

Department of Planning, Housing and Infrastructure

Office of Local Government

Parliamentary Inquiry into Fraud and Corruption Control in Local Government – Witness Statement from Mr Brett Whitworth, Deputy Secretary, Office of Local Government

Excerpts from the 2025-2027 Office of Local Government Strategic Plan.

The NSW Office of Local Government (OLG) is a division within the Department of Planning, Housing and Infrastructure (DPHI). OLG reports to the Minister for Local Government, the Hon Ron Hoenig MP.

OLG is headed by a Deputy Secretary, Mr Brett Whitworth, who is a member of the DPHI Executive Leadership Committee alongside other Deputies with responsibilities for planning, development assessment, crown lands, property development and valuation, Aboriginal Strategy Policy and Engagement, as well as Corporate and Legal.

The size and reach of OLG

There are approximately 120 staff within OLG, noting that we also call on the services of other parts of DPHI for comms and media, financial and corporate services, corporate governance, as well as legal. The OLG budget is approximately \$166 million, which includes approximately \$78 million for pensioner rate rebates, as well as approximately \$52 million in grants to fund councils for new apprentices, trainees and cadets.

The NSW local government sector contains 128 councils, with a further 22 auditable entities (county councils, joint organisations), employing approximately 50,000 people, managing nearly \$200 billion in assets and an operating income of approximately \$15 billion.

The Role of OLG

The purpose of OLG is to build a strong and sustainable local government sector. We aim to ensure councils can continue to effectively deliver services and civic leadership to local communities across NSW.

Fundamentally, OLG is a regulator of local government. We create the framework for local government that enables councils to operate effectively and ensures they succeed. We support councils to ensure they can operate within the framework, giving them guidance on how to follow it. We also identify areas for improvement in either the council or the framework, and are additionally responsible for companion animals policy.

Our goal is to uplift the sector's overall capability through this framework. We are also responsible for carrying out the trainee and cadet program, which helps improve councils' capability. As the regulator of local government in NSW we also monitor council performance, intervening as little as possible, but as often as necessary to address non-compliance when councils are not performing well.

Interactions with the sector

Through 5 key avenues for our interactions with the local government sector, we:

1. **develop clear standards** for councils and councillors to meet through the legislative, statutory and procedural provisions we create and administer, and we guide and uplift the sector's capacity through these standards
2. **circulate robust and reliable information** across the sector, giving communities, and state and federal governments, information about councils, their performance and how they conduct their business
3. **enable councils to manage new or emerging challenges** by giving councils access to advice, support, connections across government, and funding through grant programs. We also review legislative frameworks to give the sector the right tools to address issues as they arise
4. **monitor compliance**, including financial capacity and sustainability, which helps manage risk and builds community confidence in the sector. We do this through the legislative framework councils operate within
5. **address poor performance and operational variances** by intervening as a regulator. We use the powers of the *Local Government Act 1993*, the *Companion Animals Act 1998*, and the *Public Spaces (Unattended Property) Act 2021* to enforce sector standards.

OLG as a regulator

The local government sector employs over 50,000 people. Because of this, OLG cannot be overly cautious as a regulator, nor can we be reckless or take on too much to be effective. Instead, we must be smart and strategic.

We aim to:

- be aware of what the sector is doing and how well it is delivering
- understand issues within the framework of local government
- help councils identify the issues and controls that need improvement or updating
- monitor and publicly report on the financial, governance, and service delivery performance of individual councils
- hold councillors to account for their behaviour through the councillor conduct framework
- ensure we proactively identify poor performance in councils and address it through our interventions, acting before a council fails
- ensure we are a clear and trusted advisor to the NSW Government on local government matters.

We need to ensure we are delivering the programs the Government has assigned to us. These include companion animal reforms; the apprentices, trainees and cadets program; disaster recovery grants; and open space or community development grants.

Interactions with other regulatory agencies

OLG is not the sole regulator of councils and council functions. Some of the other regulators and their roles are:

- NSW Information and Privacy Commissioner: to ensure compliance with privacy obligations and implementation of the *Government Information Public Access Act, 2009*
- NSW Independent Commission Against Corruption: to deal with serious corrupt conduct
- NSW Ombudsman: to deal with councils' governance of complaints

NSW Auditor General: audit of accounts against the NSW Local Government Accounting Code, the Australian Accounting Standards and any case by case performance audits.