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New South Wales

**The Hon. Kerry Hickey MP**  
Minister for Local Government

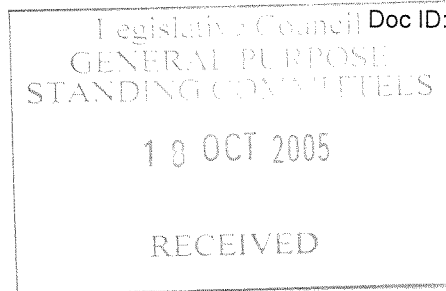
17 OCT 2005

The Director  
Budget Estimates  
Parliament of New South Wales  
Macquarie Street  
SYDNEY NSW 2000

Ref: 05/0344

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Dear Director

I refer to your letter of 26 September 2005 requesting answers to the questions taken on notice at the Local Government Budget Estimates hearing held on Friday, 23 September 2005.

Attached are the questions taken on notice at the General Purpose Standing Committee No 5 and my responses.

If you require further information regarding this matter please do not hesitate to contact Ms Genevieve Slattery, Chief of Staff, in my office on 9228 3333.

Yours sincerely

Kerry Hickey MP  
**Minister**

**QUESTIONS TAKEN ON NOTICE DURING  
BUDGET ESTIMATES 2005-2006 HEARING**

**Friday 23 September 2005**

**QUESTION 1, PAGE 4 – Functions that Councils are now required to carry out on behalf of State Government**

**COLLESS TO HICKEY**

A lot of State government functions have been passed on to local government over the years. Can you give us an idea of what those State government functions are that councils are now required to carry out on behalf of State government?

**ANSWER**

The Department of Local Government does not have this information. There are claims by councils that the State Government has handed over functions but the specific details are not available. If there are any such functions the information would be held by the agency that was formerly responsible for the function.

**QUESTION 2, PAGE 5 – Payments made by State Government to councils to offset costs**

**COLLESS TO HICKEY**

Could you also please advise us what payments are made by the State Government to offset the costs of those functions for each program?

**ANSWER**

The Department of Local Government does not have this information. If individual councils consider that they are having trouble funding services for which the State was formerly responsible, those councils should seek a special variation to increase rates income. The Department of Local Government does not administer all State funding to councils.

**QUESTION 3, PAGE 5 - Value of the Public-Private Partnership (PPP) for the Liverpool City Council**

**HARWIN TO HICKEY**

What is the value of that project?

**ANSWER**

On the current financial forecasts Liverpool City Council will receive 82,000m<sup>2</sup> of open space and \$21.1 million.

**QUESTION 4, PAGES 5 AND 6 – Local Government Project Review Committee – title and expertise of representatives and number of meetings**

**HARWIN TO HICKEY AND PAYNE**

Can you give me a list of names who attend the Local Government Project Review Committee? Will you also provide on notice please, in terms of each of the people who attend, whether it is the director general or a nominee, what is the expertise of each committee member that gives that person the expertise to sit on that committee? ... So you will be able to provide me with a numerical answer as to how many times it has met, on notice?

#### **ANSWER**

The Committee members are as follows:

- Garry Payne, Director General, Department of Local Government
- John Dermody, Executive Director, Office of the Coordinator General, NSW Premier's Department
- Gary Prattley, Executive Director, Office of Major Projects, Department of Planning
- Kerry Schott, Executive Director, Private Projects & Asset Management, NSW Treasury
- John Tansey, Policy Manager Interdepartmental and Regulatory Branch, The Cabinet Office

In the cases of the last four named members of the Committee, they are nominees selected by their Director General or Secretary of the Treasury for the express purpose of bringing their expertise and knowledge to the Local Government Project Review Committee.

The Committee has met four times to end of September 2005.

#### **QUESTION 5, PAGE 16 – Cost of mediation services and whom paid HARWIN TO PAYNE**

Could you please provide a list of how much has been expended on mediation services and whom it was outsourced to?

#### **ANSWER**

The Department of Local Government engaged the services of Mr Warwick McDonald to assist councils involved in boundary alterations to come to an agreement regarding the division of assets, liabilities and related matters.

Mr McDonald assisted in three matters:

- 1) the seven new councils in the ACT area
- 2) Bathurst and Oberon Councils
- 3) Tamworth Regional Council and Liverpool Plains.

The total cost was \$19,200.

#### **QUESTION 6, PAGE 17 – Payments to Professor Daly for the last 5 years COLLESS TO HICKEY**

How much has been paid to Professor Daly to conduct all inquiries and all matters associated with the Department of Local Government over the past five years?

#### **ANSWER**

The Department of Local Government has paid amounts totalling \$658,718 to Professor Daly or to Daly Research Systems Pty Ltd over the last five (5) financial years.

**QUESTION 7, PAGE 17 – Payments to Professor Daly for individual inquiries and other matters**

**COLLESS TO HICKEY**

Can you also list the inquiries that he was involved with and any other matters, and how much was paid to Professor Daly for each inquiry or matter?

**ANSWER**

The Inquiries and other matters that Professor Daly has been involved in over the last five (5) financial years are set out below:

Tweed Inquiry	\$185,625
Liverpool Inquiry	\$197,125
ACT Regional Review	\$33,250
Warringah Inquiry	\$138,899
Waverley-Woollahra (asset determination)	\$6,875
Asset Transfers (Principles)	\$1,225
Grants Commission fees	\$95,719
Total	\$658,718

**QUESTION 8, PAGE 19 – Marina at Careel Bay**

**COHEN TO HICKEY**

Would you be aware of community opposition to a proposed expansion of the marina at Careel Bay in Pittwater? Would you be aware of community concern about the threat to the marine environment presented by proposals to expand the marina by Australand? Is it something you would have input into through the local government of that area?

**ANSWER**

Two letters have been received - one opposing and one supporting the proposed expansion of the marina.

I have no authority to direct councils with regard to the exercise of their planning and development functions.

**QUESTION 9, PAGE 19 & 20 – Refusal of Woollahra council's infrastructure levy**

**COHEN TO HICKEY**

I understand Woollahra council's infrastructure levy was refused when he had the unanimous support of Woollahra council and the overwhelming support of local residents, who wanted to self-fund the renewal of their own dilapidated local infrastructure. Could you indicate the reasons for this refusal?

**ANSWER**

Council sought a 13.31% increase, which included a continuation of an environment levy. The former Minister approved of a 7.9% increase to enable the environment levy to continue. The component that was refused related to the infrastructure levy. Council proposed to introduce the levy almost as a poll tax. This is inconsistent with NSW rating practice and had it been approved could have exposed both the council and the former Minister to legal challenge.

No matter what public support a council may have for a special variation, its proposed rating structure must be legal.

**QUESTION 10, PAGE 20 – Cowra Shire Council – pollution from dairy farm  
COHEN TO HICKEY**

A report of an independent consultant was commissioned by Cowra Shire Council and that recommended to council in July this year that it refuse the development application, order the owner to revegetate the land and decommission the effluent system, but the council has failed to act on these recommendations. So, is that still an EPA matter?

**ANSWER**

The Department of Local Government has received only one written complaint. The Cowra Shire Council is undertaking a further assessment of the issue of drainage from the dairy.

**QUESTION 11, PAGE 23 – Number of Pecuniary Interest matters raised, number upheld, and if so what cases  
HARWIN TO PAYNE**

How many pecuniary interest matters were raised? Were any found to be upheld? And, if so, what cases were upheld?

**ANSWER**

There were 59 complaints in 2004-05. Three matters went to the Pecuniary Interest and Disciplinary Tribunal. All three matters are ongoing.

**QUESTION 12, PAGE 25 – Whether local government has any say over water bores, other than commercial bores  
COHEN TO HICKEY**

Minister, perhaps you could enlighten the committee as to whether local government has any say over bores, other than commercial bores? Is that an issue that has been raised with you?

**ANSWER**

The *Local Government Act 1993* does not address the use of bores.

A bore may possibly constitute a use of land that attracts the operation of the *Environmental Planning and Assessment Act 1979*. Further questions on this Act are better directed to the Hon Frank Sartor MP in his capacity as Minister for Planning.

The use of bores may possibly attract the provisions of the *Water Management Act 2000*. Further questions about this Act are better directed to the Hon Ian Macdonald MLC, Minister for Natural Resources and the Hon Carl Scully MP, Minister for Utilities.

**QUESTION 13, PAGES 3 & 27 – Cost of the recent amalgamation process to both local government and the Department of Local Government  
COLLESS TO HICKEY**

What has been the cost of the recent amalgamation process to both local government and the Department of Local Government?

**ANSWER**

Costs of amalgamation processes during the last two financial years total \$1.5 million. Of this amount, independent regional reviews cost \$1.1 million and the remaining \$0.4 million was for examination and report on proposals by the Local Government Boundaries Commission.

The Department does not have specific information on the costs to individual councils.