

# **GENERAL PURPOSE STANDING COMMITTEE No. 5**

**Friday 23 September 2005**

**Examination of proposed expenditure for the portfolio area**

## **LOCAL GOVERNMENT**

**The Committee met at 9.00 a.m.**

### **MEMBERS**

Mr I. Cohen (Chair)

The Hon. R. H. Colless  
The Hon. K. F. Griffin  
The Hon. D. T. Harwin

The Hon. P. T. Primrose  
The Hon. I. W. West

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### **PRESENT**

**The Hon. K. A. Hickey**, *Minister for Local Government*

**Department of Local Government**

**Mr G. Payne**, *Director-General*

**Mr. J. Hogg**, *Manager Business Services*

**Mr R. Bailey**, *Business Services Co-ordinator*

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**CHAIR:** At this meeting the Committee will examine the proposed expenditure for the portfolio area of Local Government.

Before questions commence, some procedural matters need to be dealt with. I point out that in accordance with the Legislative Council's guidelines for the broadcasting of proceedings, which are available from the clerks or support offices, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee, you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee.

There is no provision for members to refer directly to their own staff while at the table. Members and their staff are advised that any messages should be delivered through the Chamber support offices on duty or the Committee clerks. The Committee has agreed to have blocks of 20 minutes of questions for the crossbench, the Opposition and the Government in rotation.

I declare the proposed expenditure open for examination. Minister, do you wish to make a brief opening statement?

**Mr KERRY HICKEY:** No.

**The Hon. RICK COLLESS:** Budget Paper No. 3, Volume 2, page 18-2 states that one of the Department of Local Government's primary functions is to develop the legislative and policy framework within which local councils operate. Part of Labor policy has been to undertake council amalgamations. We have heard that you have ruled out further council amalgamations on your watch. What will you do if you are directed by the Premier to proceed with further council amalgamations?

**Mr KERRY HICKEY:** The Government's policy at this time is no forced amalgamations.

**The Hon. RICK COLLESS:** We have heard that before.

**Mr KERRY HICKEY:** The Government's policy is no forced amalgamations. That is not ruling out any boundary adjustments, and when councils or communities are happy to merge their councils together we will look at that. We have gone through a pretty tough period with councils, with 20 fewer councils, from 172 down to 152. My stance as Minister is that I am not forcing amalgamations. It does not rule out administrators being put into councils that are being a bit errant or that have broken down and become dysfunctional as far as services being delivered to communities. It is the Government's position. That is my position, and the position is very clear: No forced amalgamations.

**The Hon. RICK COLLESS:** Is it fair to say that prior to the 2003 election the Premier ruled out forced council amalgamations, yet following the 2003 election the department proceeded with them?

**Mr KERRY HICKEY:** I am just telling you that my position is no forced amalgamations. I think that has been very clear. It is something I have stated now for the nearly five weeks since coming to this position—no forced amalgamations.

**The Hon. RICK COLLESS:** Can you understand why there is a bit of cynicism among local government people when they have heard all that before yet immediately following the 2003 election the Government proceeded with a program of forced amalgamations?

**Mr KERRY HICKEY:** Would you like amalgamations, or would you like no amalgamations? My position is no forced amalgamations.

**The Hon. PETER PRIMROSE:** It is not like the National Party saying that it would not sell Telstra.

**CHAIR:** Let us stay on the subject. I think the Minister has answered adequately.

**The Hon. RICK COLLESS:** What has been the cost of the recent amalgamation process to both local government and the Department of Local Government?

**Mr KERRY HICKEY:** The exact cost of the amalgamation inquiries is as follows: Warringah, \$306,000; Liverpool, \$602,000; Rylstone, \$46,000; Walgett, \$46,000; and Tweed, \$459,000. They were all completed in 2003-04. The total cost incurred to June 2005 is \$1.019 million.

**The Hon. RICK COLLESS:** Mr Payne, you may recall that the last time we spoke in this forum you indicated that the regional review process that had been going on would continue in the future. What is the situation with that regional review process and what councils are you proposing to review this year?

**Mr PAYNE:** The focus has changed somewhat. There are still reviews but they are not the same as the ones that occurred last year. At the moment we are concentrating on looking at promoting better practice, both at an individual council level and at a regional level. We are also undertaking a fair amount of work with the strategic alliances that councils have formed, so at the moment that is our focus.

**The Hon. RICK COLLESS:** The regional review process was quite a definite program of assessing councils with a view to boundary adjustments and/or amalgamations, was it not?

**Mr PAYNE:** The regional review program that led to the boundary changes that reduced the number of councils from 172 to 152 was a definite program during which we set up extensive community consultation, which is where most of the \$1.019 million went across the State. As a result of that extensive consultation, there were a number of changes. Those boundary changes are not the focus of the current reviews, but it is done with the councils. Rather than looking at boundary changes, a number of councils are saying that they can achieve economies and efficiencies by forming alliances. That must be evaluated. Some of those alliances are in place. There are indications that there are significant savings, and as part of the review program we will check to see whether that is happening. I cannot quote the figures but, for instance, the one in the New England area, I think MacLean—

**Mr KERRY HICKEY:** Some \$157,000 recurrent and just over \$1 million over the past 12 months.

**Mr PAYNE:** Yes. We have to make sure that those are real savings, and we will do that later.

**The Hon. RICK COLLESS:** How do you align your primary function to improve local government performance and sustainability, particularly in relation to the amalgamations that have occurred, and the allegation that this will make councils more sustainable and efficient when Clarence Valley Council has a \$1.8 million budget deficit clearly arising from the amalgamation of councils in the Clarence Valley region?

**Mr KERRY HICKEY:** I am very keen to ensure that the financial viability of councils is sustainable. Currently I am working with councils to help form alliances, to which Mr Payne referred, with regional perspective and savings in that area. When councils have difficulties with their financial arrangements, my department and I work with them to see if we can find avenues to help them through their financial difficulties and help find ways to make them more sustainable. There are many and varied ways we can look at that. We need to look at it on a case-by-case basis.

**The Hon. RICK COLLESS:** What action has been taken in relation to the Clarence Valley councils in that regard?

**Mr KERRY HICKEY:** I am going to meet with Clarence Valley Council. We will listen to its point of view, what it considers it can do and what it cannot do, and what the department recommends. We need to have a whole approach to this. This is not something we need to look at in a short time period; we need to look at it over the long term. Savings in the Clarence Valley will be long term. Short term, there will always be pain, and we need to work through that short term so that the long-term viability of council is assured.

**The Hon. RICK COLLESS:** Will any assistance be given to local government organisations that are suffering the pain you mentioned, mainly to lessen the burden on ratepayers that will occur as a result of that?

**Mr KERRY HICKEY:** Lessen the burden, as in—?

**The Hon. RICK COLLESS:** What action will you take to lessen the burden on ratepayers as a result of that \$1.8 million deficit?

**Mr KERRY HICKEY:** We are looking at the way the administrative arm of council works and the way services are delivered on the ground. The department will work through the issues with Clarence Valley Council, which is the council you are most concerned about. We will look at that and see if there are ways and avenues to help council.

**The Hon. RICK COLLESS:** Will there be any financial assistance for them?

**Mr KERRY HICKEY:** I think councils have many ways of raising funds, rate variations and the like. We need to look at the whole project, not a short-term solution. We are after the long-term solution for the viability of councils.

**The Hon. RICK COLLESS:** You have mentioned revenue-raising by the councils themselves. What about direct assistance from the Government? Is that likely to be included in that package, or not?

**Mr KERRY HICKEY:** My concern is that if government started handing out funds to ensure councils' viability we will be locked in a situation where councils will come to rely on the State rather than looking after themselves. If you are going to be the governing body in a local government area you need to make sure you are able to cater for the issues of that community.

**The Hon. RICK COLLESS:** 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?

**Mr KERRY HICKEY:** I know there has been some Federal cost shifting as well. It has not been all State.

**The Hon. RICK COLLESS:** When specifically asking about the State. After all, you are a Minister of the State, not the Federal Government.

**Mr KERRY HICKEY:** So, what you are asking me to tell you are the actual functions of the State that have shifted across to councils?

**The Hon. RICK COLLESS:** Yes.

**The Hon. DON HARWIN:** Not shifted but required to be carried out on behalf of government I think was the question.

**CHAIR:** There is a constant complaint I have come across of underfunded mandates put on to local councils by legislation that has been passed at a State level.

**Mr KERRY HICKEY:** In what sort of areas?

**CHAIR:** From my perspective, threatened species—making councils take a great deal more activity to follow through on legislation that comes through State Parliament.

**Mr KERRY HICKEY:** That is the answer to the Hon. Rick Colless's question.

**The Hon. RICK COLLESS:** No, it is one example. I asked you if you could list all those functions?

**Mr KERRY HICKEY:** I will take it on notice.

**The Hon. RICK COLLESS:** I am prepared to take it on notice. Could you also please advise us what payments are made by the State Government to offset the costs of those functions for each program? It comes back to the question I was asking you about Clarence Valley earlier. A lot of costs are being imposed on local government for which the councils and the ratepayers are not receiving any recompense from the State Government.

**Mr KERRY HICKEY:** I cannot answer for every portfolio across government but I will take the question on notice and get what material we can.

**The Hon. DON HARWIN:** I think, Minister, with respect, the director general should be able to provide the Committee with a list of every function under every Act that local government carries out on behalf of the State Government. That is not difficult. That is essentially what the Hon. Rick Colless has asked. I do not think the glib answer you have given about not answering for other Ministers is satisfactory.

**Mr KERRY HICKEY:** What I said was I cannot answer now for every portfolio across government. I said I would take it on notice and supply you with an answer.

**The Hon. DON HARWIN:** Thank you. How many public and private partnerships [PPPs] has the Local Government Project Review Committee overseen since it was established?

**Mr KERRY HICKEY:** One.

**The Hon. DON HARWIN:** What is that project?

**Mr KERRY HICKEY:** Liverpool council.

**The Hon. DON HARWIN:** What is the value of that project? If you do not know, take it on notice.

**Mr KERRY HICKEY:** I will take it on notice.

**The Hon. DON HARWIN:** Who sits on the Local Government Project Review Committee?

**Mr PAYNE:** It is chaired by the Department of Local Government with representatives from Treasury, Premier's, Cabinet Office and Planning.

**The Hon. DON HARWIN:** Can you give me a list of names then, please, from each of those departments?

**Mr PAYNE:** The nominees are the directors general of those departments or their nominees.

**The Hon. DON HARWIN:** Given that it can be the director general or a nominee, can you give me a list of names who attend the Local Government Project Review Committee?

**Mr KERRY HICKEY:** We will take it on notice.

**The Hon. DON HARWIN:** If you are taking it on notice, 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? You are indicating you will take it on notice?

**Mr KERRY HICKEY:** Yes, we will take it on notice.

**The Hon. DON HARWIN:** How often does the committee meet?

**Mr KERRY HICKEY:** As required.

**The Hon. DON HARWIN:** How many times has the committee met since it was established?

**Mr KERRY HICKEY:** In the past five weeks I do not think it has met, but I will have the director general answer that question.

**Mr PAYNE:** The committee has met a number of times in the preliminary period to work up the guidelines, and so on. There have been a number of meetings. It met formally I think as recently as last week or the week before to consider the Liverpool PPP. The committee and the department also provide advice to proponents, to councils, on their PPPs before they become formal, so a dual process is in play. It has been meeting now for the past 12 months since the legislation was enacted.

**The Hon. DON HARWIN:** So you will be able to provide me with a numerical answer as to how many times it has met, on notice?

**Mr PAYNE:** Yes.

**The Hon. DON HARWIN:** You have indicated that the committee comprises public sector people only, so your answer on this might be straightforward. What payments, if any, are made to any committee member?

**Mr PAYNE:** None. But the committee does have the capacity to engage expert advice, and there is an allocation in the budget papers for that, I think \$500,000, which has not been used yet. The committee can engage consultants or whatever to provide specialist advice depending on the nature of the proposal.

**The Hon. DON HARWIN:** That is \$500,000 for the financial year for the use of consultants?

**Mr PAYNE:** Yes. Can I just say, consultants or other specialists. We do not know. The problem with this function is you do not know what is coming in. The Liverpool one was quite well contained. Some of the other proposals that have been talked about are much wider and much more detailed so we do not know what we are going to face until we face it. That allocation is there to assist the committee to complete its work.

**The Hon. RICK COLLESS:** The estimates state that the Department of Local Government's primary function is to improve local government performance and sustainability. How has that occurred?

**Mr KERRY HICKEY:** The local government department is always looking at reform programs and ensuring that we promote better practice programs. We are looking at good governance, ethical practice, promoting continuous improvement and greater compliance across local government, identifying and sharing innovative and good practice in local government, helping to more effectively identify legislation and policy issues requiring problem-solving expertise, and helping councils across their key performance areas and focusing on key priorities. The local government department is really trying hard to look at the issues to promote better practice across local government which, in turn, addresses the issues you raise.

**The Hon. RICK COLLESS:** What programs have you put in place as Minister since coming to office to achieve that objective?

**Mr KERRY HICKEY:** I have been here for five weeks and I think the local government minute or the bill which has now gone to the upper House, and which I am sure you will be very supportive of, will allow local government to levy funding to promote capture of pollution controls across stormwater drainage, allow councils to look at putting in flood mitigation works and things by charging a levy on the rate base to address a lot of those controls in stormwater management and pollution. We are looking at innovative ways in which local government can promote better use of programs and not rely as heavily upon rate variations.

**The Hon. RICK COLLESS:** It sounds to me as though what you have just described is the exact problem I was talking about a little while ago, that is, that it is going to be another cost shifting onto local government from a State government responsibility.

**Mr KERRY HICKEY:** The State Government had a Stormwater Management Trust which was worth \$100 million, I think—

**The Hon. RICK COLLESS:** Where did the money for that come from?

**Mr KERRY HICKEY:** Out of the State Government, which is taxpayers money anyway, is it not?

**The Hon. RICK COLLESS:** Yes, it is.

**Mr KERRY HICKEY:** Since 1995 that \$100 million has gone a long way towards addressing many environmental issues and many stormwater issues. But prior to 1995 there was nothing.

**The Hon. RICK COLLESS:** So you are saying that this program you were just talking about will put a further levy on ratepayers in order to meet that payment, did you not?

**Mr KERRY HICKEY:** It will put a levy on the rate base, yes. Surveys have been conducted which have indicated that the rate base is willing to pay a minimum payment for benefit just so long as it is transparent. We are saying councils have to make it transparent for the rate base.

**The Hon. RICK COLLESS:** So you will have two bundles of funding now: the \$100 million from the State Government plus the levy coming from local governments?

**Mr KERRY HICKEY:** No, the \$100 million trust ran out and we are now implementing—

**The Hon. RICK COLLESS:** Local government bodies will then have to fund that \$100 million themselves? So we have seen an effective cost shift back to the ratepayers.

**Mr KERRY HICKEY:** It is much better than the Coalition had prior to 1995.

**The Hon. RICK COLLESS:** That is not the issue here, Minister. It is about your budget and this program, not about what happened prior to 1995.

**Mr KERRY HICKEY:** You are saying that the State Government is cost shifting. In actual fact this State Government provided \$100 million worth of funding for the benefit of communities across New South Wales, whereas the Coalition was completely silent on the issue and never put a cracker in there. You are trying to say that this State Government is putting a burden on the rate base when prior the Coalition was not even interested in it. The Coalition did not put a cent in towards that and you are saying that this State Government, because it spent \$100 million, is cost shifting. I think the rate base is \$100 million better off than they would have been under a Coalition government.

**CHAIR:** Minister, your fellow Minister the Hon. Frank Sartor stated a few days ago—I think it might have been in an estimates committee, "I have met with a number of councils already. I will see probably the same number of councils over the next few weeks. I am visiting some. I am going to Byron Bay to see if I can untie the Gordian knot between the mayor and the developers with respect to the issues in that area." He spoke about having met with 14 developers already. In your role as local government Minister would you be supporting the local council, which is my home council, which has a very responsible mayor, against Mr Sartor going to untie the Gordian knot? Does that concern you in terms of the weight of the planning Minister on a local government area?

**Mr KERRY HICKEY:** Mr Sartor, an admirable Minister I might say—

**CHAIR:** I did not deny that.

**Mr KERRY HICKEY:** He is in control of planning and if he feels that he needs to talk to a council in regard to planning matters it is his right to do that. I will be happy to sit down and talk to Mr Sartor, but at the end of the day he is in charge of planning, not the Local Government Act. The Environmental Planning and Assessment Act overseas that. He has the right to look at councils and planning issues within the council area. If he sees a problem he needs to address, so be it, but I will have discussions with him in regard to those issues.

**CHAIR:** I would appreciate that. Perhaps the archetypal untying of the Gordian knot could be discussed in terms of a co-operative approach between State and local government in that respect. What success has been had with the DLG team, the flying squad, that is available for inspections of councils? What are you calling the program? As I understand, these inspections are now to review systems and operations of councils. What funding is available for this program? What success is resulting and are you considering any moves to uniform standards for reporting or operations as a result of these inspections and review of council operations?

**Mr KERRY HICKEY:** The review program undertaken by the DLG is quite good. Councils are embracing the review program. Just last night I met with the Local Government Managers Association and I had nothing but praise heaped on the department for undertaking the reviews of councils that they have already undertaken. The review program, from councils' perspective, is looked at as a very positive step in ensuring that councils are delivering. Last year the department conducted a pilot review program at Campbelltown. I met the council approximately four weeks ago and the Campbelltown mayor and general manager were extremely positive about the outcomes and have implemented the recommendations from the review. Since then the department has undertaken reviews in various parts of the State including Lockhart, Jerilderie, Urana, Hornsby, Wyong, Murray, Wakool, Berrigan, Gosford, Port Stephens, Maitland and Dungog. Another eight reviews—of Mosman, Manly, Moree Plains, Brewarrina, Narromine, Dubbo, Tumut and Tumbarumba—are under way. They are being positively looked at by councils. I consider that the department's role is to ensure that councils are operating okay. My view is that while the department continues with this review program and it is being accepted positively—and councils are very positive about it—it is a great outcome. The internal audit bureau of the department is to promote better practice reviews, including preparations on-site, at Narromine, Dubbo, Tumut and Tumbarumba. The cost to 30 June 2005 was estimated to be around \$23,000 with a total value for the review of \$30,000. In addition, the department's staff have spent significant time promoting the better practice program. An estimation of salary weighted costs is about \$100,000 to 30 June 2005.

**Mr PAYNE:** The value of the program, apart from that to individual councils, is that we will be publishing reasonably soon the results that we have found across the range of councils that we have visited and pointing out those things that are done well and those things that are not done well as an education for councils to be wary or to continue. Councils with a problem in one area can be pointed to a council that is doing it well somewhere else rather than trying to reinvent the wheel. So the real value of the program is in the overall assessment that we find, although there are individual benefits to the councils.

**CHAIR:** Minister, are you willing to review the rate pegging stance of the Government? Has there been any assessment of the ability of councils to service communities in line with their income rate base?

**Mr KERRY HICKEY:** Rate pegging is set at 3.5 per cent. It has been set there for quite a while. It is a policy that is supported by the Coalition and it is something that communities embrace. Councils that wish to step outside rate pegging need to apply for a special variation of their rate base. That is looked at by the department. Whilst I am Minister rate pegging will continue.

**CHAIR:** Has there been any assessment of the ability of councils to service communities in line with their income rate base? Have you internally looked at that? There are circumstances in which councils obviously need to go beyond that. I appreciate what you are saying but has there been any internal review of that.

**Mr PAYNE:** The finance area of the department continually works with councils looking at their financial base, whether it be rates, grants or whatever. Once a year they have an opportunity to apply for a special rate variation. We have a team of people working continually with councils,



looking at better ways to structure their rate base to cope with the increasing costs of infrastructure, maintenance and provision. We would have probably 15 or 20 people working with councils all the time, mainly with their financial people rather than at the elected level. That results in some councils being placed on a financial monitoring list but number on the list, I am pleased to say, is coming down. I think there are now only about 12 on the list, whereas there were 30 or 40 some years ago. We are looking to help them to find more innovative ways to fund what they have to do.

**CHAIR:** Thank you, Mr Payne. Minister, have you considered the introduction of a government policy for local government? I understand that there are moves in other States to ensure good governance. Has your department looked at that at all?

**Mr KERRY HICKEY:** I think that goes hand in glove with the Promoting Better Practices program that the department is pushing. We are constantly monitoring good governance across the State, and will continue to monitor it whilst the Department of Local Government remains in existence.

**CHAIR:** can have you reviewed the situation for some councils that are disadvantaged by a lack of rates—for example, for State Forest areas within the shire—and any other rate exemptions?

**Mr KERRY HICKEY:** Are you talking about financial assistance grants?

**CHAIR:** Well, yes, or any other way to compensate for loss of rate basis, particularly in respect of councils that have a limited income. For example, councils in some central western areas find they are losing their rate base through transfer of land to State Forest for plantation development and such like.

**Mr PAYNE:** That is a good point. The Financial Assistance Grants scheme would look at those factors. It looks at a range of issues. It has a series of what it terms "disability factors" and that would be one of them. We would also take that into account in assessing an application by a council for a special rate variation application. The other issue touched on, which is more difficult, is the rate base of those far western councils, where there is a tremendous area to service on a very small rate base. The department has been looking at other ways to handle that. Amalgamation is not an issue out there because of the huge areas.

One of the suggestions we have looked at is whether we could combine some administrations to provide economies. Most of those councils are road-type councils; that is their primary function. It is not an easy issue to resolve, but we are aware of it. Increasing the rates of those councils is also not an issue because the base is just not sustainable. We are looking at ways to improve the situation. I am talking about councils west of Nyngan, I suppose.

**CHAIR:** Minister, is there any commitment by you to encourage employment opportunities for young people to enable them to undertake careers in local government? Has there been any consideration of apprenticeships or traineeships?

**Mr KERRY HICKEY:** That is something I have been promoting with the councils I have met, considering the skills shortage across the local government area and the impact of the ageing population. It is something I am promoting through traineeships and by asking councils to encourage cadetships, traineeships and apprenticeships to address the long-term problem. In the short-term we need to look at ways of implementing some schemes to attract more planning people back into local government. That is something I am discussing at the moment. We are looking at ways to address that problem. So, yes. It is a matter of paramount importance for local government, and something that was pointed out to me within the first few days of my taking over responsibility for this portfolio.

A skills shortage is emerging in many industries across the nation, including the local government sector. The Planning Institute of Australia surveyed planning employers in October 2003. The survey revealed the need for a 28 per cent increase in planning positions in the next five to 10 years across State and local government, and in the private sector; and that 40 per cent of local government employers are now employing planning assistants, mainly because of a shortage of planners. The Iemma Government is implementing an action plan to deal with the skills crisis facing many of the State's 152 councils. New South Wales has adopted a whole-of-sector approach through

the establishment of the Professional Skills and Training Shortage Task Force. Attacking the problems facing our councils now gives us a better chance to future-proof the sector and ensure constant, quality services for ratepayers.

The task force consists of representatives from the Department of Local Government, the Local Government and Shires Associations of New South Wales, Local Government Managers Australia, TAFE New South Wales, the Centre for Local Government at the University of Technology, Sydney, the Planning Institute of Australia, the Institute of Public Works Engineering Australia and the Australian Institute of Building Surveyors. The first assignment of the task force was to conduct a survey to establish the extent and nature of the skills gap, an executive summary of which was circulated to councils on 6 September last. For the benefit of committee members, a copy is available on the department's web site.

The task force confirmed that the overall industry shortage of planning professionals is hitting local government hard for a number of reasons, mainly that the volume and increasing complexity of planning is requiring more skilled and experienced staff. This problem is made worse by the drop-out rate of planning professionals, particularly female planners over the age of 35, the shift of local government planners to the private sector to consulting and development companies, the long-term shortage in rural and regional areas due to the difficulty in attracting skilled and experienced staff to those localities, and the lack of part-time and flexible planning jobs in State and local government and in the private sector. The survey has proved invaluable in developing a blueprint to improve current recruitment and staff development practices in the local government sector.

**CHAIR:** Thank you, Minister. With regard to the reduction in the number of councillors, I understand there is currently no formula in place to calculate the number of councillors with reference to population. Would it not be better to have a certain number of councillors based on population instead of an arbitrary number? Mr Payne, would you care to comment on that, please?

**Mr PAYNE:** I understand the issue, but I think one of the problems with an approach like that is that it ignores the complexity of an area. For instance, coastal councils, as you would know, have tremendous development pressures placed on them. I do not know whether you can tie a council number to a population or to any other individual factor. I think it really has to be an assessment of what you need in your particular area.

**CHAIR:** Economically they are tied to population pretty well. Even high development areas are tied to the residential population, in terms of income.

**Mr PAYNE:** Yes. One of the factors that the Remuneration Tribunal takes into account in determining fees for councils is population. I am becoming more and more of the opinion that it is much more complex than that. Basically, the Local Government Act has 152 councils governed by regulations and an Act but, in fact, they are individual entities. There is not a lot of commonality among councils—for instance, a coastal council compared with a council in the Central West. There are different factors involved. I just do not know what would be a good criterion to select for council numbers. At the moment the range under the Local Government Act is five to 15. From a departmental perspective, we tend to find that the more efficient councils have fewer councillors. I think that is probably reasonably well explained by the fact that it is more difficult to get 15 people to agree than it is, say, to get nine people to agree. But there is no magical number, I am convinced of that. I would hesitate to tie it to just the population.

**Mr KERRY HICKEY:** If you have any ideas on formulas I would be interested to hear them. If you care to bring them to my attention I will be happy to look at them.

**CHAIR:** I will take that on notice, thank you. Minister, you have been quoted in the media as supporting popularly elected mayors. Does the Government have plans to implement popularly elected mayors in all local government areas prior to the local government elections 2007?

**Mr KERRY HICKEY:** I have been quoted in the newspapers as also saying that if communities want to have a popularly elected mayor or a council-elected mayor, from the councillors, they need to have a constitutional referendum. That referendum will decide whether the community

wishes to have that. What we are putting forward is about educating the community. I have been all over the radio and in the electronic and print media on this issue.

It is not a government position, but it is something that communities need to think about to ensure the issue is addressed at the local level. If a community want to change the way the selection of the mayor is undertaken, the community needs to write to the council, the mayors, and the general managers to ensure that a constitutional referendum is put forward. In the main they are done at the next election, so it saves the rate base money. Likewise, if they have a popularly elected mayor and they want a council-elected mayor, the same process is followed.

**CHAIR:** Have you communicated with the Local Government and Shires Associations on this matter? Also, would that apply to individual councils reducing their number to two councillors per ward? When this happens, vote counting is done using the optional preferential system, which virtually guarantees the first winner both positions within any given ward. Some see this as a gerrymander. Would you care to comment on that?

**Mr KERRY HICKEY:** I do not see it as a gerrymander. It is up to individual communities to decide which way they wish to choose their mayor. With regard to the popularly elected mayor issue and it being a gerrymander, that is the current system. It is something you need to take up with the Electoral Commission if you are not satisfied with that system.

**CHAIR:** Would you be prepared to look at the possibility of amending the Local Government Act to make the minimum number of councillors three per ward?

**Mr KERRY HICKEY:** At the moment the Act is very clear: it provides for any number of councillors between 5 and 15. If there is a reduction of councillors in wards, or an increase in wards, that needs to be done through the council and under the current system. I think it is something that should be done by the community, rather than by the Minister. Incidentally, not all councils have wards.

**CHAIR:** Have you in recent times given any consideration, or further consideration, to the level of remuneration of councillors? Often it is felt that councillors do a lot of work and do not receive a commensurate wage. There is a strong feeling in the community that a fair rate of pay would, in some circumstances, attract more professional councillors.

**Mr KERRY HICKEY:** I think the majority of councillors earn their money and do work tirelessly in their public office. But the level of allowances councillors receive is a matter for the independent tribunal, not me.

**The Hon. KAYEE GRIFFIN:** Minister, Budget Paper No. 3, Volume 2, page 18-3 shows an allocation of \$4.7 million for companion animals administration and payments to local government. Could you give the Committee a breakdown of that allocation, regarding the difference between the administration costs and payments to councils?

**Mr KERRY HICKEY:** The department is responsible for the administration of the Companion Animals Act 1998. The Act provides for the identification and registration of companion animals, and for the duties and responsibilities of its owners. The Act also provides for the establishment of the Companion Animals Fund. The fees collected for the lifetime registration of companion animals are paid into the fund.

The costs associated with administering the Act are met by the fund, and the balance is refunded to councils on the basis of where the animals live. This assists in the cost identification and registration of the companion animal. The allocation of \$4.7 million for 2005-06 represents an estimated expenditure for the year for the Companion Animal Fund. That is the general running costs of \$1.1 million, reimbursement to council of \$3.6 million, and the receipt of registration fees collected and paid to the fund, estimated at \$4.7 million in 2005-06.

**The Hon. KAYEE GRIFFIN:** Under the Local Government Act 1993 councils are required to develop plans and provide a number of reports on an annual basis. They include management plans, which go hand in hand with council's budget but are three-year forward plans. There are also social

plans and community plans, state of the environment reports, and an annual reporting process. I am sure that the residents and ratepayers who live in most local government areas would not even be aware that some of these plans are produced. Has the Government considered integrating these various planning and reporting processes? I think there is some confusion about the process of doing annual reports, for example, as opposed to state of the environment reports and so on. Would you care to comment on that?

**Mr KERRY HICKEY:** I think the Government is keen to look at ways of implementing a lot of these ideas and plans. I think the various statutory planning and reporting processes that councils undertake are aimed at assisting councils to improve the level of integration. The review of the 22 councils conducted by the department as part of promoting better practices in local government is another component of the Government's local government reform program. The Government has identified that there is often a lack of pulling plans together, and I believe that better strategic and integrated planning is an important ingredient in becoming stronger and having a more sustainable local government sector.

The first stage of the project has been the preparation of a discussion paper. I announced the discussion paper at the Local Government Managers Australia annual conference yesterday. The paper aims to provide councils and stakeholders with an opportunity to reflect on planning and reporting processes under the Local Government Act 1993 and land use planning under the Environmental Planning and Assessment Act 1979. The paper includes information about a better approach, and it discusses the potential benefits. Councils will be asked to provide their views on the issues raised in the discussion paper, as well as good practice examples.

The second stage of the project will then be undertaken in conjunction with the Centre of Local Government at the University of Technology, Sydney and the University of Sydney. It will include a review of responses to the discussion paper. It will also involve a review of the department's current guidelines relating to councils' statutory planning and reporting, such as social and community planning, and reporting and management planning. The third and final stage of the project will review the current policy and legislative framework with a view to simplifying it and ensuring that it supports a strategic approach to planning and reporting. So, yes, we are looking at that and we are putting in place a plan to bring it all together.

**The Hon. KAYEE GRIFFIN:** As a former mayor of a Sydney council I am aware that this was a topical issue in 2003 when the Department of Local Government looked at the payments to senior council staff and the broad-ranging differences in a number of contracts. In 2003 the department introduced requirements to prohibit the granting of ex gratia payments or other payments to senior staff, given that they were already, in most cases, receiving very generous entitlements under their contracts. What has happened since that time with regard to the department looking at consistency across local government areas to ensure that the employment conditions of senior staff on contract are uniform?

**Mr KERRY HICKEY:** What a good member the Hon. Kayee Griffin is and what a great question she asks. In 2004 the department recommended amendments to the Local Government Act to provide for standard contracts for senior staff, including general managers. Parliament approved the amendments on 1 July 2005. However, the amendments have not yet been acted upon because the department is consulting with the major stakeholders on the form of contracts.

The amendments allow the director general to approve one or more standard contracts for senior staff of the council, including general managers. Employment contracts for senior staff, including general managers, will be standardised in relation to the terms and conditions of employment, but not in relation to the remuneration. This approach is consistent with the approach taken with senior executive service contracts for employment in the New South Wales public service. Standard contracts for senior staff will meet some concerns that have been expressed about unfair employment contracts for senior staff, and the amendments will commence when standard contracts have been drafted.

Currently, the department is in consultation with the Local Government and Shires Associations and Local Government Managers Australia [LGMA], and it is expected that the director general will be in a position to approve a standard contract for general managers and a standard

contract for senior staff late in 2005. Last night I happened to be at the LGMA conference, where the president, Steve McGrath, was very keen to ensure that his support for a standard contract was well known to me, and it is something that is being raised regularly with me by general managers everywhere I go. Every time I go to councils the general managers say they want a standardised contract that allows them some certainty in knowing what is expected of them.

I think the big issue has been that since 1993 there all sorts of contracts have been drawn up and general managers are a bit concerned in regard to the terms of the contract. I think the department is working well to address many of those problems, and likewise senior staff. They have been a little bit concerned and worried in regard to some of the terms and conditions in their contracts. So I think this is a great plus for the councils, and it will go a long way to addressing a lot of the concerns of the senior staff. I thank you for your question.

**The Hon. KAYEE GRIFFIN:** I was going to ask you what the LGMA thought about the process. Does the department have a particular view, given the input it has received from the members of the LGMA, about what the time frame of the contract should be?

**Mr PAYNE:** The maximum is currently five years. There has been a trend towards three years, or in between. My personal view at this stage is that I think the five-year maximum is reasonable, but leaving it free for councils to negotiate something less than that. The five-year contract, of course, is consistent with the State SES as well, and I am keen to try to avoid locking a contract into the term of a council; I think there should be some variation there. But that has got to be discussed and resolved. We have concentrated so far on the terms of the contract itself. I cannot recall either party suggesting a preferred time. I think there is an acceptance of five years.

**The Hon. KAYEE GRIFFIN:** Minister, there has been a lot of discussion in local government circles in relation to the pensioner rates rebate scheme that has been in place for many, many years. I understand that in the 2005-06 budget papers there is an allocation of \$76 million for the scheme. In relation to the allocations to council, could you give the Committee a bit more information about the break-up of that \$76 million over this financial year?

**Mr KERRY HICKEY:** Under the Local Government Act 1993, statutory rates concessions are available to eligible pensioners who occupy a dwelling as their sole or principal place of living. An eligible pensioner is generally a person who receives a pension under the Social Security Act 1991 of the Commonwealth, or a service pensioner under the Veterans Entitlements Act 1986 of the Commonwealth, and who holds a pensioner concession card issued by or on behalf of the Commonwealth Government.

The pensioner rebate scheme provides pensioners with a rates concession of up to \$250, and a rebate of up to \$87.50 on each water and sewerage charge. Where councils provide such services, the mandatory rebate is funded on the basis of 55 per cent by the Government and 45 per cent by each council. Councils have a discretion and flexibility to provide further concessions. For example, ratepayers are entitled to seek the assistance of their council if they envisage they will have difficulty in meeting their rates commitments. Assistance can be in the form of extension of time to pay the rates, interest and penalty, or agreements to allow rates arrears to accrue. Councils also have a discretion to provide additional rates rebates. Payments to the councils for pensioner rates rebate claims in 2004-05 totalled \$73.17 million, and an allocation of \$76 million was provided for in 2005-06.

**The Hon. DON HARWIN:** Earlier you talked about the financial watch list and you mentioned how you were pleased that the number of councils on the watch list has reduced dramatically. Congratulations to those members of the staff who have contributed to that result. I am sure that is a result we are very happy with. Could you tell the Committee the Government's approach to public disclosure of which councils are on the watch list, how often that is made available to the public, and how often it is disclosed to the ratepayers of the councils affected?

**Mr PAYNE:** That watch list, we call it a financial monitoring list, is published in the department's annual report. The councils are in fact named in that. There has been a claim, I know, that the list is not available, but it has been in the department's annual report for a number of years.

**The Hon. DON HARWIN:** And there is no provision for disclosing to ratepayers as soon as a council is put on that monitoring list that they are on that monitoring list; it is just something that happens in the annual report?

**Mr PAYNE:** We would advise the council that it was going on the monitoring list at some point through the year, but we do not, as a department, write to ratepayers and residents, no.

**The Hon. DON HARWIN:** But there is no obligation on a council to make public that it is on that monitoring list, is there?

**Mr PAYNE:** There is no legal requirement for the council to report that at the time that it goes on the list, no.

**Mr KERRY HICKEY:** But, may I just say, the financial burden for a council to write to every ratepayer, if it were placed on a watch list—

**The Hon. DON HARWIN:** Minister, I will cut you off there, if you do not mind. I was not suggesting that.

**Mr KERRY HICKEY:** You asked a question—

**The Hon. DON HARWIN:** The question was asked and answered. I would like to move on to the next question, Chair, if that is all right?

**CHAIR:** I think the Minister has the right to answer as he sees fit. It would probably be quicker if you just allow the Minister to answer.

**Mr KERRY HICKEY:** I will let it pass.

**The Hon. DON HARWIN:** I did not at any stage ask about writing to every ratepayer. That is just a nonsense. Minister, the budget papers make it clear that the staffing level in the department has been fairly stable over the past four financial years at between 61 and 63. Could you outline to the Committee how many of the current staff are Nowra-based and how many of them are Sydney-based?

**Mr PAYNE:** All staff are Nowra-based, apart from two that are based in Sydney, but, of course, people work from the Sydney office. So at any point in time there could be any number of people either in Nowra or in Sydney. But there are two allocated to the Sydney office and the balance are in Nowra.

**The Hon. DON HARWIN:** Which are the two?

**Mr PAYNE:** Do you want the name of the position or the name of the people?

**The Hon. DON HARWIN:** The position?

**Mr PAYNE:** They are two support positions.

**The Hon. DON HARWIN:** So all of the others are residents of the Shoalhaven.

**Mr PAYNE:** No, that is a different question. I do not check where they reside. I am just saying to you that two people are based in Sydney and the balance are based at the headquarters in Nowra.

**The Hon. DON HARWIN:** So of the 61 staff, how many of them usually work from the department's office in Nowra and how many of them usually work from the department's office in Sydney?

**Mr PAYNE:** It depends at which point in time. For instance, when the Daly inquiry was being conducted into the Tweed, there were two staff from Nowra that were not permanently based but were spending most of their time in Sydney. I repeat: two people are permanently based in

Sydney; the balance, whatever the number is—59—are based in Nowra. A number of those float between the offices, depending on the instance. For instance, I float between three locations.

**The Hon. DON HARWIN:** Which are those three?

**Mr PAYNE:** Tweed or Murwillumbah, Nowra and Sydney.

**The Hon. DON HARWIN:** In 2004-05 the operating expenses for the Department of Local Government increased by \$270,000, from \$5.9 million to \$6.17 million. Why did this occur?

**Mr KERRY HICKEY:** Because there was a 4 per cent award increase in salaries.

**The Hon. DON HARWIN:** Likewise, in terms of other operating expenses, they increased by \$310,000. Why did that occur?

**Mr KERRY HICKEY:** Because the funds in 2004-05 included \$1.019 million to complete the structural reform program.

**The Hon. DON HARWIN:** In view of those increases, why is the budget for 2005-06 some \$1.406 million less than the revised budget for 2004-05?

**Mr KERRY HICKEY:** Because those things do not apply.

**The Hon. DON HARWIN:** The member for Myall Lakes, who is the shadow Minister for Local Government, recently wrote to you concerning a request to send mediators from his department to Great Lakes Council for the purposes of attempting to resolve an impasse at that council, stating there was no provision within the Local Government Act for the appointment of mediators. Why, at page 18-2 of the Budget Paper No. 3, Volume 2, does it state that "major service delivery outputs are generally in the form of legislation, policies, publications, training, mediation and strategic advice", if, when you wrote back, you said there was no provision within the Act to appoint mediators?

**Mr KERRY HICKEY:** We do it, but there is no provision in the Act that we mediate. I must say that the Department of Local Government is my department, not the shadow Minister's, and I have to point out that we did send up some departmental staff to mediate in that process. There is no breaking of the Act, as such, in what is occurring there at the moment and we have to wait until the end of the month before we can actually have a look at that issue in light of the Act.

**The Hon. DON HARWIN:** So you need a breach of the Act before you send in mediators?

**Mr KERRY HICKEY:** No, I did not say that.

**The Hon. DON HARWIN:** I am sorry. I misunderstood you. How much is expended by the Department of Local Government on mediation and strategic advice?

**Mr PAYNE:** We do not keep a breakdown of those figures. It is just part of our normal day-to-day operations.

**The Hon. DON HARWIN:** Which individual councils received mediation and strategic advice in the last financial year?

**Mr PAYNE:** I would say most of them.

**The Hon. DON HARWIN:** Can you not be more specific than "most"?

**Mr PAYNE:** It is part of our normal operation. It could be a five-minute phone call, it could be a minute phone call or it could be something that we spend days at. It is part of our role.

**The Hon. DON HARWIN:** In terms of the mediation role, are you able to say which of the councils received mediation assistance?

**Mr PAYNE:** No, because I have 60 staff who may be doing some form of mediation, whether it be major mediation such as the Great Lakes issue—if you want to call it that—or minor. Basically, we are there, resolving disputes or talking between ratepayers, residents and councils, on a daily basis.

**Mr KERRY HICKEY:** It depends on the level of mediation. If you want to be more specific in your question, we could probably get you an answer.

**The Hon. DON HARWIN:** Sorry, I was distracted. Could you repeat that?

**Mr KERRY HICKEY:** I apologise for your distraction.

**The Hon. DON HARWIN:** You do not have to. I apologise, too, for being distracted.

**Mr KERRY HICKEY:** That is quite all right.

**The Hon. DON HARWIN:** What did you say?

**Mr KERRY HICKEY:** Could you be more specific in your question in regards to what types of mediation because mediation can come in the form of a letter? You need to be more specific in your question so that we can get you an answer, if we can.

**The Hon. DON HARWIN:** Given what the director general said in terms of the fact that a large number of councils received mediation assistance, could you just specifically outline to us why none is available to Great Lakes at present?

**Mr KERRY HICKEY:** There was mediation at Great Lakes. I fail to understand why you are saying there was none. I actually said in my answer to your question that we sent a staff member up there to mediate between the councillors. That was very clear in my answer. To say that there was none available is not quite right.

**The Hon. DON HARWIN:** Does the Department outsource any of the mediation or strategic advice function that it provides and, if so, how much is expended on that outsourcing?

**Mr PAYNE:** From time to time we will do that. For instance, following the regional reviews last year, when we were looking at the division of assets and liabilities a consultant was engaged to actually mediate the distribution of those assets and liabilities. That process was successful, but generally we will only engage somebody where it is a very specific issue that needs to be resolved. Often you will find that mediation—using Great Lakes again—whilst there might appear to be a single issue, it is often more complex than that, so we tend to do most of it in-house.

**The Hon. DON HARWIN:** I appreciate that you will probably need to take this on notice, but could you please provide a list of how much has been expended on mediation services and whom it was outsourced to?

**Mr KERRY HICKEY:** We will take that on notice.

**The Hon. RICK COLLESS:** I have a few questions relating to the Tweed inquiry. Can you tell us the cost of the Tweed inquiry to date?

**Mr KERRY HICKEY:** As at 30 June 2005 the cost was \$459,000.

**The Hon. RICK COLLESS:** Can you tell the Committee the anticipated costs, at this point in time, by the time it is concluded?

**Mr KERRY HICKEY:** It has concluded.

**The Hon. RICK COLLESS:** Does that \$459,000 include Professor Daly's fees?

**Mr KERRY HICKEY:** It does.



**The Hon. RICK COLLESS:** How much was to Professor Daly?

**Mr KERRY HICKEY:** The recommendations of Professor Daly have been very public. The Department of Local Government has used 17 consultants for 18 assignments in 2004-05. Expenditure for the year was \$401,085. Consultancies were over \$30,000. Professor Daly Systems Pty Ltd was \$191,250. There was a small carryover in that figure from Liverpool.

**The Hon. RICK COLLESS:** In that figure of \$191,000 to Professor Daly?

**Mr KERRY HICKEY:** Yes, Professor Daly was engaged at a cost of \$1,250 per day. Charges totalled \$5,625.

**The Hon. RICK COLLESS:** 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?

**Mr KERRY HICKEY:** I do not have that answer, but I can tell you that Daly Research Assistance Pty Ltd was \$191,250, plus the charge of \$5,625 in 2004-05. I will have to take that question on notice and get you a more detailed response.

**The Hon. RICK COLLESS:** 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?

**Mr KERRY HICKEY:** Yes, we will take that on notice.

**The Hon. RICK COLLESS:** Where has that money come from? Is that out of your normal budget?

**Mr KERRY HICKEY:** Supplementation from Treasury. I must correct something I said. It has been pointed out that I said \$5,625. It was not; it was \$185,625 for Tweed.

**The Hon. RICK COLLESS:** So that is the \$191,000, less the \$5,000 or whatever it was.

**Mr KERRY HICKEY:** Yes. I apologise for misleading the Committee.

**The Hon. RICK COLLESS:** That is all right; I had those figures roughly worked out. How much money has been expended on administration or support for such inquiries or other matters undertaken by Professor Daly?

**Mr PAYNE:** The \$459,000 on the Tweed inquiry will include a departmental support component. An officer was allocated to assist the inquiry. That salary charge would have been offset against the inquiry.

**The Hon. RICK COLLESS:** Given that Professor Daly was charged with the duty of establishing fact in the Tweed inquiry as to certain allegations made against some of the councillors, why Professor Daly was paid his fee when it was clear from his findings that he did not act on fact, as the findings themselves are littered with statements such as "it is logical to assume", "that has inevitably given rise to", "there appeared to be", and "the insidious feature, a charade, effectively they lied"? Are they not all assumptions, and not findings of fact?

**Mr KERRY HICKEY:** I consider Professor Daly to be an independent person in this and I think that the report he put forward is as factual as possible. To take these quotes out of his report, I would have to put them in the context of what was actually said, rather than listen to a portion of the quote. This report has more than 1,000 pages. I think you need to be more specific in your question before I can give you a thorough answer.

**The Hon. RICK COLLESS:** Would you agree that the report includes assumptions? When he says, "it is logical to assume", that cannot be a fact, can it? An assumption is not a fact.

**Mr KERRY HICKEY:** But in a 1,000-page report I would have to know the context in which it has been said.

**The Hon. RICK COLLESS:** I am asking you for your opinion in this regard. An assumption can or cannot be a fact?

**Mr KERRY HICKEY:** My department made a very clear recommendation. My department acts in a professional manner at all times. Are you saying to me that the individual who ran this inquiry has not acted in a professional manner?

**The Hon. RICK COLLESS:** I am saying that the report contained many statements which were not factual; they were in fact assumptions. He was given the duty of establishing fact as to certain allegations in the Tweed inquiry, but he came out and said that it is logical to assume.

**CHAIR:** As the Minister said, there were conclusions made by the investigator on the grounds of the overall inquiry.

**The Hon. RICK COLLESS:** Which should have been based on fact.

**CHAIR:** I am not saying that it is not based on fact.

**Mr KERRY HICKEY:** So you are saying that the whole report is not based on fact. I think we are in an area where none of us wants to be. I am just asking you whether you are saying that the whole report is not based on fact. Is that the question you are asking?

**The Hon. RICK COLLESS:** I am just asking you some questions.

**Mr KERRY HICKEY:** I am asking for clarification of the question.

**The Hon. RICK COLLESS:** I am asking you whether some statements in that report were not based on fact.

**Mr KERRY HICKEY:** I think the report is based on fact, and I have accepted the report.

**The Hon. RICK COLLESS:** As it appears that Professor Daly has been paid from the local government budget for the purposes of undertaking the inquiry, and as finding 2.2(26) states, "Their acceptance"—that is, of candidates for council—"of funds that came from developers would hopelessly compromise their position in the eyes of many in the community", will you support an inquiry into union donations to the ALP which could hopelessly compromise the ALP in the eyes of many in the community?

**Mr KERRY HICKEY:** I think the director general answered that question. The funds were supplemented from Treasury.

**CHAIR:** The Government has committed a total of \$908 million to the Country Towns Water Supply and Sewerage Program, with \$85 million in 1994 dollar terms to be allocated each year for 10 years. In the 10 years to 30 June 2004 the Government had provided a total of \$639 million, with average yearly expenditure of \$52 million in 1994 dollar terms. With major commitments to works in progress and recently approved new works, most of the remaining program funding has been allocated. This leaves little, if any, funding for additional projects, including approximately 200 backlog projects identified by councils that have not been included in the Government's recent offers. Will the Government reassess residual funds available to the program after making realistic allowances for cost escalation from 1994?

**Mr KERRY HICKEY:** That is a very relevant question and I would like to answer it, but the public utilities portfolio takes care of that. That is Minister Scully. I apologise for not being able to give you an answer.

**CHAIR:** So your department does not have any role in that at all.

**Mr KERRY HICKEY:** I apologise. I wish it did.

**CHAIR:** That is okay. It is my fault for being irrelevant at this time. In your previous role as a Cessnock councillor—

**Mr KERRY HICKEY:** What a wonderful place Cessnock is!

**CHAIR:** The previous general manager of Cessnock council called a councillor a rather irreverent term—I will not repeat it here but you are probably aware of it—in public and refused to apologise until after expansive coverage in the Newcastle *Herald*. The majority councillors refused to uphold the code of conduct with regard to the general manager but censured the councillor who had been sworn at. Are you in a position to remind Cessnock councillors of their responsibility to uphold the code of conduct? Did you think it is time to change the Local Government Act provisions which allow the majority party to censure councillors on what might be seen as political grounds?

**Mr KERRY HICKEY:** I think the issue at Cessnock council has been resolved. The department investigated it. In every forum I attend I clearly remind all councillors of their roles and responsibilities. They should get out of the sand-pit politics and start looking after the services that are delivered to the rate base. That is something I am constantly saying in every media interview and every speech I give across New South Wales.

**CHAIR:** 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?

**Mr KERRY HICKEY:** It has not been raised with me. As I said previously, I have only been here five weeks. It sounds as if it is a planning issue.

**CHAIR:** It is to a certain extent but you would agree also that it does cross over to local government?

**Mr KERRY HICKEY:** The issue has not been raised with me.

**CHAIR:** Would you make inquiries on that matter, in that there is a great deal of community concern?

**Mr KERRY HICKEY:** I will ask my director general to make some inquiries in regard to the issue and report back to me.

**CHAIR:** Similarly, I understand the Government has allowed Mirvac to have a crucial role on the key committee advising the Minister on Ku-ring-gai local government zoning policies—under SEPP 53 in particular—while it has nine current development proposals before Ku-ring-gai council. Are you aware of that situation, does it concern you and would you be prepared to investigate that matter?

**Mr KERRY HICKEY:** Again, it is a planning issue, but I will let my director general speak further on the issue.

**Mr PAYNE:** That would not come anywhere near this portfolio. It would be entirely a matter for the Minister for Planning.

**CHAIR:** 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?

**Mr KERRY HICKEY:** I think that refusal was done prior to my elevation into local government, and that would be something that the former Minister has carriage of. I have not seen any

paperwork on this issue but I will ask my director general to inform me on that matter and I will take the question on notice.

**The Hon. DON HARWIN:** Is there any reason why the director general could not give us a response now?

**Mr KERRY HICKEY:** All right, I will take it off notice and I will give it to the director general now.

**Mr PAYNE:** I carry a fair bit of information but we had over 40 applications for special variations, some of them quite detailed, and I apologise, I just do not carry all of that around in my head.

**Mr KERRY HICKEY:** I will put it back on notice.

**CHAIR:** An issue has been raised regarding Cowra Shire Council and an intensive dairying operation. I understand it is claimed to be causing odour exceeding recommended limits and pollution in the area when it rains. Polluted water is being piped into the Lachlan River. It is operating despite a development application been voided twice at the Land and Environment Court. The Cowra Shire Council has failed to stop the operation of the dairy. Are you aware of the position of Cowra Shire Council and this dairying operation and is this something your department could look into if there is a failure of Cowra Shire Council to act on this matter?

**Mr KERRY HICKEY:** I think the issues you raise come under the Department of Environment and Conservation [DEC] and I think they need to be raised in that area. You are talking about pollution controls and Environment Protection Authority [EPA] issues. That needs to be raised in a different forum.

**CHAIR:** 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?

**Mr KERRY HICKEY:** I think you are raising Planning and DEC issues. I will take it on notice and get whatever answer I can, but these issues come under Planning and DEC.

**CHAIR:** Even if it is the council that has failed to act on this matter? I appreciate what you are saying but I think there is a role there for local government.

**Mr KERRY HICKEY:** It is a matter of pollution control management and that is something that needs to be addressed through Planning and DEC. I am willing to take it on notice. I am not across every inquiry or every report councils receive. I will take it on notice.

**CHAIR:** I appreciate what you say about DEC and EPA in these circumstances, but given the action of council in this process of it is reasonable say that council does have a role to play, but I will appreciate further answers on notice.

**The Hon. PETER PRIMROSE:** Minister, unless you are right on top of the issues in your portfolio you may want to take this on notice, but I would like to ask you a question about the Swimming Pools Act. The Department of Local Government recently advertised for submissions as part of the review of the Swimming Pools Act. Can you tell us why that Act is being reviewed?

**Mr KERRY HICKEY:** In August 2004 the previous Minister for Local Government, the Hon. Tony Kelly, MLC, approved a review into the Swimming Pools Act 1992 and its supporting regulation. Essentially, this legislation relates to the standard of child restraint barriers required to surround both existing and new pools as defined, and exemptions and duties on councils to enforce those provisions. The review is in response to the 2004 report by the New South Wales Water Safety Task Force which recommended a number of amendments to legislation aimed at improving child safety around backyard swimming pools and clarifying the role of councils in enforcing the Act.

The role of the task force is to provide advice to the Minister for Tourism and Sport and Recreation on water safety-related matters including best practice for government and the community interest in the prevention of drownings and mini drownings in New South Wales. In addition, the Swimming Pools Regulation of 1998 is due to sunset on 1 September 2006 and the department has therefore taken the opportunity to include the preparation of a regulatory impact statement [RIS] of the regulation as part of the review. The RIS will incorporate any proposed changes following the Act's review.

The review and the RIS are jointly funded by the Department of Local Government and the Department of Tourism, Sport and Recreation. The review and the RIS involved an extensive consultation process. The review has been advertised. A circular has been given to councils and letters sent to more than 30 stakeholders advising of the review and calling for submissions. These submissions will form the basis of a discussion paper which will be released for comment in early November. Consultation on the RIS will take place in February 2006, and I anticipate the review of the Act will be completed by the end of March 2006 and the RIS finalised by the end of April 2006.

Again, this is another initiative that the former Minister put forward. It is about providing a safe environment for young people, and old people, around swimming pools. Frankly, it is great to see the former Minister and the Minister for Tourism and Sport and Recreation being so concerned about these issues. They are very pertinent, especially coming into the new swimming season.

**The Hon. KAYEE GRIFFIN:** I was interested to find out some more information in relation to the model code of conduct that came out earlier this year, particularly how it has been received by councils—you may not have this information to hand—and how many councils have adopted that code of conduct or what sorts of changes councils have made or issues they have with the model?

**Mr KERRY HICKEY:** Committee members will be aware that the new code of conduct for council staff and delegates came into force on 1 January 2005. Since then, councils have been moving to formally adopt the model code, either in its current form or as modified to meet their own local needs. Councils are also working to establish conduct committees to do with complaints and allegations and breaches of the code of conduct. This is something the Chair raised earlier. The department has been monitoring the implementation, and the evidence is that councillors have become more mindful of their obligations to deal with conflicts of interest. As yet, the director general has not been formally requested to exercise his powers of suspension of a councillor. To support the implementation of the new provisions the department has contacted the Local Government and Shires Associations to develop an educational resource and training package to allow all councils to deliver training to their own councillors and staff.

The program was very successful, providing train-the-trainer workshops for a total of 188 councillors and council staff from 109 councils. So it is being embraced and it is something that we are very keen to push.

**The Hon. KAYEE GRIFFIN:** You mentioned 109 councils. Are the other councils contacting the department in relation to the issues that were raised with the new model code of conduct, or do they have concerns about the conduct of individual councillors?

**Mr PAYNE:** All councils have to adopt the code, or at least a code. The code that they adopt can be the model code or one that is consistent with the model code. Concern has been expressed by some councils about the code of conduct committee. It comprises the mayor, the general manager and an independent person. Others can be added to it. In some cases the general managers in particular felt that being on the committee put them in a compromising position. I would suggest that the general managers invariably are involved in a dispute anyway. The councils can dilute the committee by adding independent people, depending on what the issue is and who is involved. Concern has been expressed about that. We are working through that with councils.

Concern has also been expressed about what constitutes a conflict of interest and so on. We are taking a commonsense approach and advising councils that have concerns. But at the end of the day they have to adopt the code. We are willing to consider any review that is legitimate. We are also willing to consider any variation that is consistent with the core principles of the code. My feedback from talking to a range of councillors and councils is that whilst concern has been expressed initially it

will bed down fairly well. At the end of the day you are dealing in a political environment and there will always be some issues. This is not going to solve everything but at least it will provide a standard that we can measure against, which is what we are after.

**Mr KERRY HICKEY:** Yesterday the issue was raised with me by Local Government Managers Australia. I stated that at this stage I am not keen to have a review undertaken. It is in its early stages: the model is in its infancy. We need to work it through a little. I am happy to have open dialogue. When the issues are presented to the department and me we will then undertake the review and make sure that the issues are being addressed, if we cannot address them straight away.

**The Hon. KAYEE GRIFFIN:** I was very pleased to see the model code of conduct. Apart from its adoption, it should have raised awareness about declarations of interest. There has always been confusion about what is an interest and when one needs to declare it and so on. The code of conduct has probably been very helpful from that point of view.

**Mr PAYNE:** The biggest issue we have with councils is the lack of education in regard to pecuniary and non-pecuniary interests and the code of conduct. The department is working tirelessly to put the information out there so that councils understand their roles, what they need to do and what they need to declare. That will be an ongoing issue; it will not be addressed in the short-term. It will be addressed in the longer term in an educational program.

**The Hon. KAYEE GRIFFIN:** Given that there have been a number of changes of legislation in recent years, what has happened in terms of repeal of regulations and new regulations under the Local Government Act?

**Mr KERRY HICKEY:** In 2004 all councils and key agencies were advised that 10 current standalone local government regulations that supplement the Local Government Act were to be consolidated into a single regulation for reform and remake under the staged repeal program. The feedback received by the department so far has been overwhelmingly supportive of the consolidation project. As part of the staged repeal program a regulatory impact statement was prepared and circulated with the public consultation draft of the proposed consolidated regulation in June this year.

All submissions and regulation amendment proposals received by the department were carefully considered and, where appropriate, incorporated into the consolidated regulation. The consolidated regulation was gazetted on 1 September 2005. The new consolidated regulation is now divided into parts to reflect the separate categories of matters previously contained in each standalone regulation. The primary purpose of the consolidation was to facilitate better access to the regulations by the public and other interested parties, particularly in searching electronic legislation databases. The consolidation will also save public resources by streamlining the administrative process involved in the reviewing and remaking of regulations under the Subordinate Legislation Act. A table of amendments and conversion guide has been issued by circular to all councils to assist them in locating the new and remade provisions as they appear in the consolidated regulation.

**The Hon. DON HARWIN:** Major investigations and pecuniary interest matters are a key part of the department's analytical and intervention capacity. How many investigations did the department undertake in the last financial year? What was the nature of those investigations? What was the cost involved in conducting the investigations? What was the outcome of the investigations?

**Mr PAYNE:** May I just be very clear about one thing: to us an investigation is a formal investigation under section 430. Making an inquiry or going to a council and undertaking mediation is not an investigation. Under section 430, if we do a formal investigation we have to produce a report. That report is then given to the council, and the council has, I think, 40 days after it is tabled to respond to the Minister on the things it will do all will not do in relation to that report.

We do very few formal investigations, preferring to operate informally and to get compliance that way. That is fairly successful, because formal investigations are time consuming. From memory, in the last 12 months the only section 430 report we undertook was a planning report into Tweed, which was running from the time of the completion of the Daly inquiry until the Minister made the decision about Tweed. That report was undertaken by my deputy and is currently with Tweed council

for response. The cost of those investigations is not taken out separately; it is part of our normal operations.

**The Hon. DON HARWIN:** And section 430 inquiries are listed in the annual report, are they not?

**Mr PAYNE:** Correct.

**The Hon. DON HARWIN:** How many pecuniary interest matters were raised? Were any found to be upheld? And, if so, what cases were upheld?

**Mr PAYNE:** Our role is to investigate pecuniary interest, and if we find that a case has substance we refer it to the Pecuniary Interest Tribunal, which is an independent tribunal. So we are not responsible for the pecuniary interest hearings or findings.

All pecuniary interest issues heard by the Pecuniary Interest and Disciplinary Tribunal are posted on the departmental web site and date back to 1993-94. We list them on the web site as an education process as well.

**The Hon. DON HARWIN:** You do that for education purposes?

**Mr PAYNE:** Yes. I am not aware of the number we have made inquiries of or referred to the tribunal, but I will take that question on notice. There are some before the tribunal currently. I can certainly get those figures.

**The Hon. DON HARWIN:** Thank you.

**Mr PAYNE:** Could I clarify something I said earlier, I think to Mr Harwin? You asked me how many people are in the Sydney office and I said two. There are in fact three—two permanent employees and one temporary employee. From memory, the position titles are something like Project and Support Officer; there is a senior officer who looks after reform implementation—that is a temporary appointment as well—and then there is a temporary clerical assistant or clerical officer.

**The Hon. DON HARWIN:** I will allow the Hon. Rick Colless to ask his questions and I will come back to that.

**The Hon. RICK COLLESS:** Minister, in his Tweed report, Professor Daly stated that, "Groups may have presented themselves to the community as independent of each other and Tweed directors." But, according to Professor Daly that strategy, "essentially represented a fraud deliberately foisted upon the community". Do you agree with and support that statement?

**Mr KERRY HICKEY:** I have accepted the report and we are working through it. The department is assessing it and looking at its recommendations, and other relevant authorities are also looking at the report and its recommendations. Until we decide what action we will take I cannot say whether we accept the whole of that report, part of that report, or none of that report. You will need to wait until—

**The Hon. RICK COLLESS:** You said a while ago that you had accepted it, did you not?

**Mr KERRY HICKEY:** We have accepted Professor Daly's report. I am not saying that we are going to implement all of its recommendations, some of the recommendations, or none of the recommendations. I have to say that Cabinet is preparing a whole-of-government approach to this issue and when that approach is put together, I will be able to answer the question. I am unable to say whether I agree totally with the report because it is still being assessed.

**The Hon. RICK COLLESS:** But you are not able to tell me whether you agree with the statement I quoted?

**Mr KERRY HICKEY:** We have accepted the report and my department is assessing it.

**The Hon. RICK COLLESS:** What about you, Minister? Do you agree with that statement?

**Mr KERRY HICKEY:** My department is assessing the report, and until I have received a briefing from the department I am not going to commit myself in some political play about the report. I think we need to have a look at this report and our response from a whole-of-government viewpoint, and that is being provided by Cabinet.

**The Hon. RICK COLLESS:** In view of the money paid to Professor Daly, and his proclaimed stature as an election expert, does that not mean that when the Australian Labor Party supports Independents in State elections, such Independents having presented themselves to the community as being independent of each other, the Labor Party's strategy essentially represents a fraud deliberately foisted upon the community?

**Mr KERRY HICKEY:** I do not think you can start the finger-pointing. What about the Coalition—the Liberals and The Nationals? Do we say the same about them? When are we going to stop this silly game? I am not even going to answer that question.

**The Hon. RICK COLLESS:** What have been the costs associated with the appointment of administrators for the Tweed? What will the costs be until that administration ceases?

**Mr KERRY HICKEY:** I will ask Mr Payne to answer that question.

**Mr PAYNE:** There are three administrators at Tweed. One of them receives nothing—I will not mention who that is. The other two are paid \$41,000 a year, which was determined basically as the cost of the former mayor.

**The Hon. RICK COLLESS:** Is that between them?

**Mr PAYNE:** Individually.

**The Hon. RICK COLLESS:** So they are each paid \$41,000?

**Mr PAYNE:** Correct. The cost of maintaining and paying for 11 councillors at Tweed was roughly \$400,000 a year. I would expect that the cost of maintaining the administrators would be about half of that.

**The Hon. RICK COLLESS:** What was included in the \$41,000 paid to each of the administrators? Did it include things such as travel, accommodation, allowances and so on?

**Mr PAYNE:** No, the \$41,000 is a fee.

**The Hon. RICK COLLESS:** A salary base?

**Mr PAYNE:** Well, yes. A fee or a salary. It is not a salary—

**Mr GRAHAM WEST:** It is an allowance.

**Mr PAYNE:** Yes and expenses are on top of that.

**The Hon. RICK COLLESS:** Are you able to give the committee an idea of how much is paid by way of allowances? Do you have access to those figures?

**Mr PAYNE:** Yes. The expenses are accrued by two of the administrators—me and Mrs Turnbull. They are accumulated and the department meets the cost and then bills the council. The types of expenses would be travel, accommodation and meals.

**The Hon. RICK COLLESS:** I think you said that was on actual expenses and not a daily rate?

**Mr PAYNE:** Not a daily rate, no.



**CHAIR:** Minister, perhaps through you to Mr Payne: You mentioned before that Tweed Council was responding to this latest report. Given that the entire council was sacked, who will actually respond to this report?

**Mr PAYNE:** The administrators have delegated to the general manager the function of preparing a response to the report.

**CHAIR:** Is that appropriate?

**Mr PAYNE:** I think the general manager will develop the report. The council or the administrators will obviously sign off on the response.

**CHAIR:** I am not sure if I asked his question earlier, Minister Does the department publish guidelines so that councils have a structured and foreseeable approach when applying for special levies?

**Mr PAYNE:** Do you mean special rate variations?

**CHAIR:** Or other special levies? I mean, there are rate variations from time to time.

**Mr PAYNE:** They are special rate variations. That is all there is. Yes, guidelines are published every year, multiple pages of guidelines that go out each year. We finetune them on a yearly basis and councils respond in relation to those guidelines.

**CHAIR:** I understand that if a council's application for one of these levies is refused, no reason is given for the refusal. Is that the case? If so, why?

**Mr PAYNE:** No, that is not the case. If the recommendation is not approved or approved only in part, the department will communicate its response to the council as to the reasons.

**CHAIR:** With regard to some water issues, local government can apply to the Water Savings Fund for project funding. Why is the new Water Savings Fund—some \$30 million over four years—funded at half the level of the former Stormwater Trust Fund, which was initially \$60 million over four years?

**Mr KERRY HICKEY:** Would you repeat that question, because I am endeavouring to determine where responsibility for this actually lies?

**CHAIR:** My understanding is that councils can apply to the Water Savings Fund for project funding.

**Mr KERRY HICKEY:** Councils can apply to the Water Savings Fund, which is a matter for the Minister for Utilities. I know nothing about this.

**CHAIR:** Is not the responsibility of your department?

**Mr KERRY HICKEY:** No.

**CHAIR:** 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?

**Mr KERRY HICKEY:** I will take the question on notice.

**The Hon. KAYEE GRIFFIN:** With regard to council's equal employment opportunity [EEO] plans and anti-discrimination procedures, the New South Wales Government made a commitment to monitor the two issues. What is happening in relation to that monitoring process?

**Mr KERRY HICKEY:** The Department of Local Government is currently undertaking a review of a sample of council EEO management plans and annual reports to determine the wide, sweeping EEO management and reporting provisions of the Local Government Act 1993. The sample of councils includes those from urban, regional and rural areas to ensure that a good cross-section of councils participate in the review. Other interested councils have also been invited to participate in the review. The project is being undertaken with assistance from the New South Wales Public Employment Office, which is responsible for monitoring New South Wales government agency compliance with the Government's EEO policy.

The review will make recommendations about ongoing monitoring of council EEO plans. It will also provide councils with guidance on how best to undertake EEO planning, implementation and reporting, including examples of good practice. The department recently issued a circular to councils reminding them of their EEO planning and reporting obligations. The circular also encourages councils to use New South Wales programs aimed at increasing employment opportunities for Aboriginal and Torres Strait Islander people, people with disabilities, and people from culturally and linguistically diverse backgrounds.

**The Hon. RICK COLLESS:** Minister, earlier today I asked you questions about the functions of the Department of Local Government to improve local government performance and sustainability. You answered a couple of those questions. Following on from that, can you tell us how that improved performance is measured and who does that measurement?

**Mr KERRY HICKEY:** That performance is measured by the department. The review team assesses a council and then formulates response. That response is measured against other reviews that have been undertaken inside the local government sector. Where best practices have been put forward, the review team will measure the best practices against other councils, and that is how we determine the benchmark.

We are about ensuring that the reviews put the best practices to councils. We make recommendations to the councils on ways in which they can improve their practices, and we then benchmark them against what we consider to be the best practices of the day.

**Mr PAYNE:** The better practice program starts with a questionnaire, which councils respond to. There is then an on-site visit. The results of our visit are communicated back to the councils in draft form so they have the opportunity to comment before the final report is issued, to make sure we have the facts correct. So it is an ongoing process. It starts in the office, then it proceeds on site, and then it goes back again. So it is quite structured. The benefit of that structure is that we are able to compare trends. We already have some positive and negative trends emerging, which we will feed back to councils, as I said earlier, for their benefit.

**The Hon. RICK COLLESS:** Are the financial indicators to which you referred used in those assessments?

**Mr PAYNE:** Yes. It is not a concentration on finance. For instance, one of the first things we look for is whether there is a long-term plan for council. We cascade down from a very high policy level right through the organisation. Another example is that we ask council whether it has a complaints handling policy. If the answer is yes, we ask whether we can have a look at the policy to see whether it represents good risk management. We also ask whether the council's community plan identified all the various sectors of the community—the aged, the young, et cetera—and we assess that. I need to stress that we assess it in conjunction with the council staff.

**The Hon. RICK COLLESS:** Is any of that work outsourced, or is it all done in house?

**Mr PAYNE:** We have outsourced it on one occasion to the Internal Audit Bureau, at a cost of around \$30,000, simply so we could expand the program. But, from memory, that is the only time we have done it.

**The Hon. DON HARWIN:** Mr Payne, what is the location of the Sydney office of the Department of Local Government, and what is the office space area?

**Mr PAYNE:** The office is located at 323 Castlereagh Street. I would say the office is about the size of this room.

**The Hon. DON HARWIN:** Could you come back to the Committee with an exact figure for the size of the office space area?

**Mr PAYNE:** I will do it now. It is 84.

**The Hon. DON HARWIN:** 84 square metres for three staff?

**Mr PAYNE:** I answered this earlier. We use the office as a hot desk location for staff coming out from Nowra and elsewhere. I am sorry, the figure is 281 square metres. We have meeting rooms there. The public-private partnership committee meets there. Any inquiry that is conducted is conducted there—in terms of the office location, not the actual inquiry hearing. So it is used as a base.

**The Hon. DON HARWIN:** Could you provide for the Committee a description of how those 281 square metres are used, with regard to enclosed offices, workstations, and meeting rooms?

**Mr PAYNE:** I can tell you now. There are six offices, three workstations, and a meeting room.

**Mr KERRY HICKEY:** I invite you down to have a look. I would like to show you through the office.

**The Hon. DON HARWIN:** I would love to come. Thank you. And Nowra as well?

**Mr KERRY HICKEY:** I will take you to the Sydney office and show you that. You seem to be very interested—

**The Hon. DON HARWIN:** Why can I not have a look at the Nowra office?

**Mr KERRY HICKEY:** I do not want to drive you down to Nowra; it is a long way.

**The Hon. DON HARWIN:** It is no problem. I will be Nowra on Monday.

**Mr KERRY HICKEY:** Do you live down there?

**The Hon. DON HARWIN:** Yes, I do. Can I visit the Nowra office on Monday?

**Mr KERRY HICKEY:** Mr Chair, I need to correct an earlier answer concerning the cost of amalgamations. While the total figure I gave is correct, I inadvertently gave an individual cost of council administration. I need to take the question on notice and supply the figure to the Committee. Earlier I made a mistake, and I need to find out the correct figure.

**The Hon. DON HARWIN:** Can I visit the Nowra office on Monday?

**Mr KERRY HICKEY:** No. I am busy on Monday.

**The Hon. DON HARWIN:** I appreciate that you may be busy on Monday, but I thought a departmental officer may be able to show me around the office.

**Mr KERRY HICKEY:** If you wish to write to me and request a visit to the Nowra office, I am happy to diarise it so I am able to go through the office with you. But on Monday I will be busy—

**The Hon. DON HARWIN:** I have not requested that you be present. But I will write to you.

**CHAIR:** Minister, no documents have been tendered. The Committee has resolved to seek the return of answers to questions on notice within 21 days, rather than 35 days, which has been the general trend. I also ask you to confirm your availability and that of your departmental officers should there be a need to recall you for further questions.

**Mr KERRY HICKEY:** That may be a problem because my diary is pretty full between now and December. But I will try to meet the Committee's convenience. I will be very busy from now until Christmas time, but I will be here if it is possible.

**CHAIR:** Thank you, Minister. I hope you raise with the Minister for Planning the concerns I raised with you earlier.

**Mr KERRY HICKEY:** I will take them on notice.

**The Committee proceeded to deliberate.**

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