From:	Adrian Panuccio
Sent:	Tuesday, 23 July 2024 5:23 PM
To:	State Development
Cc:	Danielle Johnston
Subject:	CM: RE: Inquiry into the ability of local governments to fund infrastructure and services - Post-hearing responses - 27 June 2024
Attachments:	Corrected Transcript - MidCoast Council.pdf

Good afternoon Juilianna

Please find attached corrected transcript fya.

Mr ADRIAN PANUCCIO, General Manager, MidCoast Council, before the Committee via videoconference, affirmed and examined

Mr PHIL BRENNAN, Acting Director Corporate Services, MidCoast Council, before the Committee via videoconference, affirmed and examined

Councillor CLAIRE PONTIN, Mayor, MidCoast Council, before the Committee via videoconference, affirmed and examined

The CHAIR: Good morning. Welcome to our next witnesses. Would any of you like to start by making a short opening statement?

CLAIRE PONTIN: Yes, I'll do that. Thank you to the Committee for the opportunity for us to appear before you today. I'm going to start by giving a bit of context for MidCoast Council and then move on to some of the issues we'd like to talk about. MidCoast Council is an amalgamation of three rural councils that were merged in 2016. We were merged again with the local water utility a year later. We were amalgamated because two of the councils were struggling financially, and we still are. Amalgamation has not fixed the underlying issues. Financially, we are fine in the short term. Our cashflows are adequate to cover our day-to-day costs. We're managing our restricted funds properly, and we're addressing long-term financial sustainability.

But we're struggling to maintain our $5 billion asset base. Addressing infrastructure renewal and backlogs is our biggest challenge. MidCoast Council is spread over 10,000 square kilometres. We have 195 towns and villages, all of which require services of some sort. MidCoast has a population of 98,000 people and over 3,600 kilometres of roads, 11 libraries, nine swimming pools, seven ocean pools and swimming enclosures, four admin offices with a total asset value of over $5 billion. We're also a water utility and have six separate water schemes, 14 sewer schemes and over 2,400 kilometres of pipeline. We have 55,000 rateable properties with over 11,000 of these, 20 per cent, receiving pensioner rebates. We have the oldest demographic in New South Wales, with 33 per cent of our population over 65 years.

Our main issue this morning is to mention that the rate peg hasn't worked for us. Recent changes to the IPART formula have attempted to address some of these shortcomings. However, MidCoast Council and many regional and rural councils are still dealing with the historical impacts of rate pegging on asset renewals and the provision of services. Evidence that is not working is seen in the high rate of SRV uptake in recent years, with surveys indicating many more planned in the near future. It is designed to protect ratepayers, but it has an accumulating adverse effect on asset maintenance which eventually must be addressed through SRVs. Rather than working to stop bill shock, it promotes it in the longer term.

In our council it has led to decades of deferred asset expenditure and an increasing backlog. We are still suffering from the impacts of forced amalgamation. While there are economies of scale and opportunities to be more efficient, these take time to realise. One size doesn't fit all: metro, regional and rural; large and small; coastal and inland. Councils all have different cost and revenue drivers and constraints. Some of the issues we would like to touch on today are cost-shifting, which does have disproportionate impact on us due to low ability to pay; rates exemptions, and we can discuss some of those examples; and the inequities in the formula for allocating Financial Assistance Grants. Thank you for that. We're happy to take your questions.

The CHAIR: When you're answering questions, could you talk as directly to the screen as possible. Some of the audio was a little challenging at times, but the good news is we've got it all on *Hansard.*

Dr AMANDA COHN: Thank you for making the time to give evidence. I am particularly interested in your relatively unique position, compared to some of the other councils we've heard from so far, as an amalgamated council. The previous Government, in 2016, did provide some one-off funding to the councils that were forcibly amalgamated to help cover some of those costs. In your opening statement you alluded to there being an ongoing financial impact of that. I was hoping you could expand in more detail what some of the ongoing financial impact of that amalgamation is and what support you might need in addition to the one-off that was provided in 2016.

ADRIAN PANUCCIO: I can probably answer some of that. MidCoast was merged in 2016 from three entities: Greater Taree, Great Lakes and Gloucester Shire. Council received a one-off $5 million startup contribution on account of the merger. Comparatively, metro councils received $10 million. Argue whether that's sufficient or not—that's a separate discussion. But there's certainly an inequity. Council than merged again, in one way or the other, with MidCoast Water in 2017. Council didn't receive any additional financial assistance on account of that. I've advocated in the past that it needs to be at least, I would have thought, the same as the metro councils.

Mayor

As my mayor correctly pointed out, MidCoast is over a large area of 10,000 square kilometres and we're quite diverse. We have the second largest road network in the State. We are a group 5 council. Our road network is 3,600 kilometres, half of which is sealed, and our asset base is $5 million. Comparatively, group 5 councils have their own transport network of 1,280 kilometres. There's significant disparities even within the group 5 level of councils. We're different. We have challenges as a merged council. We're still in the process of ensuring our systems and policies align adequately, and that's an ongoing piece of work. As far as financial assistance~~, that pretty much ended on [inaudible]~~. There were some grant opportunities available, but that largely ended on the ~~day of the~~ merger, with the $5 million grant.

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Dr AMANDA COHN: We've heard from a number of rural and regional councils about having to, essentially, show leadership and step in when other services, typically funded by State and Federal governments, haven't kept up with community need. I've heard a lot of feedback from your local community about health services that haven't kept up with community need in that region. I'm interested in what impact that's had from a local government perspective. Has there been additional demand on the services that you provide to try to fill that gap?

CLAIRE PONTIN: We haven't stepped in, and we don't provide the services. We're just unable to do that. The community is suffering. We have, as I mentioned, the oldest demographic and one of the poorest performing hospitals in the State. We have been seeking additional funding for that. There was increased funding given in the recent budget, but we have a shortage of GPs, we have a shortage of allied health professionals and we have shortages at the hospitals. It is very challenging for all the community.

The Hon. SCOTT FARLOW: We've heard from a lot of councils in terms of the rate determination and how that's just one part of the picture. A lot of it comes down to fees and charges. When it comes to country councils in particular, those fees and charges are capped. There's not really much of an opportunity to be able to levy some of those fees and charges. I'm just wondering, MidCoast Council, is that one of the issues that you face as well?

CLAIRE PONTIN: I might lead off on that and see if my colleagues want to add to it. We have many charges, obviously; most councils do. We have increased many of them by the 5 per cent, similar to the rates this year, but there is a whole batch of statutory fees which are not indexed. They are the ones that we can't put up and we haven't put up, and many of them have not been changed for decades, I believe.

ADRIAN PANUCCIO: Yes. The challenge with statutory fees is that those costs get passed on to the general fund and the rate cap won't cover it. An example would be DA fees, I suppose; that's a statutory fee. It costs a lot more to assess the DA in relation to the fees that we are actually collecting. There's a lot of work involved on DAs. If we can't pass those on, there's a real cost to the community.

see separate response (email)

The Hon. SCOTT FARLOW: Do you have an assessment, particularly for DAs and the like, as to what the differential is between what you're charging, in terms of the fees, and then what it costs council?

ADRIAN PANUCCIO: I don't have the actual amount, but I can take that on notice. We can try to provide some figures.

The Hon. SCOTT FARLOW: If you could take it on notice, that would be great. The other thing I think you make a good point of in your submission is with respect to the rate peg and what sort of community expectations that builds. I think you make the point that, effectively, the community's view because of the rate peg is, "This is what the cost of services are actually going in." You make a point quite well that that might be the case in an average but, realistically, you're forced into this position of special rate variations because the cost of services and the impost on a council like MidCoast Council are significantly greater. I'm just wanting to understand from you the sort of discussions you're having with the community about the real impact of rate peg, and what the real understanding should be from the community in terms of what council can provide, and sometimes those tough decisions council has to make about how they expend their resources.

ADRIAN PANUCCIO: What council can and should provide should be determined in accordance with the integrated planning and reporting framework, first and foremost. The rate peg doesn't actually capture the real cost and true cost of running the business. The discussions with the community—we received a whole heap of community feedback on this year's DPOP and our rates. An element of the community weren't supportive of even adopting the rate peg, for instance, because they see that as the additional cost of providing the same or additional services that we do provide the community. It's only when you have a real, true cost of future projections that you're able to adequately budget for and apply an equitable rate.

The Hon. SCOTT FARLOW: I know my colleague the Hon. Sam Farraway has many road questions to ask as well, but I think you make the good point in your submission in terms of the metre road length per capita calculated. There's a stark contrast between MidCoast Council and other councils. I'm just wanting to hear from you in terms of whether the community has an appreciation of that, in terms of your responsibilities when it comes to local roads?

ADRIAN PANUCCIO: We try to, as much as we can. The council recently adopted a road strategy on 1 May which outlines the challenge not only for MidCoast Council but also statewide and nationally. The roads issue isn't—we're not isolated in that. We all know the significance of weather events over the past two years. Metro councils are also facing the same challenge. For MidCoast, ~~though,~~ each of our residents contributes to 38 metres of road. Compared to the group average of each resident contributing to nine metres of road, there are massive disparities even within the group.

If you look at rating income per kilometre of road, we're generally $25,000 per kilometre of road. But you have some metropolitan councils—I'd talk to perhaps North Sydney or Waverley. North Sydney received—just rating income per kilometre—roughly $325,000 and Waverley are $375,000 per kilometre of road. There are massive disparities, and what we would say is that we endeavour to educate our community. We go out to the 15 parts of our community twice a year to have a conversation with them, and we always talk roads. For MidCoast, roads is always at the top of the list. When you have the second largest road network in the State and a relatively low—comparatively—rating base, it's going to be an issue. We're always having those conversations.

CLAIRE PONTIN: If I could add to that, I think the part of it that the community doesn't understand—and we have tried very hard to inform them of this—is they see us maintaining roads, and we put money regularly into maintenance for roads, but because our roads are in such poor condition because they haven't been adequately maintained over the last 50 years, it's going to cost us an awful lot more to bring them up to acceptable standards than they would have had we been able to put regular money into them all through that 50-year period. That's the challenge we've got at the moment. It's got to the stage where we have to fix the problem and the residents just say, "Why haven't you fixed it already?" It's a very complicated discussion to have.

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The Hon. SCOTT FARLOW: I was going to leave the roads question for my colleague the Hon. Sam Farraway, but I think he might have dropped, so I might just ask these and he might have some further ones if he gets back online. With respect to that roads funding, how important is it for you—the grant funding—to be able to help you in terms of being able to look after, maintain and improve those local roads?

ADRIAN PANUCCIO: We rely heavily on grant funding. What we would say is that we prefer grant funding not being competitive, being equitable across the State having regard to particular cost indexes. So we welcome—per kilometre distributed across relative LGAs; that's somewhat helpful, but there ~~are other cost factors~~ that apply that's unique to MidCoast and many rural or regional councils. When ~~you~~ have networks such as ours and such as [inaudible], it may not just be per kilometre. We do ~~look at~~ untied grant opportunities to maintain our network, give us discretion as to where those funds will be spent.

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The CHAIR: We might move to Government questions. If the Hon. Sam Farraway jumps back online, we can throw to him also. Thank you so much for appearing today, MidCoast Council. I wanted to ask you a more general question. In terms of councils with historically low rate bases, do we need to do more to allow these councils to catch up, or can they just go through the SRV process?

CLAIRE PONTIN: I think that there is a need to address it. It has been the rate peg that's caused that historical problem to accumulate. We note that there are an awful lot of councils going through an SRV process. We haven't got to that stage yet. We've had a recommendation that we should, but we are not in a position to be able to pursue that and think that there's a lot of work that we need to do internally before we get to that stage. I would advocate for injection of funds to rural councils who are in this position, who have such a large network of roads for us on the coast that have been very badly affected by the recent rains. That makes it even harder for us to catch up. I think there's a case to be made that, given the inequalities in funding over the decades, that a catch-up funding of some sort would be beneficial and very much needed.

ADRIAN PANUCCIO: I would support that. I would also add the uniqueness of regional and rural is we don't have the benefit of different funding streams that may apply to metropolitan councils. We can't charge people to park in our towns like a metro council can. We can't generate that income. It just needs to be fair across the area. I've heard other speakers talk about looking at cost indexes across different categories of councils and while we are a group 5 council, there are differences even within group 5. I think that's where we needed to be headed. We need to be classifying councils as much as possible like for like, so that we can meet the challenges and increase some revenue.

PHIL BRENNAN: If I could just throw in, I probably have a more general comment in relation to your question. Yes, the rate peg has had an impact across 50 years. The question around should there be a catch-up or an addition, let's take into account that decisions were made by those councils over those previous times. They deliberately chose not to take that rate peg when it was available. There were good reasons at the time why councils made that decision, but the cumulative impact is being seen today. I would think, within the confines of what's available today, is full use of their IP&R requirements, particularly the long-term financial planning, together with a modified or much easier process to go through an SRV process or through the rate pegging, tied to very strict compliance with IP&R.

So rather than "We're now going to reset the base and here is an additional amount of money to catch up on what has been forgone", it's "Here are the confines in which you can now start to get back on track." In a conversation we had many years ago the director of IPART said, "It took you 40 years to get into this situation; you're not going to get out of it with one special variation." It is a long-term issue to get out of, but there is probably more flexibility required in the rate peg area if it's to go forward to allow that to occur.

ADRIAN PANUCCIO: Certainly the principle that additional payments to the regions would allow them to catch up would be supported by MidCoast.

The CHAIR: If we resettle councils to a baseline that might better capture the services and costs that communities expect, do you think the new IPART rate methodology would keep those councils solvent, absent any major crisis?

CLAIRE PONTIN: That has certainly been a big change for us. We were able to charge 5.2 per cent this year because we've got the population increase. That's one of the reasons why many residents have actually reacted to it—going back to a previous point. We had a submission of 600 signatories complaining about the 5.2 per cent increase because we have trained them to accept the 2.5 per cent increase. I think the IPART changes to the rate peg formula are likely to help, but it's missing out on that.

ADRIAN PANUCCIO: While it will help, it also doesn't take into account other cost indexes or issues, like the cost of construction. We have lots of construction contracts. It doesn't take into account that. It doesn't take into account the cost of wages. The population growth factor would help those councils that are growing, but when you're rural or regional you have populations that are potentially even declining or growing at a much lesser rate. While it is helpful, it is just one factor. There probably should be other factors that need to be looked into.

The CHAIR: You mentioned construction costs. We have certainly heard a lot about that so far this morning and yesterday, including the cost of road materials. Do you currently get a good deal through the procurement process that you use? Is there any way that the Government can examine procurement to allow councils to get a better deal?

ADRIAN PANUCCIO: I can't answer whether it's a good deal or not; what I can answer is that it's important that we have our guidelines and governance around procurement. That needs to happen. Perhaps more reliance upon panels determined by the State that councils can tap into on some of those larger contracts. That might prevent ~~some [inaudible]~~ councils the administrative burden of tendering for a certain scale of works that they may not necessarily need to. That could possibly help. That said, when you have smaller scale work, you still need to consider and assess, on merit, local providers as well. Certainly for the larger ones, if there is an ability to increase the scope of preapproved providers, that would assist, but particularly for rural and regional you also need to allow, in a competitive sense, those providers to tender and be assessed for works.

CLAIRE PONTIN: The other thing I'd add to that is, over recent years, we have seen quite a lot of road funding, through grants, become available, which is fantastic. It's been very useful, but that has increased the competition for the contract companies out there, and we have struggled at times to secure suppliers for our roadworks because every other surrounding council is trying to grab them. I'm sure that has impacted on the costs.

ADRIAN PANUCCIO: If you have a large bridge program or grants for bridges and you've got half the State applying for new bridges, it's not great in a competitive environment. We tend to apply for what we can deliver, as much as we can, and that's why we would advocate for untied grants, so we could actually plan the work in the future as opposed to just trying to do it within a short time frame and tooling up for that particular purpose.

The CHAIR: I note that you have two recommendations in your submission:

Recommendation 1 – Best approach – Abolish Rate Capping

Recommendation 2 – Second Best – Redesign Rate Capping

What alternative safeguards would you suggest would be appropriate to ensure that any rate increases are affordable for communities?

ADRIAN PANUCCIO: With respect to item 1, if rate pegging is abolished, the IP&R framework ensures the process that, one, we engage and, two, council is accountable. That's first and foremost, but as far as safeguards, there will be nothing preventing IPART or government announcing, for a group of councils, what's unjustifiably impose

the appropriate rate or rate peg. If that's made publicly available, then it's up to councils either to follow that or not. If councils ~~I'm not going to say unjustified~~ large increases to their rates, ~~But if~~ the Government can hold council to account by looking at its financial indicators. In circumstances where councils up their rates substantially and their financial indicators are moderate or modest, that's an indication that it's unjustified. Likewise, if you've got a council that does not increase its rates at all and it puts it in a deficit position, that's an indicator, as well, of where the Government can step in and hold them to account.

The CHAIR: Do you think we could better customise the rate peg for each council or provide a peg in a range to give a greater element of flexibility? Would that help?

ADRIAN PANUCCIO: Yes, 100 per cent. Ideally, you could develop a cost index for a group of like councils and then provide an additional range—be it 2 per cent up to 5 per cent or whatever it is—that allows the council to engage with the community and be held accountable for works and what it sets out to achieve with respect to that additional rate. So, yes.

The CHAIR: How do we then ensure that council will set a rate that the community can afford to pay?

ADRIAN PANUCCIO: Council determines its competing priorities through its IP&R process. More reliance upon that IP&R process determines that the council allocates its resources appropriately and according to what the community is after.

The CHAIR: Leaving aside the rate peg for one moment, are there other ways that you would suggest we could look at to ensure the financial sustainability of councils?

ADRIAN PANUCCIO: Yes, there are a couple. Before I get to cost shifting, rating exemptions could be looked at. For us, for instance, we have—not an influx, but we have quite a few manufactured home estates. Manufactured home estates don't help us in a rating sense or an income sense because it's essentially charged upon one rateable property whereas we might have a couple of hundred residences on those premises, and we can't charge rates for that. So that's looking at the rating exemptions. Secondly, when we look at independent retirement living, for example, some of those establishments are run by charitable institutions. Again, due to rating exemptions, we can't rate those properties, so there is a drop in income. Pensioner rebates is another category. We've got 11,600-odd properties that are subject to the extra rebate. It costs approximately over $2 million a year. There's some areas there.

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Probably something out of the inquiry that we would hope it would be able to comment on, at least, is the impact of cost shifting on local government. Without getting too much into the emergency services levy, that is a burden for the council. It was only yesterday ~~when the council~~ had to determine a matter on an SES facility in one of our 95 villages. There's ~~draft~~ funding available to construct the facility but the council has to give up land ~~or assets~~ to construct. SES and emergency services levy are worthwhile causes, but they shouldn't be put onto local government. The other obvious one is waste levies. Simply, we're not getting enough money back from the waste levy to justify the amount that we expend.

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The CHAIR: Are there other opportunities for your council to raise revenue, say, separate from that rate-pegged income?

ADRIAN PANUCCIO: Yes, definitely. ~~There's [audio malfunction].~~ So internal efficiencies—~~this~~ council's looking at a business transformation program at the moment where we're looking to generate savings. We've projected that in our long-term financial plan so they're realised. Service reviews—a great thing mandated by the State, but we're doing it anyway. We're looking at all of our services and where we could be more efficient and respond to the community. Looking at our property portfolio—council ~~convened to~~ establish an asset advisory committee that assists council on its property portfolio and various investments. Yes, there are opportunities and councils need to explore those. My view is that council needs to at least explore all that before it goes down an SRV path, in any event, because you need to ensure that you've been as lean as you possibly can and you don't pass a burden onto the community before your own house is in order. established

The CHAIR: We've heard a lot of evidence about the issues being with the general fund as opposed to water and wastewater. I note in your submission that when you received MidCoast Water that they carried significant levels of debt related to major infrastructure projects. How much of a problem or a challenge has that been for your council?

PHIL BRENNAN: As the Committee would be aware, the water fund is externally restricted, so what comes through those funds, it funds its own operations. Because of the high level of debt that former MidCoast Water had, what it's done is probably delayed the continuation of capital works programs over probably a 10- or 15-year period. The water fund, they were paying enough to continue with operations. The debt is coming down and has been for a number of years—and will continue to do so—but the ability to renew assets at the pace that would be desirable has been delayed while that's occurred. The water fund is now coming out the other side and we are now starting to ramp up in the capital works space again. But there was a need for a, I suppose, breather for a few years while they maintained their financial sustainability through that. But that's also not uncommon in those very heavy infrastructure funds where the capital expenditure is large and long.

The CHAIR: In the latest AEC report for your council it says that you've done well to keep your cash position relatively stable, but that you're not investing in long-term asset renewal as a result. Is that a fair assessment?

ADRIAN PANUCCIO: Yes, we don't disagree with that. The reason we commissioned the report is to have someone look at it independently so we could try to improve the situation.

The CHAIR: What can you do to change this or improve this, as you say?

ADRIAN PANUCCIO: The things that we're looking at are getting the most out of our property portfolio, the most out of our investments, being more efficient and trying to generate more cash.

The CHAIR: In terms of your rates, you've got the sixth lowest average rate for residential and fifth lowest for business rating categories compared to neighbouring councils. As per the OLG data for 2021-22, MidCoast Council is the lowest for farmland average rates and second lowest for domestic waste management charges amongst the group 5 councils. How did this come about? Is there opportunity here?

CLAIRE PONTIN: I mentioned earlier that we have this year put a lot of our fees and charges up more than we have previously. I think that one of the fundamental issues facing this council is the ability of residents to pay. I mentioned that we've got the highest demographic in New South Wales. We have 20 per cent of our ratepayers on a pensioner rebate—fixed income. Putting up rates this year by the IPART's recommended amount of 5.2 has created a bit of a storm out there because they can't afford it. The claims are that they can't afford it. The prospect of SRVs in the future is something that we all said we'll need to consider, but there's a huge reluctance because there is knowledge that the community cannot afford to pay.

PHIL BRENNAN: I was just going to add to that. The reason why is it's historical. We have inherited the rate structures of the former councils. They would've been low within their categories, so you bring it together and we don't get that uplift. It's reflective of what was there in the past.

The CHAIR: You have somewhat pre-empted my next question. Is there anything that you can do to change that rating structure or that you would suggest could be done to change that rating structure to improve things somewhat?

PHIL BRENNAN: I'm not sure that there's a lot. Council went through the process of harmonising its rate structure, which it was required to do by legislation after the protection period. We've tried to keep that at a level where it is still affordable, but there were swings across the various categories and subcategories. Without major increases in the level of rates, realistically we're not going to move up the comparison with the other councils in our category. Realistically, the only way to increase or be higher up that list is more rate income coming in. We can look at—and council will need to in the next term—the rate structure and see where that burden is falling as to whether we are underrating or overrating any category within our rate structure. As far as where we compare with the rest of our category, that's a function of how much we actually levy in rates.

The CHAIR: Taking into consideration all you have said about the affordability issues within your community—and, obviously, the latest increase and the level of opposition or concern that has created amongst the community—what other avenues have you looked at in order to raise your revenue without causing that hardship? I know you have mentioned a couple of other examples. Are there any other opportunities that you would suggest to the Committee?

ADRIAN PANUCCIO: As far as sources of revenue, pretty much 30 per cent of our revenue is generated through grants. Being mindful of when grant opportunities arise and that we apply for grants that aren't going to hit us with a future financial burden, so they're more sustainable—we've got to be more cognisant of that. We need to ensure that we manage our assets sustainably as much as we can—spending our rating dollar more wisely on our infrastructure so that the burden isn't way down the road. ~~They're probably two of the other ones I'd mention.~~

The CHAIR: I note part of your strategy to get back into surplus includes pricing fees and charges so they at least cover costs. Why were they ever below cost recovery?

PHIL BRENNAN: Once again, it's historical. We've started with the level of the fees that were applied by the former councils. We tried to harmonise those to an extent. The council in this last budget period has taken a very strong stance on it. We've had staff going through the process of justifying cost of service—and is the fee actually recovering the cost of service? There have been some significant shifts across our fees and charges schedule for the upcoming financial year to make sure that if a fee is a full-cost recovery fee, it actually does that. Similarly, where there are opportunities with our fees and charges to make a profit on some of those areas, we are doing that—where it is something that's required by a person that is obviously going to have benefit from it, but they're paying market price for it; where it's statutory, we've got to deal with that; where we've determined that it's a full-cost recovery, we're making sure that it does; and where it's something that we're competing with the private sector, that we're actually getting a return on our investment. It has taken us a while to get to that just through harmonisation.

The CHAIR: Thank you. Finally, in terms of the SRV process, I noted at the start and you mentioned that you were entertaining the idea of an SRV and that that's perhaps not on the table any more, or off the table for a bit. Do you have any suggestions around that SRV process and how, if possible, we could streamline that or improve that?

ADRIAN PANUCCIO: In our submission, we briefly mentioned the Victorian SRV example where it's more council led as opposed to reviewed by an external body. So in circumstances where a project applies to a particular part of the LGA, council could consult with that part of the LGA, similar to like it would for an IP&R process. If there's significant support, or adequate support, then it should be able to run with that process as opposed to going through the whole gambit of what's required under SRV. What we tend to forget is not only the applications that were made by a council that actually start a process—which is fine because starting the process is an engagement—and then, similar to perhaps the Victorian example, go out to community, where if there isn't enough support Council may not proceed with it. ~~If you don't have enough support or you don't generate support because you haven't taken it to council as a body politic to say, "Don't proceed with it." Giving more flexibility or discretion to the council on particular projects being generated in [audio malfunction].~~

The CHAIR: Thank you so much for making time to give evidence to this inquiry today and, again, for your submission. The Committee secretariat will be in touch with you for the questions that were taken on notice, and you'll have 21 days to respond.

(The witnesses withdrew.)

(Short adjournment)