we have done, this is projected to increase to around 3,300 lots by 2100 and there is a 50 per cent likelihood that at least half of the property would be affected at that time. Taking into account the projected impacts of sea level rise, there are several key locations on the coast where there are more than five houses affected. In relation to estuarine inundation we estimate there are currently 8,500 properties that are currently exposed to at least some minor

inundation. This exposure increases to some 23,700 properties if sea levels are projected to rise by .5 metres, and 50,700 properties if sea levels rise by one metre—

The CHAIR: Is this by 2100?

Mr HAY: Yes.

Ms GIBBS: What we have done is we have not said that one metre of sea level rise is definitively going to occur in 2100. We have said that if sea level rise is by one metre it would definitely be a longer term scenario that that would happen in but we cannot definitively say that it would be 2100.

The CHAIR: Where is the information that you are reading contained? What are you reading from? Is it a publicly available strategy?

Ms GIBBS: There are some publicly released reports that are on our website.

The CHAIR: And that information is in one of those reports?

Ms GIBBS: Yes.

The CHAIR: What is the report called?

Mr HURST: If you would like we could take that on notice.

Ms GIBBS: I have got a copy of it here.

The CHAIR: Okay. While you are looking for that, I was wondering what "over the short term" or "in the short term" is defined as? You said 250 properties could be lost in the short term, what does that mean?

Ms GIBBS: So that basically means at the next large storm event that occurs. Coastal erosion occurs in episodic incidents. So basically the next large coastal impact that occurs. However, it is unlikely that all 250 properties would be affected at any one time because storms tend to occur in more localised areas. You may recall the 2016 event that affected the Collaroy-Narrabeen beach; it did not affect the entire coast uniformly. Just back to your earlier question about what the name of that report is called. It is called the *NSW Estuary Tidal Inundation Exposure Assessment*.

The CHAIR: I have a question about the waste levy. Mr Hurst, have you met with local councils this year, in 2019, with regards to them asking you about increasing the waste levy particularly? Have you had those conversations? I know that quite a number of councils have been asking for the waste levy to be increased so they can deal with the recycling crisis. What approaches have been made to the association in relation to that?

Mr HURST: Yes, we meet with councils all the time. I am not aware that any of them have made representations to me or to the Office of Local Government about increasing the waste levy. The levy itself is administered by the Minister for the environment.

The CHAIR: So what is the association of Local Government. Do you have any involvement in advising or being part of the Government strategy to tackle the recycling crisis that local government is clearly facing.

Mr HURST: Yes, of course. When councils began to encounter problems with their recycling the Office of Local Government worked with agencies, including the EPA, to move very quickly and provide practical advice to councils. In particular the work that we commissioned looked at how councils could be better equipped for their negotiation with their contracted waste provider. We provided a toolkit and a self-assessment tool that allowed them to input the details of their own base operations into the system and it gave them data that we believe would assist them in understanding what the impact of the changes to the recycling market were having on them and their waste provider with the intention of allowing them to negotiate better—particularly through the period when people were worried that contracts would not be renewed in New South Wales, which did not prove to be the case fortunately. That was immediate and practical advice that we arranged to provide to councils. We are now working more generally with the EPA as the lead agency about more broadly how to deal with recycling issues within the community and, as I mentioned before, participating in the development of the 20-year waste strategy for New South Wales as well.

The CHAIR: When you say working with the EPA more broadly to help councils, what does that look like?

Mr HURST: The EPA does have a number of programs they administer, many of them funded from the waste levy proceeds. We assist them with those programs and their targeting with ensuring that the

communications material that they provide to councils and also to the general public are targeted to the issues that councils are telling us that they are facing at a local level with waste and recycling.

The Hon. PETER PRIMROSE: Mr Betts, earlier you indicated that the estimates committees are structured in the way they are because we are interested in the performance of different ministries or Ministers. How do you measure the performance of the Office of Local Government?

Mr BETTS: Mr Hurst, you referred earlier to reports that you produce.

The Hon. CATHERINE CUSACK: They measure it very effectively.

Mr HURST: Just coming back to the OLG corporate plan. The Office of Local Government has five goals. These are policy and regulatory frameworks that best meet the needs of Government, councils and the community; goal number two is high performing councils that deliver for their communities; third, targeted programs and services provided to councils and communities; fourth, councils and officials held accountable for performance and integrity; and the fifth goal is an internal goal, which is that our people, systems and processes are valued and invested in. Within each of those goals there are a number of strategies that we pursue. Each of them is broken down within the corporate plan. It is against each of those that the Office of Local Government strives to make a difference to the local government sector each year of the four years of the strategic plan.

The Hon. PETER PRIMROSE: How do you actually measure your success in meeting those goals?

Mr HURST: Every year we review the strategic plan and construct the operational plan for the next 12 months of operations. This is a process of operationalising—if that is a word—casting into a more specific detail the individual measures: how each team will apply their resources to achieving the strategies that are set under each of the goals but that we can meet within the resources that are available to us as a small team over the 12 months. There is a review element that is incorporated as part of that but also a forward-looking element tempered by the resources we have available and guides our ambition for what we are hoping to achieve against the goals over the next 12 months.

The Hon. PETER PRIMROSE: How would you know if you failed to meet any of those goals?

Mr HURST: The goals are quite broad but nevertheless I think it would be evident if the goals were failing to be met. Understanding the particular projects that will comprise the strategies is obviously an internal process that we undertake. Ultimately they are leading towards an improvement in the other four external and one internal goal that we set.

Mr BETTS: The department is overall eight or nine weeks old. We are going through a process at the moment, as I mentioned earlier, of calibrating our performance indicators to reflect the new outcomes framework which has been mandated for us in the budget process and that will lead through into the production of the first integrated business plan for the Department of Planning, Industry and Environment in the early part of next year. Because your question is a pointed and good one, I expect that would contain key performance indicators for all of our agencies so we can measure their success objectively.

The Hon. PETER PRIMROSE: It was the indicators that I was leading to but we will leave that to next year. I look forward to reading about them and having a chat. Can I move on now briefly to talk about Government Information (Public Access) Act applications [GIPAAs] for a moment. One of my favourite resources. Since 30 March, maybe it is a question directly for Mr Hurst, how many formal GIPAAs has the Office of Local Government received?

Mr HURST: I am not sure that I have the information about every application that has been received since 30 March. We do, of course, publish details of the applications in our annual report. Let us see if I have a summary here. I have information that relates to the period for 30 June 2018 to 1 July 2019, which indicates that OLG received 13 access applications in that period.

The Hon. PETER PRIMROSE: Would that be a typical number per month?

Mr HURST: Yes. This is actually for that 12-month period. Those 13 applications are broken down as 13 original access applications: two related to councillor conduct; three related to companion animals; and eight were general inquiries. Of those matters, none of them were applications for internal review, none of them were recommendations from the Information Commissioner for internal review, none of them had applications for external review made to the Information Commissioner and one had an application for external review made to NCAT and that matter is ongoing.

The Hon. PETER PRIMROSE: How many were actually refused access to the information requested?

Mr HURST: My understanding is that none were refused outright. In many cases, we were able to negotiate the transfer, often to councils who are appropriately placed to provide information. Where possible, we try to grant the access in full and in other cases, access is granted in part.

The Hon. PETER PRIMROSE: How many where access has been granted would appear on the agency's disclosure log? Would it be all of them or some of them?

Mr HURST: The material that is released in response to GIPAA requests is published on the disclosure log and provided on the OLG website.

The Hon. PETER PRIMROSE: Have any disclosures or GIPAA requests ever been taken down from the disclosure log?

Mr HURST: Not that I am aware of.

The Hon. PETER PRIMROSE: I stress that this is not a trick question. I was looking at, for example, the Department of Premier and Cabinet disclosure log. If I am a citizen I can go on to the disclosure log and see something that I am interested in, click and I can get the information. If I go to the Office of Local Government, I am told, "For access, please email"—and it gives the Office of Local Government's email address. I do not understand why DPC has a system where I can immediately access the information but with OLG I have to start a whole new process. Are you considering updating to the access information that DPC has?

Mr HURST: I am happy to take on board—if we could improve the way that access to GIPAA applications that were granted is made available to members of the public who are interested in that information. I would also note that as part of the new arrangements from 1 July, the GIPAA function is being consolidated across the cluster and provided centrally. The Office of Local Government will no longer be separately reporting GIPAA's from 1 July.

The Hon. PETER PRIMROSE: Mr Betts?

Mr BETTS: I would be very happy to look at the Department of Premier and Cabinet system. If you think it has advantages I would look at that very seriously in terms of adopting a similar system ourselves.

The Hon. PETER PRIMROSE: Thank you. The obvious advantage, as you would appreciate, is that without having to go through and check and whatever, a citizen can immediately see what has been provided.

Mr BETTS: A lot of staff time is dedicated to responding to GIPAA requests, so we might as well get some credit for that hard work.

The Hon. PETER PRIMROSE: You would get credit but it would also prevent citizens from paying \$30 for information that may already be there.

Mr BETTS: I completely agree.

The CHAIR: The crossbench have exhausted their questions for the officials before us. Does the Opposition have more questions?

The Hon. MARK BUTTIGIEG: If I could ask a couple of questions in relation to the efficiency dividends. With the Office of Local Government to be discontinued—"as we know it"—can you tell us how the OLG part of the Department of Planning, Industry and Environment is going to achieve the Treasury's efficiency dividends?

Mr BETTS: I will start off by talking about how we are going about achieving our savings requirements generally within the Department of Planning, Industry and Environment. The Government made a series of commitments during the election campaign, including in relation to reducing consulting spend and reducing our senior executive expenses, and further efficiency targets were handed to us during the budget, amounting to around \$85 million of savings required from our cluster in the current financial year. Those are being approached on a whole-of-cluster basis, cognisant of the commitment that the Government—the Premier in particular—has given around protecting regional jobs.

Forty-eight per cent of staff in the cluster, broadly speaking, are employed in regional areas. When we look at potential sources of funding, we need to look at, for each of our sub-organisations, including the Office of Local Government, the balance of regional and metropolitan staff. As we have discussed extensively today, the great majority of staff in OLG—in fact, to all intents and purposes, all of them—are regionally based. Therefore, we would not be applying the same efficiency reductions proportionally to OLG as we would to other parts of the organisation which are metropolitan.

One of the features of the so-called abolition of OLG, which is effectively just the merger of its activities and functions into the department, is that its budget now sits within the deputy secretary budget associated with planning and assessment. It will be for that deputy secretary to find savings, but those savings will have to be found—as far as possible—from reducing overheads, corporate expenses such as consulting, advertising and fleet. Our intention generally is to absolutely minimise the impact on jobs, but we recognise that some job reductions are inevitable when we have to find \$85 million worth of savings. The Office of Local Government is subject to significant protection in that process by virtue of the fact that the great majority of its staff are regionally based.

The Hon. MARK BUTTIGIEG: In a nutshell, the regional jobs will be quarantined from the efficiency dividends but there may be job losses to contribute to some of those savings—

Mr BETTS: In metropolitan—

The Hon. MARK BUTTIGIEG: —outside the regions.

Mr BETTS: Outside the regional areas, yes. I would expect the Office of Local Government to diligently look at its overhead expenditure in non-labour expense areas, such as consulting and so on, to try to find efficiency gains—recognising that every dollar that can be saved in that way is a dollar that does not have to come out of someone losing their job.

The Hon. MARK BUTTIGIEG: Sure. Of those expenses—in terms of the labour book for that sort of stuff, vis-a-vis capital expenditure, IT and all the rest of it—can you give us an idea of the percentages, the contributions?

Mr BETTS: Yes. The total expense budget for the Department of Planning, Industry and Environment is \$5.155 billion for the 2019-20 year. It is a bit hard to produce comparisons with previous years because of the extent of the machinery of government changes. There is a large proportion of that which is a fixed cost, so the scope for efficiency savings falls on a subset of that. When I am looking at different line items, I am looking at things such as advertising, which constitutes about 0.4 per cent of our expenditure.

The Hon. CATHERINE CUSACK: Point of order: Minister Stokes is going to be appearing before the Committee. Questions relating to the portfolio and the cluster which are his responsibility ought to be directed at that time. Mr Betts seems to have been asked to come to all six inquiries. The recommendation was that all those things could be addressed during that Minister's estimates hearing. It is really important to me that we focus on local government. Local government has a finite number of questions and I have no problem with that. I think we should try to tighten it back to that.

The CHAIR: I will allow Mr Betts to finish his response.

Mr BETTS: Thank you for that and you are right to say that I was straying into areas of the broader cluster. Largely to provide context for the Office of Local Government, we have heard that the headcount in full-time equivalent terms is broadly 68/69 staff. That sits within the context of 11,400 staff in the wider cluster, so you can see that it is a relatively small part of the overall picture. It is one that will benefit from having a predominantly regional workforce. Nonetheless, I have asked Mr Hurst to see what efficiency savings he can find from non-staff sources.

The Hon. MARK BUTTIGIEG: In terms of staff reductions, job losses, voluntary redundancies and all the rest of it to achieve the efficiency dividends we have got a rock-solid guarantee that the regional ones will be protected and savings, by the sounds of it, may be disproportionately shouldered by other labour parts of that department?

Mr BETTS: That is right. The metropolitan areas, being Sydney and the local government areas of Wollongong and Newcastle.

The Hon. MARK BUTTIGIEG: Right. Do we have any feel for the quantum of job losses that will need to be contributed from those areas?

Mr BETTS: Not right now because we are exploring opportunities to secure savings by every other means.

The Hon. CATHERINE CUSACK: Again, can I just clarify that you are reporting to the cluster Minister on those issues, not to the environment Minister?

Mr BETTS: That is correct.

The Hon. MARK BUTTIGIEG: I am sorry but the question was directly related to the proportionate burden that will be shared by metropolitan local government areas. I do not understand what the issue is.

The Hon. CATHERINE CUSACK: Because it was not stated in the question.

The CHAIR: The question is in order.

The Hon. MARK BUTTIGIEG: *Budget Paper No. 1*, chapter 5, indicates there will be reform savings and offsets, which in total over the next four years will net approximately \$3.1 billion. I am assuming that relates to that bigger budget you were referring to of five point something per annum?

Mr BETTS: Correct, for the whole cluster, yes.

The Hon. MARK BUTTIGIEG: That is not an insignificant amount to find over a four-year period. Do you think those sorts of cuts can achieve that efficiency dividend in terms of not compromising service to New South Wales taxpayers?

Mr BETTS: Can I have some guidance from the Chair? Am I answering this in the context of the Office of Local Government or am I being asked a question about why that cluster—

The Hon. MARK BUTTIGIEG: This is part of the problem, isn't it? You have a reporting structure which subsumes other things into a general departmental head—

The CHAIR: If you could keep it generally relevant to Local Government again. This is what the estimates hearing today is about.

The Hon. CATHERINE CUSACK: And Tim Hurst has—

The CHAIR: Members are able to ask questions that are generally relevant to this portfolio so your response should be generally relevant.

Mr BETTS: I am confident—

The Hon. CATHERINE CUSACK: We tried to explain it to him but he would not listen.

The CHAIR: Order!

Mr BETTS: I am confident that the Office of Local Government will be able to make a contribution towards that overall saving without compromising its capacity to perform the functions that we have described during the course of today's hearing.

The Hon. MARK BUTTIGIEG: Thank you.

Mr DAVID SHOEBRIDGE: You may have answered this before I came in, in which case I apologise. What is the financial contribution that the Office of Local Government—or that part of the department that is still called the Office of Local Government—is going to have to make to the efficiency dividend for this financial year? What is the dollar figure?

Mr BETTS: To be determined at this stage. As I was explaining before you came into the room, the Office of Local Government is the beneficiary of a Premier's commitment around no regional job losses, given that the lion's share of its staff are based in Nowra, which is a regional area. I therefore have asked Mr Hurst, just as I have asked all other deputy secretaries in the department, to find to the maximum extent possible savings from sources other than labour expenses and we are working through that process at the moment, looking at things like travel, consulting spend, the use of recruitment consultants, more efficient approaches to procurement et cetera.

Mr DAVID SHOEBRIDGE: Is it a 3 per cent across-the-board efficiency dividend this year? What has the department been asked to produce?

Mr BETTS: It is \$85 million during the course of this year.

Mr DAVID SHOEBRIDGE: Does that mean the Office of Local Government will have to do its proportionate share—

Mr BETTS: No.

Mr DAVID SHOEBRIDGE: —but do it from sources other than staff?

Mr BETTS: Yes, so we would seek to ensure that OLG as far as possible offers up savings from non-staff sources but that needs to be consistent with its continuing ability to do its job.

Mr DAVID SHOEBRIDGE: When will there be an answer on this?

Mr BETTS: I am confident that we will have an answer within the next six weeks.

Mr DAVID SHOEBRIDGE: Will there be transparency on this? Will you be publicly reporting upon where those efficiency dividends are delivered? It is not just a question for you, Mr Betts. We have had this same kind of iteration in a series of budget estimates now about efficiency dividends, so the question is: How will we get transparency on it so we know how the actual budget plays out?

Mr BETTS: You will get transparency through the usual ways in which departments report financial information, whether that is through annual reports or through mid-year budget updates or through budget papers. Also, where staff are affected I meet every fortnight with the unions. I have a policy of total disclosure with the union movement. I do not want my staff or union delegates to be finding out things after the event so it is a rolling process of disclosure at this stage.

Mr DAVID SHOEBRIDGE: Apart from that discussion about job losses with unions, you have offered annual reports, which we will not see until after the conclusion of the financial year, you have offered budget updates, which are at best March of next year, or you have offered the budget that we will get—

Mr BETTS: So I have offered absolutely the standard suite of reporting materials that Parliament is entitled to.

Mr DAVID SHOEBRIDGE: What I am putting to you is—

The Hon. CATHERINE CUSACK: Point of order: The Minister for Local Government in that portfolio is not reporting on these matters. This is at a cluster level and these questions ought to be directed at that opportunity. The focus for this portfolio is Local Government.

The CHAIR: The question is in order. The first part of Mr Shoebridge's question was about efficiency dividends within the Office of Local Government and Mr Betts is now—

The Hon. CATHERINE CUSACK: I understand but now he is asking about the reporting processes at a cluster level and when things will be available. This is not the forum for that information.

The CHAIR: It is generally relevant. Mr Betts can proceed.

Mr BETTS: I think I have answered the question. Unless otherwise directed or subjected to parliamentary questions or other channels by which you can achieve information, we will routinely report our financial performance through the usual channels.

Mr DAVID SHOEBRIDGE: Mr Betts or Mr Hurst, did IPART hand its final report on local government election costs to the Minister on 30 August?

Mr BETTS: We have discussed that extensively in this session.

Mr DAVID SHOEBRIDGE: Did they?

Mr BETTS: Yes.

The Hon. CATHERINE CUSACK: We are going over the same material.

Mr DAVID SHOEBRIDGE: Given that we waited the better part of two years for the delivery of the first report, have you given a commitment to a firm time frame for the release of this?

Mr BETTS: Do you want to say anything on that, Mr Hurst?

Mr HURST: In the previous session the Minister indicated that she had only received the report on Friday.

Mr DAVID SHOEBRIDGE: I know that.

Mr HURST: That she was seeking advice on the report and I believe her undertaking was that she would release the report with the Government response as soon as possible.

Mr DAVID SHOEBRIDGE: Given that local governments across New South Wales are having to set their budgets now and plan for the September 2020 election, is there a commitment in the office to get that report out at least before the end of this calendar year and have a decision?

Mr BETTS: There is a commitment from the department to provide that advice to Ministers in an expeditious fashion. The timing of the release of the report will be a matter for the Minister.

The Hon. CATHERINE CUSACK: The *Hansard* of this morning will help.

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: Is it the position of the New South Wales Government that the NSW Electoral Commission should not be unduly advantaged or disadvantaged in competing with private electoral service providers in the provision of election services? Is that the position of the New South Wales Government or is it the position of the Office of Local Government when it comes to local government elections?

Mr HURST: Obviously the Minister undertook that a Government response to the report would be provided at the time that the final report is released. That will incorporate advice from the Office of Local Government if accepted by the Minister.

Mr DAVID SHOEBRIDGE: Does the Office of Local Government have a view as to the public confidence in the integrity of the NSW Electoral Commission as against private electoral service providers? Have you done any review of public confidence in that regard?

Mr HURST: No, the Office of Local Government has not done an assessment of public versus private providers. It is not a function of the Office of Local Government.

Mr DAVID SHOEBRIDGE: Given that it is only in local government that there is competition between public and private electoral providers, how could you possibly provide advice to the Minister on IPART's recommendations without doing that basic research about comparing private for-profit electoral providers as against the NSW Electoral Commission?

Mr HURST: Sure. I understand the issue here. It is a Government response. It is not based solely on the advice of the Office of Local Government and we do take advice from other agencies across the Government in providing that position to the Minister and to the Government. I would expect that through that process a range of views will come forward about issues including competition in the market for election providers and electoral services.

Mr DAVID SHOEBRIDGE: But yours is the only agency responsible for the only sector that has had the competition. Have you done that basic research about public confidence between private for-profit providers for electoral services and the NSW Electoral Commission. Have you done your due diligence?

Mr HURST: Once again there are other agencies which are also involved in this space. The NSW Electoral Commission, as I am sure you are aware, reports to the Premier, and the Department of Premier and Cabinet supports the Premier in decisions relating to the Electoral Commission. There are also other agencies within the New South Wales Government with expertise in competition issues and the major markets. I would propose that we consult with those agencies as well in providing advice to the Minister.

Mr DAVID SHOEBRIDGE: I am asking not about consulting with other agencies. I am asking about you doing due diligence in your own patch. Have you reviewed the difference in terms of public support for elections that were run by private providers as against the NSW Electoral Commission. I am not asking about other agencies, I am asking about you, Mr Hurst?

Mr HURST: I have not personally done that.

Mr DAVID SHOEBRIDGE: Or your office?

Mr HURST: The office will do what is necessary to provide advice to the Minister to inform the Government response as part of a whole-of-government process.

Mr DAVID SHOEBRIDGE: I will put this proposition, and you can agree or disagree. You cannot possibly give competent advice to the Minister about that recommendation from IPART about competitive neutrality unless you have done that basic due diligence and determined this question about public confidence for private as against public-private—

The Hon. CATHERINE CUSACK: Point of order: The department is going through a whole process that was explained earlier. I think Mr David Shoebridge's frustration is the fact that he had not heard about that process that is being undertaken. It is very difficult to now have him—

The CHAIR: I have been listening to all of the questions very carefully throughout this entire hearing. The line of questioning by Mr David Shoebridge is very different to what other members have been asking today. Mr David Shoebridge can continue.

Mr BETTS: I think Mr David Shoebridge asked us a question to which the answer is we will provide the best advice we can. If the Government requires undertaking the due diligence you described then that is what we will do. If it does not, we will not. But we only received the report on Friday.

Mr DAVID SHOEBRIDGE: Mr Hurst, Pittwater residents put in a de-amalgamation petition, under, I think, sections 2 and 5 of the Local Government Act some time ago. Has there been a formal response to the petition?

Mr HURST: I am sorry, I am not aware if the Office of Local Government has received a de-amalgamation proposal for the Northern Beaches local government area.

Mr DAVID SHOEBRIDGE: Into the Pittwater proportion of it. Do you want to take that on notice? I have a note that one was provided in 2018.

Mr HURST: I am not aware of that. I am happy to take that on notice and respond.

Mr DAVID SHOEBRIDGE: What is the current time frame for dealing with code of conduct complaints received by the office?

Mr BETTS: As we discussed this morning.

The Hon. CATHERINE CUSACK: We have gone through the whole thing.

Mr BETTS: Guidance, Chair. Do you want us to answer the same question?

The Hon. CATHERINE CUSACK: It is really hard to repeat so much material.

Mr DAVID SHOEBRIDGE: The time frame I have is that it has taken upwards of five months for those to be investigated. I am more than happy for you to refer to your previous answer. Did you answer that question of whether it is upwards of five months in earlier answers?

Mr BETTS: The Minister answered that this morning, so you might want to refer to that.

The CHAIR: I understand the Minister took some of that on notice.

The Hon. MARK BUTTIGIEG: I think part of the answer was they do not really monitor it that closely.

The Hon. PETER PRIMROSE: We are happy to defer to Mr David Shoebridge.

The CHAIR: Have you finished your questioning?

Mr DAVID SHOEBRIDGE: No. The last published report for your dealing with a code of conduct complaint was dated 7 November 2018. Has there not been a further conclusion of a councillor misconduct allegation by your office since 7 November 2018?

Mr HURST: Matters are concluded regularly. Obviously there is a flow of matters that come in as complaints or allegations that are assessed. We did discuss this process this morning and, where necessary, proceed to investigation, a finding of misconduct and the imposing of sanctions. This is a regular and ongoing process.

Mr DAVID SHOEBRIDGE: The last reported one was 7 November 2018, a year ago. I am assuming that your online register is up to date. Is it that there has not been another concluded complaint since 7 November 2018 or is the register simply not up to date.

Mr HURST: The latest misconduct decision that has involved the publication of a statement of reasons, which is not necessarily required under the legislation, you are right, was in November 2018 in the matter of Councillor Duffy from Orange Council. But not every decision results in the publication of statement of reasons on the website. It is one of the sanctions available under the Local Government Act.

Mr DAVID SHOEBRIDGE: How many decisions have been handed down that have not been included on the register?

Mr HURST: I am happy to take on notice other matters that may have been concluded in that time.

Mr DAVID SHOEBRIDGE: Including since 7 November 2018?

Mr HURST: Yes, I am happy to do that.

Mr DAVID SHOEBRIDGE: Does the office keep a register of code of conduct complaints and resolutions by each of the individual councils?

Mr HURST: We also discussed this this morning and it was one of the matters that, through the Chair, I agreed we would provide further information on.

Mr DAVID SHOEBRIDGE: Previous to this Committee and in its previous iteration, my office has asked questions on notice about code of conduct complaints and the numbers. We have previously been referred to the website of the Office of Local Government. The website of the Office of Local Government contains no such data. Will you provide the Committee with the numbers rather than a reference to a website of code of conduct complaints and the cost of those code of conduct complaints by councils?

Mr HURST: I undertook that I would provide the detail on notice. But I am also aware that the information on councillor complaints and the cost of code of conduct is reported by council. They are obliged to do so. So the information is there Mr David Shoebridge.

Mr DAVID SHOEBRIDGE: Do you not undertake a statewide review? Do you do that due diligence across the sector? Do you leave it in separate siloed reports in each of the hundred-odd council websites?

The Hon. CATHERINE CUSACK: Point of order: The member did offer to accept a response that the answer has previously been given but now Mr David Shoebridge is not accepting that response. We are just completely retracing all of the evidence that we heard this morning.

The CHAIR: I think some of the questioning is similar to some of the questions already asked but, in fact, Mr David Shoebridge is asking for more detail or for certain information that he has asked for was not taken on notice. There is more detail in some of the questions Mr David Shoebridge has asked.

The Hon. CATHERINE CUSACK: Could I suggest that he reviews that material and then puts more questions on notice. We are completely repeating this morning's evidence.

The CHAIR: They are not exactly the same.

The Hon. CATHERINE CUSACK: I just indicated that he is welcome to refer to previous answers given and then he does that—

Mr DAVID SHOEBRIDGE: Point of order: If the member has a point of order she has to express it as a point of order with a reference to a standing order—

The Hon. CATHERINE CUSACK: Badgering the witness is my point of order.

Mr DAVID SHOEBRIDGE: If that is her point of order I suggest it is not a point of order because I am clearly not badgering the witness.

The CHAIR: Mr David Shoebridge may continue and reflect that the Committee covered the code of conduct this morning but also recognising that he is pressing for new information which he is entitled to do.

The Hon. MARK BUTTIGIEG: Part of the answer from the officer was that the individual councils published the result and, therefore, if he wants the information go to those. The question was then asked, "Don't you do an overall consolidation report?" and I thought it was perfectly in order because that had not been raised at all.

The Hon. CATHERINE CUSACK: Yes, it had been discussed.

The Hon. MARK BUTTIGIEG: Are you listening?

The Hon. CATHERINE CUSACK: I am listening. Other people here are not listening clearly.

The CHAIR: The Hon. Catherine Cusack, Mr David Shoebridge is entitled to continue asking questions which are generally relevant to the Local Government portfolio, which is what he is doing. He can continue.

Mr BETTS: Would you like us to answer the question? We are happy to provide that information to you. We will take it on notice and he will provide it in the most consolidated useable form for you.

Mr DAVID SHOEBRIDGE: A concern that is repeatedly raised by ratepayers and, indeed, councils is the average cost of a code of conduct complaint. In some councils it is in the order of \$10,000 to \$20,000 per complaint. Have you undertaken a review of the cost of code of conduct complaints, some of which are being used for kind of petty pointscoreing between councillors at an enormous cost to ratepayers?

Mr BETTS: It is not for us to second-guess the merits of something before we start investigating it. These complaints do vary in complexity and severity. Having said that, I will hand to Mr Hurst.

Mr HURST: In terms of the complaints that are made to councils I understand the criticism. You are probably aware that we have only recently updated the model code of conduct late last year. As part of updating the model code, which is a two-year process, we consulted quite extensively with councils on the operation of the provisions. There are some key changes to the model code that have been made in the 2018 version that make it easier particularly for council general managers or the complaints co-ordinators to deal with complaints earlier and to deal with them in alternate measures so that they are not necessarily having to refer every matter to a conduct reviewer and incurring that cost to the council, and also some specific provision that talks about what is a code of conduct complaint and what is not a code of conduct complaint to provide guidance to people who, as you say, have used the process for matters that are not necessarily code of conduct complaints.

Mr DAVID SHOEBRIDGE: I am assuming before you went through that reform process, you went through and looked at the numbers and did some kind of qualitative and quantitative analysis. I am asking you questions about these kinds of across-the-board numbers. What were your conclusions and what, if any, was the data that you had that supported that reform process?

Mr HURST: We do publish quite detailed information on the council complaints dataset. Every year we put out data that is consolidated from councils about all of the different complaints that come in—council by council, by topic and by theme. It is a very extensive dataset. We use that to inform the review of the code of conduct. We publish it so that members of the community are able to understand how their council compares with other councils and complaints that are generated by the community or by other councils within that council. I would encourage you to review that dataset; it is published on our website.

Mr DAVID SHOEBRIDGE: Have you undertaken a review of the IPART recommendations for council election funding to work out what the actual additional costs would be to local government?

Mr HURST: Are these the draft recommendations?

Mr DAVID SHOEBRIDGE: These are the draft recommendations.

Mr HURST: Obviously, the purpose, as the Minister mentioned this morning, of IPART producing the draft report was to consult with councils and the community on those draft recommendations. The task that we are now undertaking at the Minister's request is to advise on the recommendations in the final report.

Mr DAVID SHOEBRIDGE: I am asking you about the draft recommendation. Did you undertake some costings of what the effect of that draft recommendation would be on local councils across New South Wales?

Mr HURST: My understanding of the draft report is that IPART did the costings of what the cost of those recommendations would be on councils throughout the State. It was included within the draft report.

Mr DAVID SHOEBRIDGE: Did you review the impact on local governments, noting that a number of people from the local government sector have said that the cost will be particularly severe against regional councils and especially against smaller councils. Have you done that kind of fine-grained analysis?

Mr HURST: If you mean review, yes, I have read the report and I have read what IPART has concluded in terms of the costs in that draft report, which, as we mentioned, is not the final report.

Mr DAVID SHOEBRIDGE: Your review, if I could put it in that way, is reading IPART's report, but no more.

The Hon. CATHERINE CUSACK: IPART did the review.

Mr BETTS: In anticipation of receiving a final report, which will then be submitted to review and advice to the Minister.

Mr DAVID SHOEBRIDGE: The purpose of a draft report—

Mr BETTS: Is to consult the community.

Mr DAVID SHOEBRIDGE: —is to get the feedback from the likes of the Office of Local Government and if all you have done is read the report and not seek a separate review, that seems to defeat the purpose of the draft report and the consultation process, Mr Hurst.

Mr HURST: To seek a review of a draft report from an independent body in advance of a final report being received? No—

Mr DAVID SHOEBRIDGE: To put your submission in, to check what they have done, go to local government and say, "We have looked at this. This is going to have this negative effect upon small regional councils. That is why we would hope for a different outcome in your final report", but you have not done that. You just read the review.

Mr BETTS: Our role is to receive the final report in the light of the consultation, which is being undertaken through IPART, and then to provide advice to the Minister.

Mr DAVID SHOEBRIDGE: You were consulted with the draft report. Did you make a submission in response to the draft report?

Mr BETTS: We took the decision that we would wait until the final report came in, which is a perfectly legitimate thing for one arm of government to do when another is consulted.

Mr HURST: Incorporating the views of councils.

Mr DAVID SHOEBRIDGE: Sorry, you were one of the key stakeholders.

The Hon. BEN FRANKLIN: Point of order: My point of order is that the member is getting dangerously close to being quite rude to the witnesses, badgering them and hectoring them. I understand he wants his questioning to be robust and that is fine, but I would ask that he just does it with a lit bit more civility and respect.

The CHAIR: Thank you, Mr Franklin. I would request that Mr Shoebridge ensure that his questions are respectful to the witness.

Mr DAVID SHOEBRIDGE: Am I to understand your evidence that the Office of Local Government made no response to IPART on the draft report?

Mr HURST: We made no submission to IPART, that is correct.

Mr DAVID SHOEBRIDGE: Is that a position you take across the board on IPART reports that affect local government?

The Hon. CATHERINE CUSACK: Do you mean draft reports or—

Mr HURST: In general, we would not comment on the draft report.

The Hon. CATHERINE CUSACK: I am so sorry, Madam Chair, but he is not—

The CHAIR: The question is in order.

The Hon. MARK BUTTIGIEG: So you do not see it as part of your role to have input with regard to a draft report. That draft report does not inform your views about a submission on behalf of the local government sector. That is not your responsibility.

Mr HURST: No, the Office of Local Government does not provide a submission on behalf of the local government sector. There are other bodies that will claim to do that, including Local Government NSW. That is a member-based body that represents councils. It did make a submission. I have read its submission. To say that the office was not involved in the process is, I think, incorrect. IPART held a public hearing on the matter and the Office of Local Government attended the public hearing so that it could hear firsthand the views that were being presented at that public hearing. But it did not make a submission, no.

Mr DAVID SHOEBRIDGE: This question is for either Mr Hurst or Mr Betts. I think it is a fairly trite observation—you may agree or disagree—that the amalgamation process was highly controversial. Do you agree or disagree?

Mr BETTS: It attracted—

Mr DAVID SHOEBRIDGE: The amalgamation process for local councils, I think we can agree, was controversial.

Mr BETTS: I think we can.

Mr DAVID SHOEBRIDGE: One of the most controversial aspects of that was the purported savings that were identified as one of the key reasons for local government amalgamations identified in the various consultants' reports. Do you agree that was one of the most controversial elements of it? That is just one of the controversial elements.

Mr BETTS: It was a controversial process.

Mr DAVID SHOEBRIDGE: It was a controversial process, but one of the most controversial elements was the proposition that by amalgamating councils you would produce net financial savings. Do you agree that was highly contested?

Mr BETTS: It was certainly contested, yes.

Mr DAVID SHOEBRIDGE: I know you have been asked some questions about Tumbarumba council and I think you have been asked some questions about Cootamundra Gundagai council, but I am going to ask you now about all of those amalgamated councils. Has the Office of Local Government undertaken any review of the financial performance of those amalgamated councils as against the pre-amalgamated councils?

Mr HURST: No, we have not undertaken a separate review of the financial performance of those councils. We monitor the financial performance of every council, including the 20 new councils created in 2016.

Mr DAVID SHOEBRIDGE: Assuming that at some point a government may wish to progress further amalgamations, do you not believe it would be crucial for your office to actually review the performance of those 16 newly created amalgamated councils to provide a baseline for such further policy development?

Mr BETTS: The predicate is that the Government might want to pursue further forced amalgamations, which the Minister has ruled out this morning.

Mr DAVID SHOEBRIDGE: Forced amalgamations or voluntary amalgamations, to get an understanding about the impact of amalgamations on local government service delivery and efficiencies, the most obvious thing to do is to review what has happened to the 16 amalgamated councils. But am I to understand that you have not done that?

Mr HURST: No, but the Auditor-General, I know, has looked at this question and made some comments in her report to Parliament in February. I understand there is a range of private researchers and universities that are looking at this question, not just based on the New South Wales experience but also on others as well. By the time any future government might be looking at this question I think there will be a body of evidence.

The Hon. MARK BUTTIGIEG: Can I get this right? You have a highly contentious policy—that is, forced mergers—based primarily on mooted cost savings or hypothetical cost savings that were disputed in terms of whether or not they were realised and there is no methodology put in place by the Government to measure whether or not they were realised. Is that what we are saying?

Mr HURST: The savings that we are talking about here are actually changes to the way that councils operate that allow them to provide improved services and infrastructure to their communities. Once the councils returned to an elected governing body and the administrators retired at elections in 2017, the path that those councils take is entirely determined by the elected governing body: They have to decide any or all of the savings that they might want to realise from within that palette of benefits and how they are going to apply them to the local community. It is beyond the Government's control what happens in those councils after that point in time.

The Hon. MARK BUTTIGIEG: Would you accept this is quite extraordinary from the perspective of a ratepayer? I am not blaming you people. This was government policy and you had to carry it out. What are the savings measured against what was projected pre and post? There can be no answer from Government because you do not have a methodology to do that analysis. If I were a ratepayer, I would find this extraordinary if this were the answer I was given.

Mr HURST: A number of the new councils do provide information. They provide it to different levels. Every council is accountable to its community through the integrated planning and reporting process for the budget that it sets, how it raises revenue and makes savings and where it applies its rates on those services and infrastructure mix that best suits the community. The integrated planning and reporting process is actually designed to give the community participation in understanding where those opportunities are. Where they are at an individual council level, those should be realised to be applied to other priorities for the council.

The Hon. CATHERINE CUSACK: My understanding was that the administrators made very detailed reports and that they are all available on the council websites in relation to how the funds were allocated to assist that process.

The CHAIR: Would the Government like 20 minutes to ask questions?

The Hon. CATHERINE CUSACK: It is just that we are jumping around.

Mr DAVID SHOEBRIDGE: Between Opposition and crossbench, not the Government.

The CHAIR: Order! Was that a question, Ms Cusack?

The Hon. CATHERINE CUSACK: Yes, in relation to the administrative reports.

Mr DAVID SHOEBRIDGE: Why not? That is novel.

Mr HURST: Yes. I confirm that many administrators provided an end-of-term report to their community before they retired at the September 2017 elections.

Mr DAVID SHOEBRIDGE: Mr Hurst, do you agree that good governance, if it is doing major policy initiatives, involves conceiving of a policy initiative, consulting on the policy initiative, implementing the policy initiative and then reporting on the implementation of the policy initiative. They are the key elements of good governance, are they not? Or do you disagree with any of those elements?

Mr HURST: What you are potentially not seeing is that the Government's investment in the councils was principally through the Stronger Communities Fund and the New Council Implementation Fund, and that we will, in fact, be evaluating those programs once the councils have acquitted the funding.

Mr DAVID SHOEBRIDGE: When it comes to the very large policy initiative of forced amalgamations, the initiative that was managed partly by your office and partly by Premier and Cabinet failed to have adequate consultation and has now comprehensively failed to have any assessment of the outcome, has it not? There is no assessment of the outcome that you can point to.

Mr HURST: No. I reject that. As I have mentioned, elements, particularly the financial elements, of the governance systems will be assessed. As I say, we have to wait until councils acquit the funding before that is able to be done.

Mr DAVID SHOEBRIDGE: Are you going to look at the financial performance of the constituent councils that were amalgamated into the 16 super councils and compare that to the financial outcome of the 16 super councils or post-amalgamation councils? Are you going to do that kind of basic due diligence?

Mr HURST: That is not the evaluation of how the councils applied the funding provided by the Government.

Mr DAVID SHOEBRIDGE: I am not asking you about the evaluation of how the councils applied the funding available from the Government. I am asking you about a review of the impact of amalgamations on council viability and council efficiency. Am I to understand you are not going to do that review?

Mr HURST: I think I have already mentioned that others are undertaking that work and publishing it, including the independent Auditor-General. There are other researchers looking at this question.

Mr DAVID SHOEBRIDGE: Am I to understand you are not going to do that basic due diligence to compare the financial performance of the councils before amalgamation and the financial performance post-amalgamation? Is that because you have been asked not to do it because it is embarrassing?

Mr HURST: No. I reject that statement. We do assess the performance of every council, including the 20 new councils. We do it in the context of the material that they supply to us, but also looking at the evaluations that others have provided by assessing that data. This is the way that we come to a view about the performance of all of the councils in New South Wales.

Mr DAVID SHOEBRIDGE: Mr Hurst, I put this proposition to you and you can either agree or disagree: This is a case of shutting your eyes and ears to the evidence because you do not want to see what a disaster the amalgamations have been in terms of the financial performance of those councils. You are just collectively burying your head in the sand.

Mr HURST: I reject that, Mr Shoebridge.

The CHAIR: We will return to the Opposition for another 20 minutes.

The Hon. PETER PRIMROSE: Back in 2011 there was an agreement signed between the New South Wales Government and Local Government NSW called South West 2021. That was a plan said to "make NSW number one" again:

... a 10 year plan to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability ...

Et cetera, et cetera. It was:

... the NSW Government's strategic business plan, setting priorities for action and guiding resource allocation.

Is there any proposal to renegotiate that with Local Government NSW?

Mr HURST: Sorry. I am not familiar with that plan. You say it was negotiated between the State or the Office of Local Government?

The Hon. MARK BUTTIGIEG: Between the State and Local Government NSW in 2011, relating to local government.

Mr BETTS: That was undertaken by the Office of Local Government or by some antecedent body?

The Hon. PETER PRIMROSE: It involves local government.

Mr BETTS: I am afraid we will have to take it on notice because we are unaware of something eight years ago.

The Hon. PETER PRIMROSE: So you are not involved. My questioning related to the fact that, clearly, it was done with Local Government NSW. The focus was on local government. I was going to ask about what people in the new agency will do in relation to the local government space, but if you are not familiar with it, can I ask that you take it on notice?

Mr BETTS: Sure, we will look at that. If you would like Mr Hurst to talk about general objectives for the local government sector, we would be happy to talk about those, obviously.

The Hon. PETER PRIMROSE: Okay. Please take on notice the issue there.

Mr BETTS: Okay.

The Hon. PETER PRIMROSE: But please tell me what your general objectives are for the local government sector. That presumably will be built into any negotiations.

Mr HURST: It is not clear to me, without having seen the document, about whether it has a statewide or a regional focus, but I would make the observation that the Government does work with councils, both at a regional level and more generally on these types of economic development, tourism and so on matters. I think that the Western Sydney City Deal is a fantastic example of the State working with both the Federal Government and with the councils of western Sydney to promote a joined up outcome in the development of the area surrounding the airport. This is probably a contemporary example of that type of engagement between the State and local government—in this case involving the Federal Government as well—to deliver better outcomes.

The Hon. PETER PRIMROSE: Specifically, for example, how is the Office of Local Government supporting communities like Snowy Valley, Cootamundra Gundagai when they are currently in financial arrears?

Mr HURST: Obviously, we have a program that provides assistance to any councils. The assistance is going to be targeted at councils that might, for example, be encountering financial difficulties. What we do is assist them to understand their obligations under the Local Government Act, but also how they can go about delivering better outcomes for their community, improving their decision-making and improving the access for the councillors to information that they require to make those good decisions on behalf of the community. We have quite a holistic approach to working with the councils but it is ultimately their decision on how they set their priorities and manage their budget, and they do that in consultation with their community.

The Hon. PETER PRIMROSE: Has the Office of Local Government engaged with either Snowy Valley or Cootamundra Gundagai with that program to date?

Mr HURST: Yes. I would be pleased to take on notice the record of our visits to those councils. I do not want to think that they have been singled out, but we have a regular program of council visits from our council engagement team and we provide them with a variety of advice on matters that council will be facing. Regional councils tend to be very heavily engaged in the program and we welcome the opportunity to visit them regularly and often to provide them with assistance in how they operate and manage the council.

The CHAIR: I suggest a five-minute break if that is okay with Opposition members. It is 3.50 p.m. We will come back at 3.55 p.m. to allow people to take a break. Thank you.

(Short adjournment)

The Hon. PETER PRIMROSE: The Minister this morning indicated that the Office of Local Government may have a role to play in the mergers or demergers of councils. Can you maybe detail, Mr Hurst, what that role would be?

Mr HURST: Yes, I am pleased to talk about the process. The question here, as was discussed in this morning's hearing, was that when a proposal or a purported proposal is supplied to the Minister, the office is requested by the Minister for advice on whether it constitutes a proposal under the Act, and it needs to be verified. We review the proposal. Where necessary we send the details of the electors to the electoral commission for verification that they are on the electoral role and in the correct local government area. If we, as a result of those inquiries, find that the proposal meets the requirements of the Act, it then at that point becomes a proposal under the Local Government Act and we provide it to the Minister to make a decision about initiating the process under legislation.

The Hon. PETER PRIMROSE: The code of conduct was changed by the previous Minister and Minister Hancock has mentioned that this is an area that she is looking at, especially in relation to fiduciary duties of councils and their staff. Can you tell us what processes there are to review and consult with councils about any further changes that may be proposed?

Mr HURST: I do think that this is a question probably for the Minister about those future plans. Obviously, we have an ongoing process of reviewing issues to do with the code of conduct. It is regularly updated, as was previously observed, and those updates are informed by the accumulated information that comes from the application of the code of conduct both by the office and by councils themselves. We also have a practice that we ran before this most recent update of actually going out to councils and asking them about areas where they felt the code could be amended to improve its operation. It is quite an extensive process. I would encourage any council that is having issues with the operation of the code of conduct, or indeed any councillor themselves, to provide that information either to the Minister or to OLG so that we can incorporate it in the next review. As for the timing of when there might be another update of the code of conduct, I think that is appropriately a matter for the Minister.

The Hon. PETER PRIMROSE: The Minister did indicate that she was considering looking at an update in relation to fiduciary duties of councils and staff. My question related to what would the role of the Office of Local Government be?

Mr HURST: We would manage the process of consulting on behalf of the Minister with councils on that and any other changes that the Minister would be proposing to make to the code of conduct. That is the role that we provide. And we would also provide information to the Minister about other changes that we felt were necessary or had been raised with us by councils, councillors or other stakeholder groups, as part of the process. That is the role of the Office of Local Government in the update. It is the role of the Minister to initiate the process, to review the code, and ultimately, through making of a regulation under the Local Government Act, applying a revised version of the code.

The Hon. PETER PRIMROSE: As I understand, The audit risk and improvement committees and the councils are required to be operational by March 2021. Are you aware of how many councils have already got a committee that is operational?

Mr HURST: Yes I do have some information on that. I can find it in the material here, but my understanding is that more than two-thirds of councils have some form of audit and risk committee in place. You are correct, the legislation was amended in 2016 to provide a requirement for councils to have an audit, risk and improvement committee, but the requirement does not become compulsory until six months after the next ordinary elections and that was done so that it would be the incoming council that both provided the terms of reference for its committee and selected the members because it was the incoming council that would have to deal with the audit, risk and improvement committee for the remainder of its term of office.

As I say, there are many councils that have them in some form or another at the moment. I am happy to take on notice how many councils we are aware of that have, but I would also observe that the implementation of those audit and risk committees at different councils does vary, that the guidance that we are going to be consulting on with councils is about providing the minimum features of an audit risk and improvement committee that would satisfy the legislation whereas at the moment there are is a differing implementation in different councils.

The Hon. PETER PRIMROSE: Can you talk about the guidance and information, and the resources that you might supply to councils to actually implement these committees?

Mr HURST: Yes. So before the requirement comes into effect there will need to be minimum standards that are prescribed. Obviously, it is the aim of the Office of Local Government to consult on those requirements and so the plan is to initially release an issues paper on issues, then there will be a draft of the guidance material, followed by final guidance material. Each phase of that process will allow councils and interested stakeholders to have input into the process. I think it is also important to observe that we will be working with audit and risk

professionals, and people within the local government sector who are skilled in this area in developing the initial framework that we would propose to issue as part of the issues paper, which, not surprisingly, is based on the State Government model, but which is adapted for the differences that present in the local government sector compared to the State Government sector.

The Hon. PETER PRIMROSE: What kind of information will you be maintaining about these committees? I am thinking about, will you be monitoring, in some way, their operation? Would you, at this stage, expect to be receiving statistics? I am wondering if you could also address the relationship you would see with the Auditor-General, in relation to the operation of these committees?

Mr HURST: Yes. We collect a lot of statistics on councils. I am sure councils have told you that and I am sure that we will be collecting statistics on the operation of audit risk and improvement committees as well. In terms of the relationship with the Auditor-General, without wanting to pre-empt the process that the Auditor-General follows, it is conventional, as I understand it, as part of the audit process for the audit office or any other auditor to review the internal controls of an agency as part of their initial evaluation and looking at the extent to which there is a functioning internal audit capability within the organisation, the matters that have been looked at by the organisation give some guidance to the person or the firm that is doing the audit about other areas that potentially they should target or whether, indeed, if there were systemic problems, about whether they should go back and look at that area. I think it is fair to say that most auditors use and in fact would expect there to be some form of internal audit that they could use to inform their independent audit investigations that they would undertake of a body and that in this case would include councils as well.

The Hon. PETER PRIMROSE: The Government took to the election an undertaking to take on responsibility for up to 15,000 kilometres of regional local roads, as you know, which are the responsibility of councils. What involvement, if any, have you had in the Office of Local Government in relation to working with other agencies to ensure that this election commitment is actually fulfilled, if any?

Mr HURST: We have had some discussions with the people in Transport for NSW who are looking at this area, but implementation is the responsibility for the regional transport and roads Minister and the Deputy Premier, as I understand it.

The Hon. PETER PRIMROSE: What particular areas would the Office of Local Government be focusing on in terms of those discussions?

Mr HURST: Our discussions were about the membership of the group which would be reviewing the proposals from councils.

The Hon. PETER PRIMROSE: Have you had any input from local government itself in relation to this?

Mr HURST: No, we did not seek input from councils themselves on those questions.

The Hon. PETER PRIMROSE: Will you seek their information and guidance?

Mr HURST: My understanding is that the team was also talking directly with councils about the proposal and they have designed a comprehensive program of engagement about implementation of the commitment. We were dealing quite narrowly with one aspect of the proposal where they sought our advice about individuals.

The Hon. PETER PRIMROSE: This may be a question for Mr Betts and Mr Hurst. Over the next two years are there any reviews being planned in relation to any of the Acts and regulations administered by the Minister for Local Government? You recall this morning I raised the issue of the Impounding Act and the Minister said she would consider that. Are there any planned reviews over the next two years?

Mr HURST: I am aware that a number of regulations come up for review under the Subordinate Legislation Act. In terms of their reviews of legislation itself, I think there have been discussions with Local Government NSW about the need for and the timing of a review of the Impounding Act. I am not sure that is at the level of the Minister committing to it at this stage. I do not know of any other legislation that at this stage it is proposed to go through a review process for.

The Hon. PETER PRIMROSE: I note for example the Local Government (General) Regulation 2005 is coming up on 1 September 2020. What process do you undertake when you do a review of an important regulation like that?

Mr HURST: There is guidance provided by Treasury on the process to follow when undertaking that statutory review of subordinate legislation. For such a significant regulation as the Local Government (General) Regulation—probably one of the biggest regulations on the statute book—it would be a significant and involved process and I would expect it to take more than a year to undertake to allow each aspect of it to be unpacked and consulted with the sector. My observation is that it may take longer than that deadline for that process to commence and also complete.

The Hon. PETER PRIMROSE: I am going to say it is longer than a year. It is due to expire on 1 September 2020. When do you expect that may kick off?

Mr HURST: I have to talk to the Minister about the timing of that. It is a very significant review of a piece of subordinate legislation.

The Hon. PETER PRIMROSE: Could I ask you to take that on notice?

Mr HURST: I am happy to take it on notice.

The Hon. PETER PRIMROSE: I am being asked about it so I think it is an important one.

Ms GIBBS: I have an answer to that question. In relation to Mr Shoebridge's good governance model of conceiving policy, consulting on policy, implementing policy and reporting on it, the Minister has asked the NSW Coastal Council, which is a body appointed to provide advice to her, to review the early implementation of the New South Wales coastal management framework. That includes looking at the legislation and, specifically, the aim of the task is to understand and assess how well the coastal management framework has been applied and implemented since it commenced on 3 April 2018 and make any recommendations for improvement. I cannot guarantee that will lead to legislative changes but at least we are looking at whether there are any issues with the legislation as it currently exists.

The Hon. PETER PRIMROSE: Is any other legislation being considered for review?

Ms GIBBS: The only legislation that relates to Minister Hancock's portfolio area that relates to my responsibilities is the Coastal Management Act 2016.

The Hon. PETER PRIMROSE: Thank you for that. I note that in the Local Government (General) Regulation it states that there is a number of other pieces of legislation that affect this that have not yet commenced—for example, the Water Industry Competition Amendment (Review) Act 2014 [WICAR].

The Hon. CATHERINE CUSACK: That is not local government.

The Hon. PETER PRIMROSE: It is the Local Government (General) Regulation that affects it. It is cited there. Have you any idea why, as it affects this regulation, it has not commenced?

Mr HURST: The WICAR Act is a responsibility of the Minister for water. It is probably a question for the Minister for water about the commencement of those uncommenced provisions.

Mr BETTS: As I said before, there are 67 Acts that impinge on local government but the great majority are not the responsibility of the local government Minister.

The Hon. PETER PRIMROSE: I am reading from the Local Government (General) Regulation 2005 and it specifically mentions these parts of the legislation. I would have assumed to ask the agency and the Minister, particularly given that you are about to undertake a review in less than a year which will presumably consider these matters. Are you are telling me that it is not relevant to local government?

Mr BETTS: It is relevant to the water Minister, who is giving evidence on Friday, I believe.

The Hon. PETER PRIMROSE: I fully understand that but I am suggesting that it is specifically referred to in the Local Government (General) Regulation as it affects local government. I presume the Local Government (General) Amendment (Elections) Regulation would be of relevance to local government, would it?

Mr HURST: Yes.

The Hon. PETER PRIMROSE: It is one of those also that is not mentioned. I will not pursue that because presumably some other agency has a greater interest in that than local government. I go then to the City of Sydney Act. Who in the department or cluster liaises with the appropriate staff in the office of the Minister for Transport and Roads and the Minister for Regional Transport and Roads in relation to the Central Sydney Traffic and Transport Committee?

Mr HURST: I am aware of the arrangements with the Central Sydney Traffic and Transport Committee. Transport for NSW supplies the New South Wales Government representatives onto the committee even though the establishment of the committee and its operation is within the City of Sydney local government area. As you pointed out, it is in the City of Sydney Act. It is analogous to the Central Sydney Planning Committee where obviously there are planning representatives of the New South Wales Government to participate in that committee, which draws its power through the City of Sydney Act.

The Hon. PETER PRIMROSE: Can you tell me how many meetings there have been since 30 March this year?

Mr HURST: Of the Central Sydney Traffic and Transport Committee or the Central Sydney Planning Committee?

The Hon. PETER PRIMROSE: The Central Sydney Traffic and Transport Committee.

Mr HURST: I am happy to take that on notice.

The Hon. PETER PRIMROSE: Can you also find out for me how many of these meetings have included a discussion of the light rail project?

Mr BETTS: We will take that on notice insofar as it is information that we are able to source but it does not sound like it sits within our portfolio. I think the relevant Minister gave evidence on Friday.

The Hon. PETER PRIMROSE: I am talking about the responsibility of the Minister for Local Government in the City of Sydney Act.

Mr HURST: Perhaps if I could answer it, I was previously involved in the establishment of the Central Sydney Traffic and Transport Committee and my understanding is that the minutes and papers for every meeting are published on the website of the City of Sydney. It is a committee of the council of the City of Sydney. The material that you seek should be available on that website. That is where we would go to find that information.

The Hon. PETER PRIMROSE: If it is not, I will come back and ask you. You agree this may be something that is of concern to local government?

Mr BETTS: We will certainly try to help you get that information, absolutely.

The Hon. PETER PRIMROSE: Let us go back to this: I note that the Minister for Local Government has joint responsibility for a number of pieces of legislation and I am not going to go through them all. But the Minister has joint responsibility with the Minister for Agriculture and Western New South Wales, the Attorney General and regional transport; how are the relationships for the administration of these Acts actually operationalised?

Mr HURST: As you pointed out, the Allocation of the Administration of Acts in some cases provides joint responsibility for an entire Act or in other cases for certain sections of the Act. The individual Ministers work together on areas of joint responsibility or exercise separately areas where they have individual responsibility. Without giving legal advice, my understanding is that references to the Minister in the legislation applies to the relevant Minister who has been allocated the Act in the Allocation of the Administration of Acts.

The Hon. PETER PRIMROSE: I understand; that is what I just said. For example, the Rock Fishing Safety Act 2016—jointly with the Minister for Police and Emergency Services. How do you operationalise who has responsibility for the relevant sections of each Act?

Mr HURST: I can be specific on that one. The rock fishing association has actually asked the Office of Local Government about how the different ministerial responsibilities are acquitted and we wrote back to them last week with some advice about how the two Ministers have chosen to work between themselves to jointly administer that legislation with the agencies that support each of them as a Ministers.

The Hon. PETER PRIMROSE: Would you be able to provide a copy of that letter?

Mr HURST: I can provide you with the same content as the letter.

The Hon. PETER PRIMROSE: That is fine; that is what I am seeking. Increasingly, various Ministers have responsibility for the same piece of legislation and I am trying to understand. Given that we also have clusters, it makes it difficult for us to try to ask questions in the appropriate estimates.

Mr HURST: Through the Chair, the Minister has asked me to clarify a previous question. It is about the member for Cootamundra and the Cootamundra-Gundagai matter. The Minister has asked if the Committee

would agree to have the letter tabled. It is the correspondence from the member for Cootamundra to the Minister for Local Government on this matter.

The Hon. PETER PRIMROSE: The letter that the Minister said she had not received?

Mr BETTS: Correct, which is why we are keen to clarify the situation as quickly as possible.

The Hon. PETER PRIMROSE: So has the Minister received it? I am happy to move that the letter be tabled because it was my question.

The CHAIR: Yes, I think members agree.

The Hon. PETER PRIMROSE: Again, I asked the Minister the question had she received correspondence.

The Hon. BEN FRANKLIN: She cannot be expected to know every letter that she got. She has obviously gone back and thought about it and found it.

The Hon. PETER PRIMROSE: I am sure she has gone back and thought about it, most deeply.

The Hon. BEN FRANKLIN: Which is utterly responsible of her.

The CHAIR: That has been tabled. We can continue with questions, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: We heard earlier, after a line of questioning from Mr David Shoebridge, that there is no actual mechanism for monitoring the effects of forced mergers on local councils. Could I just go to some of the more specific and concerning fallouts from those forced mergers. Do we have any statistics or data on the numbers of officers or staff made redundant as a result of the forced mergers?

Mr HURST: No. The Office of Local Government does not collect that information from councils.

The Hon. MARK BUTTIGIEG: Is the office aware of detail that local councils would be in possession of in respect to that sort of thing?

Mr HURST: It might be useful to talk about the legislative framework. The Local Government Act 1993 provides protection for roles in councils that are affected by our boundary proposal. Those protections apply for three years after the merger and limit—only to the circumstance of voluntary redundancy, I understand—people leaving the councils if they do not accept another role within the organisation. The Act provides that protection to employees and on the basis of those protections in the legislation I would be surprised if there was any council where there was a significant difference in staffing as a result.

The Hon. MARK BUTTIGIEG: Significant difference or no difference? Because if the Act is clear, from what you are telling me, there is a job guarantee proposition in the Act which says that you cannot make anyone forcibly redundant in a three-year period?

Mr HURST: Yes. Just to clarify, it is section 354B of the Local Government Act.

The Hon. MARK BUTTIGIEG: Do we know when that three-year period expires?

Mr HURST: It applies from when the proposal is first made to protect the staff, and section 354F clarifies that if a staff member is affected:

... other than a senior staff member, must not be terminated, without the staff member's agreement, within 3 years after the transfer day on the grounds of redundancy arising from the staff transfer.

That is the key provision and there is more information in the Act around some of those terms that are used.

The Hon. MARK BUTTIGIEG: Can you give us an example of how that would work in practice in terms of the trigger for the three years? I am not sure how that operates. If I am employee of council X, talk me through how that three-year period is triggered.

Mr HURST: Once again, without seeking to interpret the legislation for you, my understanding is that the protection begins with the beginning of the proposal period, which is when a proposal to alter the boundaries of the area is first made. The next key date is the transfer day, which is defined in the Act as:

... the day on which the staff concerned were transferred from the employment of one council to the employment of another council.

This could be through a boundary alteration or through a merger, for example. The legislation then says that other than senior staff members they must not be terminated without their agreement within three years after that transfer day on the grounds of redundancy arising from the staff transfer.

The Hon. MARK BUTTIGIEG: Based on that specification, do we know what the earliest trigger date would have been? In other words, presumably the first transfer that occurred under a merger?

Mr HURST: That would have been the date that the new councils were created, the earliest of which was May 2016.

The Hon. MARK BUTTIGIEG: Do we know if there has been any forced redundancies since May 2019, assuming that the Act was complied with for that three-year envelope prior to that?

Mr HURST: The office would not necessarily be aware if any council had applied redundancies at a merged council post-May 2019.

The Hon. MARK BUTTIGIEG: No, and there are no reporting requirements on those councils to the Office of Local Government?

Mr HURST: No.

The Hon. MARK BUTTIGIEG: Does the department have a feel for what is likely to occur over the next two years, given budgetary constraints and efficiency dividends and all the rest of it? Or is that something solely in the purview of each individual council?

Mr HURST: The Act also obliges councils to have a structure in place. For new councils that structure would have been put in place and it had to be reviewed by the incoming council after elections, when councils need to review the structure of the council. The positions are applied against the structure that the Act requires council to have in place for its council and administered by the general manager. I can only say that what happens to the staffing of a council is a matter for the general manager, within the priorities and budgets that are approved by the council by resolution.

The Hon. MARK BUTTIGIEG: In terms of that three-year envelope that we used as an example from the first transfer, even though the department is responsible for oversight and administration of the Act there was no actual mechanism to determine whether or not there were any forced redundancies in that three-year envelope?

Mr HURST: No formal mechanism. During this period the Office of Local Government participated in a group that was formed by the three unions that are represented in the local government sector and Local Government NSW, as the employer party to the award, so these are the four parties to the local government award. Through that process we were an observer to those meetings. I am sure if any of the parties around the table were aware of those employment provisions in the Act not being complied with by any of the councils they would have brought it to the attention of the other parties.

The Hon. MARK BUTTIGIEG: There is no feel for how much might have been paid to date on redundancy payments? Assuming that those unions have done their job—and I am sure they have because clearly the Office of Local Government does not have any hard-and-fast oversight of it—then would the office know of any redundancy payments that would have been made? Is there any mechanism for registering that sort of payout if it happens, if it would have happened since May?

Mr HURST: There is no requirement for that material to be lodged or the data to be collected by the Office of Local Government. I do know this is an issue that is of interest to the unions who are a party to the award and I would imagine that they are looking closely at matters at the councils that their members are employed at and through the participation in that group as an observer—as I mentioned the Office of Local Government is an observer—we may become aware of it through there but I am not aware of it having been raised as an issue at any of these councils to date.

The Hon. MARK BUTTIGIEG: Further to the previous questions by Mr Shoebridge and some by myself, do you think given the controversy surrounding mergers and the hypothecated savings that it was supposed to deliver that it might have been a good idea to have a reporting mechanism back to the central office, which is the OLG, to monitor those things?

Mr HURST: Staff of councils are not State government employees. Councils are independent bodies that are constituted by the Local Government Act. The council as a group, the governing body, employs the general manager and the general manager employs the staff. None of the employees of council are State government employees. They have their own industrial arrangements, their own award that is separate from the industrial arrangements that apply to State public servants. The framework that the Act provides is that these are the employees of council and that it is up to council and the Act equips councils, through their general manager, to ensure that the staff resources are provided that are appropriate to implementing the operational plan and the community strategic plan that the councils adopt.

The Hon. MARK BUTTIGIEG: But given the fact that those payments, if they were made or will be made, could have a material impact on service delivery and budgets and given that those mergers were in effect mandated by the State Government, the two are not necessarily easily divorced, are they, in terms of responsibility? You have an Act that constitutes those local councils which the department administers under the auspices of the Minister. Do you accept that there may be a view that that sort of oversight is necessary given the controversy?

Mr HURST: Where I was at with the previous answer is that the staffing is the responsibility of councils. I would imagine that councils would be reporting on figures for redundancies as part of their annual financial statements that the Local Government Act requires them to publish by the end of November each year and that the outcomes of that will be then publicly available to members of their community and also to the Office of Local Government to look at whether and how much any redundancy expense might be at any individual council. It is theirs to determine.

The Hon. MARK BUTTIGIEG: But does the department have a view on whether or not it intends to do a macro summary and collate all of those for public consumption or not?

Mr HURST: What we have done is provide a framework. The Local Government Act provides that framework for the material to be published so that communities can assess transparently what their council is spending on redundancies, if that is what they choose to spend their money on.

The Hon. MARK BUTTIGIEG: What about in terms of the non-labour aspect of the by-products of those mergers such as expenditure on information technology [IT], accounting or financial systems? Is there any reporting on that sort of thing? Presumably to merge an IT system or an accounting system there is money that needs to be spent on doing those sorts of things, perhaps consultants employed. There was no microanalysis of that sort of thing?

Mr HURST: Without going into the detail, it would be quite difficult to decide whether the updating of a finance system at a council happened as a result of a merger or whether indeed the finance system was simply at the end of its useful life and was due to be replaced. Councils make improvements to the finance systems; they fit out and move offices. They undertake all of these activities whether they are merged or not. I think part of that is the difficulty in understanding what happened as a result of the merger, what did the councils decide to do as a response to that and what was part of their normal business operations?

The Hon. MARK BUTTIGIEG: I understand the difficulty but we have a situation here where the average taxpayer looking at this process would want to know, after all that angst and controversy, whether or not there has actually been a dividend to the New South Wales taxpayer in the form of tangible efficiencies that come back to them in some form or another? Now if the microeconomic analysis or the cost-benefit analysis is not in place, the methodology to actually achieve that, it is a bit of a worry, wouldn't you concede?

Mr HURST: There is no dividend to the New South Wales Government or the New South Wales taxpayer.

The Hon. MARK BUTTIGIEG: So what was the point of merging councils?

Mr HURST: Councils are independent, self-governing bodies and any money that they realised as part of any saving that they might make in the day-to-day operations they invest in additional services and infrastructure to their communities. So the Government has no mechanism to extract money out of councils. We do not provide them with any untied grant funding. Councils, through their ability to rate and to charge fees and charges under the Local Government Act, through the processes under the Local Government Act of them setting a budget for the year, are actually the ones who are best placed to make the decisions about how they apply their resources most efficiently, where they realise savings to the extent that they want to do so and where they apply the benefits from those savings to improve outcomes. So I think any member of the community can talk to their local councillors or ask their council, if it is a merged council, what they have done since the merger and how they have applied any benefits. I know that some councils have been proactive in providing that information to their communities but it is a matter for each individual council. I think the issue here is that there was no return financially to the State from this process.

The Hon. MARK BUTTIGIEG: So the presumption was that at a local level a couple of things may happen in an ideal world: Your rates may not go up as fast as they otherwise would have, they may stay the same, they may go backwards and/or delivery of service improves. If I am a local resident in the Sutherland shire LGA, what you are telling me is I can go to Sutherland council and say, "Look, rates have gone up by 10 per cent. I want to know—". That is not a good example because they were not merged but if I am in an LGA that was merged I

want to know why my rates have gone up when you were telling me that this merger was going to provide a better outcome and they would be presumably able to say, "Well, your garbage collection has increased by once a week. We are providing better opportunities for you to take your waste to the tip" or whatever the benefit is. Is that the sort of—

Mr HURST: Those are both tangible benefits that I understand some councils have delivered out of this process.

The Hon. MARK BUTTIGIEG: Some?

Mr HURST: Any ratepayer can go to their council and ask their question and participate in the process of budget setting to understand how the council applies their money.

The Hon. MARK BUTTIGIEG: So if the department has not got the methodology in place, the macro oversight to determine whether it is happening across the board, you are saying that individual councils do have those methodologies to show residents what was achieved from the merger?

Mr HURST: They may be choosing to do so.

The Hon. MARK BUTTIGIEG: There is no requirement on them to do so?

Mr HURST: The requirement on them is through the integrated planning and reporting process to set a budget and to do so in consultation with the community. They do it based on longer term as well as shorter term objectives. The process that we have designed and implemented through the legislation provides the opportunity for the community to ask questions about priorities and how councils are applying their money to the things that the community needs and wants. That is the budget setting process for all councils, not just for new councils. That is how the system encourages ratepayers to participate in the process and influence the future direction of the council and the services and infrastructure they provide.

The Hon. MARK BUTTIGIEG: You can see how someone analysing on a probity, transparency perspective would look at this and say, "Hang on, we were told that this was going to deliver efficiency savings, X Y Z, a quantifiable model because of a merger", and then post the exercise what the Government is basically saying is, "Talk to your council and they will tell you it is okay or not". Is that the ultimate situation?

Mr HURST: It is the ultimate in transparency where elected councillors have a process—and the Act requires them. They are accountable to their community for the performance of the council.

The Hon. MARK BUTTIGIEG: Except that a lot of them were elected on the basis to stop forced mergers. A lot of it was out of their control. That is the issue.

Mr HURST: Irrespective of the platform that a councillor might have been elected on, once they become a councillor they are bound by the Local Government Act to act in the best interests of the community and to make the council successful. I would hope that before choosing to put themselves forward for election that every candidate was aware that they would then have an obligation to do their best to make that council work, to work to deliver for their local community.

The Hon. MARK BUTTIGIEG: My point is that a lot of those councillors' platforms were predicated on not merging because they knew it would be a disaster and now they are expected to clean up an outcome over which they had no control. That is the issue.

The CHAIR: Do you have a question?

The Hon. MARK BUTTIGIEG: I do. Let us move on. The New South Wales Environment Protection Authority website states that the waste levy "aims to reduce the amount of waste being landfilled and promote recycling and resource recovery". Is there a fair allocation of that waste levy going back to councils, given that primarily, as I understand it, they are charged with the education process around efficient waste measures?

Mr HURST: This is a matter for the Minister for the environment to administer the waste levy and the programs that provide those funds back to councils.

The Hon. MARK BUTTIGIEG: This is a levy levied on residents via their rates?

The Hon. CATHERINE CUSACK: For landfill.

Mr HURST: It is a levy that applies to anyone who landfills waste material.

The Hon. MARK BUTTIGIEG: Are you saying it is not a matter for this Minister or this department?

The Hon. CATHERINE CUSACK: Point of order: Will the member clarify which website he has taken this information from?

The CHAIR: It is not a point of order.

The Hon. CATHERINE CUSACK: He is quoting material and I can ask him to resource the material that he is quoting from.

The CHAIR: If the member would please ensure that his questions are generally relevant to the Local Government portfolio. The Hon. Catherine Cusack is not entitled to ask questions of other members in that way.

The Hon. CATHERINE CUSACK: I am entitled to ask for the reference that they are making.

The Hon. MARK BUTTIGIEG: It is the Environment Protection Authority website.

The Hon. BEN FRANKLIN: Under the responsibility of the Minister for Energy and Environment, which you can ask in 1½ weeks.

The Hon. MARK BUTTIGIEG: These clusters—

The Hon. CATHERINE CUSACK: All you have to do is focus on the Minister for Local Government.

The CHAIR: Order! I know it is getting late. Government members might be frustrated that we are still sitting. Opposition benches and members of the crossbench have the right to continue to ask questions.

The Hon. CATHERINE CUSACK: About Local Government.

The CHAIR: Which is what I have said. If you will let us continue.

The Hon. MARK BUTTIGIEG: Can you tell us what the rural area levy rate was in 2010-11?

Mr HURST: I do not know off the top of my head but it is a matter for the Minister for the environment.

The Hon. MARK BUTTIGIEG: Are you aware that it has increased—it has quadrupled actually—from 2010-11 to 2018-19?

Mr HURST: I was not personally aware of that but, nevertheless, it is a matter for the Minister for the environment about the change in the rate.

The Hon. MARK BUTTIGIEG: My question is, do you think that a ratepayer in New South Wales would think that was fair in rural New South Wales?

The CHAIR: I ask the member to make sure that his questions are directed in relation to the Local Government portfolio. The witness has said several times that it is not within his purview.

The Hon. MARK BUTTIGIEG: I will move to questions regarding outsourcing. Were you aware that in 2017-18 the Government plaid \$2.85 million to the Victorian Department of Economic Development, Jobs, Transport and Resources to deliver a responsible pet ownership education program in New South Wales?

Mr HURST: Yes, that is correct. It is a fantastic program—

The Hon. MARK BUTTIGIEG: I am sure it is—

Mr HURST: —that delivers a range of practical programs to target groups, to school groups, to children of preschool age and to parents who are expecting a baby about what to expect and how to deal with pets and companion animals.

The Hon. SHAYNE MALLARD: Sounds good.

The Hon. MARK BUTTIGIEG: Do you think that is an appropriate use of resources in terms of giving another State that sort of income as opposed to sourcing it locally and providing local jobs? There was no capacity to provide that in New South Wales?

Mr HURST: Actually we did undertake a tender for the services when they came up and other providers were able to compete through that process but the structure of the operation is that the intellectual property and the administration is run, as you mentioned, by the Victorian department. But the people who actually provide the services on the ground are based in New South Wales and they use companion animals that relied in New South Wales to provide the program.

The Hon. MARK BUTTIGIEG: Are you saying that a lot of the \$2.85 million would have gone to local labour but there was a component of administration and management that was done by the Victorian office, is that right?

Mr HURST: Yes, I would expect that to be the case.

The Hon. MARK BUTTIGIEG: Are there any other similar initiatives that are being outsourced to other State governments?

Mr HURST: That is the only one that I am aware of with the Office of Local Government. That is the biggest contract as the Office of Local Government that we let. It is a very important program and is central to implementing the Government's responsible pet ownership agenda.

The Hon. MARK BUTTIGIEG: In the current period there is no similar interstate outsourcing?

Mr HURST: Nothing of that magnitude, no.

The Hon. MARK BUTTIGIEG: I will just move on to glyphosate weedkillers which has been quite a concerning development whereby weedkillers, commonly known as Roundup, have been linked to cancer. There has been a court case in the United States of America recently which has awarded compensation to victims. We have had workers out of Blacktown Council going on strike on the matter and I understand some councils have voluntarily decided to switch from that product to other products. Does the department have a view on this? It seems to be quite a substantial problem and something I would have thought the Government would have had an overall approach to rather than leaving it up to individual councils?

Mr HURST: The answer is it is up to individual councils. The State Government does not impose any restrictions on the sale of the product so it is up to individual councils to decide whether or how to use it in their individual circumstances but I would hope that they consulted with their employees as part of each individual council's decisions about whether or not to use different, alternative approaches to weeds management.

The Hon. MARK BUTTIGIEG: Has the Government contemplated some sort of restriction on the use of that product, given the overall effect it has across the State?

Mr HURST: My understanding is that its use is regulated by the Australian Pesticides and Veterinary Medicines Authority, which is a Federal agency and whose guidance to people throughout Australia is that the product is safe for use if used in accordance with the label.

The Hon. MARK BUTTIGIEG: Can I put to you that the Victorian Government, as is often the case with these things, has taken a more proactive approach and launched a review of products containing glyphosate, which is, as I said, the key ingredient in Roundup? Apparently, this Government's position is to closely monitor it. Do think that is adequate, given the responses elsewhere?

Mr HURST: I think—

The Hon. CATHERINE CUSACK: Point of order: Mr Buttigieg has invited the Chief Scientist to multiple hearings, as we know—

The Hon. MARK BUTTIGIEG: Roundup is being used by local government.

The Hon. CATHERINE CUSACK: —and the Chief Scientist, as a result, is going to be appearing here twice, plus the environment Minister, who administers the EPA, so the questions can be great questions but they just need to be directed correctly to the people who can answer them.

The CHAIR: What is the point of order?

The Hon. CATHERINE CUSACK: It is that the regulation of pesticides and poisons is being undertaken by the Chief Scientist and by the EPA; it is not a local government—

The CHAIR: If the witness is unable to answer the question and wants to suggest that it is not within his purview, he is more than welcome to do so in response to Mr Buttigieg's question.

Mr HURST: There are other New South Wales agencies who have a role, including the EPA, as has been mentioned, in terms of its use in the community, and also SafeWork NSW in terms of councils' obligation as employers to their staff. There are other agencies that, if that was the direction, would be pursuing it.

The Hon. MARK BUTTIGIEG: I do find it somewhat concerning that you have people exposed to potentially life-threatening chemicals and we have government agencies passing responsibility on.

Mr HURST: To the agency best placed to manage it.

The Hon. MARK BUTTIGIEG: What these people need is action. In terms of the existential crisis that the building industry is in at the moment, not solely but partly due to the hands-off approach to the regulatory environment, particularly regarding the conflict of interest inherent in private certification, can you tell me whether or not the department has a position on that in the context of how it relates to local government and their responsibility for development applications and the fallout from what has been happening with the building industry?

Mr HURST: Councils' responsibilities for DAs come from the Environmental Planning and Assessment Act, which is the responsibility of the Minister for Planning and Public Spaces. More broadly, the questions of building standards now are led by the Department of Customer Service rather than our department.

The Hon. MARK BUTTIGIEG: My understanding is that these private certifiers used to be employed by council, which took out the inherent conflict of interest that occurs now in the industry whereby certifiers are paid by the very people who have an interest in the building being erected at any cost. Does the department have no view and no positions on that?

Mr HURST: The department is not the lead agency for those considerations.

The Hon. PETER PRIMROSE: I was pleased to move that we table the letter received from the Minister this afternoon from Steph Cooke, the member for Cootamundra, dated 23 July 2019. The letter says:

The Cootamundra Gundagai Regional Council tell me they are facing a deficit of \$30 million over the next ten years...

Mr Hurst, is that correct?

Mr HURST: I would not necessarily be aware of what operational performance the council was planning over such an extended period but councils do run deficits in their operating budget from time to time, particularly during periods of heavy investment in capital until rates or fees can catch up with the investment. I can only defer back to the question that, really, each council is responsible for setting its future operational budget in consultation with the community and in accordance with its long-term priorities established in the community's strategic plan.

The Hon. PETER PRIMROSE: I find that interesting because you also indicated that one of the reasons for the Government choosing to forcibly merge councils rather than allow them to continue on was because of its concerns about their ongoing operational and presumably capital over-expenditures, under-expenditures, whatever—their finances. Now you are saying that the central government really has no role in monitoring that. Is that the case?

Mr HURST: We do monitor the financial performance of councils but the other element to the equation is that the council may well be taking on a very ambitious program of operational improvements and infrastructure investment. I do not know whether the change in their operating performance comes from the revenue side or the expenses side. This is a question of detail but ultimately one for the council to manage.

The Hon. PETER PRIMROSE: Given the fact that it was a decision by the Government to forcibly merge the councils, it is the mayor and the general manager who are raising their concerns with the local member who has raised it with the Minister. I will not ask you to tell me what the Minister will say because that would be inappropriate, but it does imply that the State has some role, including to the council, in seeking to provide assistance to the council.

Mr HURST: It may well be that that is what they have decided to talk to the Minister about. The Office of Local Government can assist the council in practical ways that it can balance its budget or bring out a longer-term alignment of its revenues and its operating and investing amounts so that it can, in the long term, balance its budget. We can assist it with that task.

The Hon. PETER PRIMROSE: Have you offered to provide that assistance to Cootamundra Gundagai council?

Mr HURST: We have been in discussions with Cootamundra Gundagai council about its budget; we are in discussions with a lot of councils about their budgets.

The Hon. PETER PRIMROSE: Are you providing that assistance to Cootamundra Gundagai council?

Mr HURST: I have already agreed to take on notice a list of our council visits to Cootamundra Gundagai council. I can endeavour to find out if financial performance came up as an issue at those meetings, if we have a record of that.

The Hon. PETER PRIMROSE: Another point that is mentioned in Ms Cooke's letter to the Minister was concerning the absence of the KPMG report. The letter says:

... I believe an individual review would help the Government, and myself as Member for Cootamundra, to demonstrate and substantiate this position.

Clearly it is a matter for the Minister to decide whether there is a review or not and I will not ask you for that advice. But let us get this clear because there was some concern this morning about the KPMG report: The KPMG report was used by Premier Baird to make his decisions, which many of us sought copies of. We—myself, Save Our Councils Coalition and others—went to NCAT. Is that report now publicly available?

Mr HURST: The Minister gave the answer this morning about the status of the release of the report.

The Hon. PETER PRIMROSE: Can you remind me what that is?

Mr HURST: I think the Minister said that it had been released as appropriate, I think she said.

The Hon. PETER PRIMROSE: That is not an answer to a question. Maybe Mr Betts then—

Mr BETTS: Is your question a factual question about what has been disclosed?

The Hon. PETER PRIMROSE: Yes.

Mr BETTS: So we can take that on notice and point you to the relevant documentation. As you say, it has been through NCAT.

Mr HURST: We did take it on notice.

Mr BETTS: We did?

Mr HURST: Yes.

Mr BETTS: Great. We will take it on notice again.

The Hon. PETER PRIMROSE: I would have thought you would have known.

Mr BETTS: Presumably, if it had gone through the NCAT process following a GIPAA request, then NCAT has applied the law rigorously and what is disclosed is disclosed and what is not is not.

The Hon. PETER PRIMROSE: Following a closed meeting with a number of government barristers, the NCAT declined to make that report available. This morning this Committee was advised by the Minister that the report had been made available. Now I see a letter. That is something that I was unaware of, the councils coalition and Local Government NSW, when I spoke to people there earlier today, is also unaware of it. I note the letter from Ms Steph Cooke, tabled by the Minister, indicates she is also unaware of it being made available. If it is available, no-one is aware of it. Please, by all means, take it on notice because I seriously would have thought that senior departmental heads would have known if such a contentious document was actually available to the public.

Mr BETTS: As I think we indicated this morning, it may be that parts of the document or ancillary documents have been made public.

The Hon. PETER PRIMROSE: Ancillary documents have. They were made available by Minister Baird but not the full report.

Mr BETTS: The process of taking it on notice will clarify exactly what is in the public domain and what is not so you do not miss anything.

The Hon. PETER PRIMROSE: I know full well what is in the public domain.

The CHAIR: Order! The witness has said that he will take it on notice.

The Hon. PETER PRIMROSE: He has answered a question I am continuing to pursue, Madam Chair. I know full well what is in the public domain. I am simply asking again for you to clarify, please, not simply the KPMG report—it is the making it clear, it is part of the full-form KPMG report that a number of agencies and others, including myself, have sought to be released by the agency, by Premier and Cabinet and through the NCAT process. Thank you.

I understand there are about 14,000 dog-bite victims in hospitals throughout Australia every year. I am advised about four people are hospitalised per day throughout Australia as a consequence of dog bite. Do you agree that existing dog-control measures are not sufficient?

Mr HURST: The data that you provide is collected to inform the process of setting government policy and assisting councils to understand the prevalence of dog attacks within the community. There is actually an obligation in the Companion Animals Act for councils to report any incidents of dog attacks. What constitutes a dog attack is defined in the Companion Animals legislation, and the data received from councils we publish on a quarterly basis to provide transparency about councils' performance and performance of the Government's policies in the community.

Dog attack numbers continue to decline. I think an examination of the data shows that over the last few years, while this data has been published, that dog attack numbers have been consistently reducing. Part of this is going to be the efforts that councils and also the New South Wales Government have taken to implement the policies and strategies that reduce the risks to individuals and also the prevalence of dangerous or menacing dogs within the community through the recently strengthened prohibitions and the measures in the legislation.

For example, owners of dangerous dogs or dogs declared dangerous have certain requirements in terms of the facilities they are required to keep the animal in. They are required to have an identifying collar on when they are outside the enclosure. These are features of the legislation which are designed to potentially minimise the potential impact of that animal on members of the community if it has been declared dangerous in the past.

The CHAIR: Thank you, Mr Hurst. I thank our witnesses.

(The witnesses withdrew)

The Committee proceeded to deliberate.