

# The Hon. Ron Hoenig MP

Leader of the House in the Legislative Assembly  
Vice-President of the Executive Council  
Minister for Local Government



Our Ref: A883946

Ms Helen Minnican  
Clerk of the Legislative Assembly  
NSW Parliament  
SYDNEY NSW 2000

Via email: [LAClerk@parliament.nsw.gov.au](mailto:LAClerk@parliament.nsw.gov.au), [Table.LA@parliament.nsw.gov.au](mailto:Table.LA@parliament.nsw.gov.au).

Dear Ms Minnican,

I refer to the petition titled 'Investigation into Upper Hunter Shire Council' which was presented to the Legislative Assembly by Ms Kobi Shetty MP, Member for Balmain.

The petition states that Upper Hunter Shire Council (Council) is failing to fulfil its obligations and asks that the NSW Government commence an inquiry into its affairs or consider other remedies such as appointing an Administrator if necessary.

I am aware there have been some concerns raised over Council's financial and project management. In particular, questions have been asked about Council's management of the upgrade to Coulson's Creek Road that occurred in 2019. The Office of Local Government (OLG) is investigating this matter under section 430 of the *Local Government Act 1993* (the Act). When completed a report will be provided to me for consideration.

As part of its regulatory role, OLG has been monitoring Council's financial position and performance. Council has over the previous 4 financial years (2019 – 2022) reported operating deficits which have been increasing over that period. OLG is also monitoring other financial indicators such as cash balances and debt levels.

Upon request, Council has recently provided OLG with its latest long term financial plan which forecasts operating deficits until 2032 though the size of these deficits will reduce in that time. In discussions with OLG, Council has indicated plans to improve performance at the airport and saleyards.

OLG will continue to engage with Council in relation to its plans in addressing declining performance indicators. An update will be provided once the audited financial statements for 2022-23 are available for review.

Given OLG's ongoing monitoring and engagement with Council on its finances and the investigation into Coulson's Creek Road, I am satisfied that Council is receiving appropriate attention. I will review the updates as provided and take further action if warranted.

While I have various discretionary powers to intervene in a council's operations, the exercise of these powers is only made where there is a serious breakdown in council operations or major flaws in key council processes are evident. Consideration must be given to the council's autonomy, the public interest, and whether intervention is warranted having regard to the overall operations of local government and to the weight of available evidence.

The dismissal of a council and the appointment of an administrator can only occur following a public inquiry. While I have the power to call such an inquiry, this is a power of last resort.

I also have powers under the Act to suspend a council for a period of time to enable prompt action to correct a problem, provide a "time-out" to build or restore relationships, allow effective business to resume, and/or remedy a failure by a council to do something required of it. However, the exercise of this power is not something lightly considered.

Yours sincerely,



**The Hon. Ron Hoenig MP**  
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