

GENERAL PURPOSE STANDING COMMITTEE No. 5

Thursday 8 June 2000

Examination of proposed expenditure for the portfolio areas

**LOCAL GOVERNMENT, REGIONAL DEVELOPMENT,
AND RURAL AFFAIRS**

The Committee met at 7.00 p.m.

MEMBERS

The Hon. R. S. L. Jones (Chair)

The Hon. R. D. Dyer
The Hon. D. J. Gay
The Hon. D. T. Harwin

The Hon. M. I. Jones
The Hon. A. B. Kelly
The Hon. Janelle Saffin

PRESENT

The Hon. H. F. Woods, *Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs*

Department of Local Government

Mr G. Payne, *Director-General*

Mr T. Rogers, *Deputy Director-General*

Mr K. Bishop, *Manager, Information Services*

Mr J. Scott, *Director, Policy and Reform*

Department of State and Regional Development

Mr L. Harris, *Director-General*

Mr M. Cullen, *Executive Director*

Mr J. Grady, *Manager, Finance*

Mr N. Mercer, *General Manager, Executive Support*

Minister's Staff

Mr S. Davies, *Chief of Staff*

Mr M. Fleming, *Senior Adviser (Local Government)*

Ms S. Lenthen, *Media Adviser*

Mr A. Zanella, *Senior Adviser (Regional Development)*

Mr C. Munnings, *Adviser, Parliamentary Liaison*

CHAIR: I welcome you to this public hearing of General Purpose Standing Committee No. 5. First, I wish to thank the Minister and the departmental officers for attending today. At this meeting the Committee will examine the proposed expenditure from the Consolidated Fund for the portfolio areas of Local Government, Regional Development and Rural Affairs. Before questions commence, some procedural matters need to be dealt with. As you are aware, part 4 of the resolution referring the budget estimates to the Committee requires the Committee to hear evidence on the budget estimates in public. Under Standing Order 252 of the Legislative Council, this Committee has resolved to authorise the media to broadcast sound and video excerpts of its public proceedings held today. The Committee's resolution conforms with the guidelines governing the broadcast of proceedings adopted by the Legislative Council on 11 October 1994. The attendant on duty has a copy of those guidelines.

I emphasise that only members of the Committee and the witnesses before them may be filmed or recorded. People in the public gallery are not considered to be part of the proceedings and, therefore, should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, as with reporting the proceedings of both houses of Parliament, you must take responsibility for what you publish or what interpretation is placed on anything that is said before the Committee. While there has been provision in previous years' budget estimates resolutions for members of a Committee and substitute members to refer directly to their own staff at any time, there is no such provision in the current resolution. Members and their staff are therefore advised that any messages should be delivered through the attendant on duty or the Committee clerks.

For the benefit of members and Hansard and the effective operation of this Committee, it is very important that departmental officials identify themselves by name, position and department or agency before answering each question. There is wide latitude allowed in the asking of questions on any of the budget estimates and related documents before the Committee. However, where a member is seeking information in relation to a particular aspect of a program or a subprogram, it will help the Minister, the Committee and Hansard if the program or subprogram is identified. The Committee has agreed to the following format for the hearings. There will be one hour for each of the major portfolio areas, one hour for Regional Development and Rural Affairs and one hour for Local Government. If we end earlier, we will go to Local Government earlier.

The Committee has agreed not to allocate specific blocks of time to individual parties or members. Members will be provided with an opportunity to pursue specific lines of questioning until such time as they have exhausted questions relating to that issue. We will follow a line of questioning and then go on to the next line of questioning. I will endeavour to ensure that this process is as equitable as possible and that all members of the Opposition and the crossbench are given the opportunity to ask questions. As you are aware, a period of two hours has been set aside today for a public hearing. If at the conclusion of the hearing members have not exhausted the questions to which they require answers, the Committee may decide to hold additional hearings before it is required to report on 23 June 2000. Minister, if you are obliged to leave during a division, we will continue asking questions of your departmental people.

Mr WOODS: Is that normal? I think there have been some differences between committees as to how they treat that.

CHAIR: The Committee can decide to do that basically. I declare the proposed expenditure open for examination.

The Hon. M. I. JONES: Minister, at the Salinity Summit in Dubbo I had the great fortune to be in your workshop. At that workshop the scribes from Cabinet went to great lengths not to put down anything relating to Government commitment to expenditure. There is an increase of \$5 million in the budget, and that is a good start, but what kind of expenditure would the Government commit to provide long-term solutions to the very real problems of salinity?

Mr WOODS: While I am not trying to avoid the question, I do not think that is in State and Regional Development's budget.

Mr HARRIS: I think it is in Land and Water Conservation.

The Hon. M. I. JONES: It is in "Budget Highlights for Regional and Rural New South Wales", page 17.

Mr WOODS: Yes, but I do not think it is in my budget.

Mr HARRIS: Could we get a reference to volume and page?

The Hon. M. I. JONES: I have not got it here, I'm afraid.

Mr WOODS: Yes, it is. It is mainly a Land and Water Conservation budget matter. There would, of course, be areas, though not specifically for salinity, in which State and Regional Development would be involved.

The Hon. M. I. JONES: So, under Regional Development you would not participate in solving the salinity problems?

Mr WOODS: As I have mentioned, there would be indirect involvement, particularly in business development. As you know, with the group we were in there was discussion of alternative businesses and those types of things and, of course, there is the broad range of business assistance provided through State and Regional Development that would be able to be used in the development of those businesses where they qualified. Though they are salinity businesses, they would be treated in the broad range of businesses. Also, and the Director-General might correct me, there may be some application in some of the other programs like Regional Economic Transition [RET] programs in some of those areas. Would that be right?

Mr HARRIS: That is correct, Minister.

The Hon. M. I. JONES: Following the Salinity Summit I visited the geoprocessing and administration plant for saline processing technology at Karang in Victoria, which is a pilot scheme. A project proposal linking this technology with solar-operated desalination plant has been presented to the New South Wales Government. Does that involve your department?

Mr WOODS: Is that the one that was presented to us at that group? There was a chap who represented it there.

The Hon. M. I. JONES: He was in our workshop. This was a follow-on.

Mr WOODS: Are you aware of that, Michael?

Mr CULLEN: One of my people in the agribusiness area wanted to see him a week or so ago and we have him following up next week. So we are looking at what we can do to develop that business opportunity.

Mr WOODS: I might add that the application from that organisation, I am informed, has gone to the Department of Land and Water Conservation and, as Michael mentioned, we have an input to that.

The Hon. M. I. JONES: Page 6 of "Budget Highlights for Regional and Rural New South Wales" details \$600,000 a year for three years planned for the New Market Expansion program to assist 300 regional firms to access new markets through a variety of business activities. At best, this is \$2,000 per firm once a year. After setting up operational expenses, this figure could be considerably less. What can be achieved by a regional firm trying to access new markets with such small funds? What markets will be accessed?

Mr WOODS: I think you have to consider these programs as a whole. You cannot consider them in isolation. They build on each other. The director-general, of course, has had played an integral part in putting this particular program together, and he might like to say a few things about it.

Mr HARRIS: The New Market Expansion program initiative for regional firms, as you rightly point out, has a budget of \$600,000. The attempt to assist the 300 companies is really based on the premise that a lot of small to medium enterprises are catered for in the Government's export programs, in industry assistance programs. However, the issue particularly in very small towns, is that many of these companies are familiar with the markets that exist for them within that town or within the surrounding district, but often that is a declining economy. It is often an economy that offers little prospect for growth, and the companies themselves can gain considerable benefit obviously from looking outside that local area. However, many of the companies are of such a size that they will not to be able to cope with major market expansion or expansion into major export markets. It will simply be overwhelming for them. The parallels are obvious with a lot of small Australian companies that are quite innovative and have sometimes won contracts, say, in the United States. The size of the order actually overwhelms the firm.

This is a project to try to allow those small to medium companies to expand the market opportunities in, if I can put it this way, bite-size pieces to look to opportunities that they can handle within a reasonable range, within the same location, within an area where they do not have language difficulties, where they can actually grow their businesses in a predictable way. As for the amount of money involved, there is probably not a great deal in terms of set-up costs that go with that. We have a network of 18 regional offices throughout the State and we have a number of client managers who provide services to those small to medium companies. This is really an addition to the suite of services that the department can provide. In that regard there is probably little to be lost from the funding there.

As for the quantum per company, it is probably quite a workable amount. On programs such as the Australian Technology Showcase, which is a much more ambitious program and supports companies in expanding their international markets and has already produced results in excess of \$40 million in recognised sales by the companies, the maximum amount those companies can access is \$20,000. All of this money is on a dollar-for-dollar basis because we believe that if we can provide an incentive to assist the company, that is of benefit to the firm, but what we have to do is make sure there is some commitment from the company as well. So any of that support would be for specific market expansion activities often as a group and would always require a significant matching from the company which would generally exceed the dollar for dollar.

The Hon. M. I. JONES: What is the cost of conducting the regional business investment tours? How many investors have participated and are there any tangible benefits arising from these tours? What can be identified for really ongoing investment?

Mr WOODS: We have had about three or four business tours. They are very much a response to a problem we saw or was identified to us about access to capital. The ability for small and medium-size regional businesses to access capital is widely recognised in country areas as a constraint to development. I think that is fairly well recognised. The point has been made to us many, many times. Whilst those country businesses might have innovation, vision, and might be good businesses, somehow and through no fault of their own, they have difficulty in attracting the equity that they need if they are going to expand, to grow and provide the sort of employment that we all want to see them have.

One way of overcoming that impediment—and we have others—was to begin a series of regional investment tours. Those tours give Sydney-based investors, financiers, venture capitalists, some understanding of the investment opportunities that do exist in many regional centres. I think those of you from country areas would understand that those opportunities are there. They also allow those country business operators and the organisations they represent the opportunity to show off their wares, their businesses, to forge those contacts that are necessary and to understand what the investors are looking for and what those investors expect from potential partners.

So we have had three tours and they have been positive. They have brought together about 50 senior representatives of Australia's investment institutions, and some 200 regional businesses. A month or so ago I announced that the fourth tour would take place and that will happen this month. That tour will go to Lismore, down to the Murray shire and to the Upper Hunter. There will be about 20 financiers involved. We will look at a range of industries, including industries involved with equestrian areas, agribusiness, biotechnology and tourism and we will probably have some presentations of things we are not aware of yet. So in preparation of the tour, investment readiness seminars for local businesses have been held in the Northern Rivers and the Upper Hunter and, more recently, in the Murray.

Those investment readiness seminars really grew out of the first tour because it came through very strongly to us during that tour that some of the businesses we were presenting to these investors were not what they say is investment ready. That message came back from the representatives of the institutions as well. They said, "These people, although they have good businesses, have not got to that stage that we call investment ready." As well as discovering what up-coming investors are looking for, countries businesses find out what it takes to be investment ready. There are rewards coming from those investment tours now. The recent tour to Tweed Heads, Bathurst and Nowra was a good one. I think we have been getting better as we have gone along. Each tour has been better than the previous one.

It was on that tour where I met Giles Stapleton from the Australian Stock Exchange [ASX]. He runs the enterprise market of the ASX. Giles approached me with what I thought an interesting idea. He saw the opportunities of utilising the enterprise market at the stock exchange, that is, to expand the enterprise market into regional New South Wales. So the ASX, one of the largest trading floors in the whole Asian region, is

taking an interest in country New South Wales, and I thought it was a big step forward. It has a lot of expertise and it sees opportunity in regional New South Wales. It does lend a lot of credibility to investors to have them involved in the whole process. So it is good to see that we, as a Government, can be there with them promoting that idea.

As a result, in April the ASX launched the regional enterprise market initiative, which sets out to fill what is, if you like, a gap in the capital market in regional New South Wales. That gap is the problem, as I mentioned, of regional businesses accessing capital, particularly from Sydney financiers. The enterprise market uses the latest Internet technology to allow businesses to develop their own proposals, to seek finance and invest support in a fast, reasonably inexpensive and easy manner. It has facilitated over \$20 million in capital raising in the first quarter of the year alone.

The Hon. D. J. GAY: Mr Chairman, it may be better for the Minister—

CHAIR: Yes, I know what you are going to say.

The Hon. D. J. GAY: Minister, are you aware that we have the power to bring you back?

CHAIR: No, we do not have the power to bring the Minister back. We have the power to invite the Minister back and we have the power to ask his advisers to come back. If we can keep the answers as concise as possible, the Ministers and his advisers may not have to come back on another occasion.

The Hon. A. B. KELLY: This is particularly interesting to country people. I want to hear the end of the answer.

The Hon. D. T. HARWIN: I have four or five follow-up questions on this exact issue.

CHAIR: It is entirely up to you, Minister..

Mr WOODS: I do not mind coming back later. It reminds me of when I once answered a question in the House and Opposition members were all yelling at me, "Sit down, we do not want to hear any more", so I did. A moment later they asked me a supplementary question. I will only take a few minutes to complete my answer and I would like to get through it because it is an important aspect of country life. Capital is an issue that came through to us very strongly, and it is an area that highlights the difference between our economic approach, particularly to country areas, and the Federal Government's approach.

The Hon. JANELLE SAFFIN: How is our approach different?

Mr WOODS: You would be aware that the Federal Government has this market-based approach, the laissez-faire economy where the markets will fix the problem.

The Hon. A. B. KELLY: The dairy industry, for example.

Mr WOODS: John Anderson, six or seven months ago in a major speech said something along these lines, "The problems of country New South Wales have been brought about by the rapid economic change that has occurred over the last decade or so." Now, I do not think we would disagree with that, but then he went on to say, "and the solution lies in more of that change." In other words, you are going to get more to make it better, yet that is what has been making it bad. Our approach is quite different. We say that what has happened over the last decade or so with that rapid economic change that has brought about those difficulties for country New South Wales can be helped by a direct government role, by intervention, by actually doing something about it. So that is a real difference, and this is one of the ways. What we say is that this access to capital or the difficulty for country New South Wales is in part, at least, one of the results of the Federal Government's policy of laissez-faire market economics.

The Hon. JANELLE SAFFIN: I remember that there used to be a Federal Government program for access to capital in the regions and it was axed.

Mr WOODS: There was indeed. I would say that this is a market failure, and what we are seeing is the role of government in the State in trying to correct that market.

The Hon. D. T. HARWIN: Minister, you mentioned a tour to Lismore, the Murray shire and the Upper Hunter, which will presumably be in the next financial year. Is that the only tour that you are planning?

Mr WOODS: It is the only one we are planning at the present time. It may well not be the next one. However, that is in this financial year.

The Hon. D. T. HARWIN: Fine. Other than the Tweed Heads, Bathurst and Nowra tour, which other towns have you visited in 1999-00 on regional business and investment tours?

Mr WOODS: In what year?

The Hon. D. T. HARWIN: The current financial year.

Mr WOODS: I will try to get those dates. In June 1999 there was a tour, so that is not in this financial year. However, there was one in this financial year. The third tour, and this was in this financial year, was held between 29 September and 1 October and we travelled to Tweed Heads, Bathurst and Nowra.

The Hon. D. T. HARWIN: That is the one you mentioned. Are there any others in this current financial year?

Mr WOODS: That is the only one, I think.

The Hon. D. T. HARWIN: Other than the one that is planned.

The Hon. A. B. KELLY: So far. There is one more planned for this financial year.

Mr WOODS: That is right. We are going to embark on one shortly and that is the one I mentioned before.

The Hon. D. T. HARWIN: Has any consideration been given to which towns will be visited on these regional business investment tours in the next financial year, in 2000-01?

Mr WOODS: As you would realise, over four tours, including the up-coming one, we have visited probably 12 towns. So straightaway you would probably take out the ones that we have visited, which would leave the other reasonably sized towns in New South Wales under consideration. Of course, some of those towns, I would think, have actually approached us to go but there would not have been any direct consideration.

The Hon. D. J. GAY: Have you been to Crookwell?

Mr CULLEN: In terms of explaining the process, what we did with this last one was call for expressions of interest right across the State. When we finish this one and have some feedback from it, we will follow the same process again. So the idea is to get towns to actually bid to conduct it.

Mr WOODS: I should just add that we do not want to go where we are not wanted.

The Hon. A. B. KELLY: That is not like a politician.

The Hon. D. T. HARWIN: Two this year.

Mr WOODS: No, there is an important point I want to make. As you would realise, with almost any government activities that cost money, there are finite resources. We want to ensure that they are spent effectively, and we find that they are best spent when we are working in partnership with local government and local organisations. So more and more with this sort of thing we are responding to people who want to work with us.

The Hon. D. T. HARWIN: You indicated that the investment readiness seminars were almost like a first step before you had a tour. If I am missing something in that regard, please supplement that. How many of the investment readiness seminars have been held in the current financial year? Where were they held and what was the cost of holding them? How many people attended? Can you identify any particular positive outcomes—I know you have already talked of one—for business organisations that have participated in them? How many are scheduled to be held in the next financial year?

Mr WOODS: I do not know that I can answer those in firm figures at the present time but the investment readiness seminars—and Loftus and Michael might say something after me—grew out of the early

tours because of the responses that we received back from the participants and representatives of the institutions. We are seeing it very much as an educative process and an essential part of growing those businesses in country areas. I do not think we would have figures on how many we are going to do in the next year. We can probably find some figures for the past.

Mr HARRIS: The Minister has made the observation that it really grew out of the investment tours and, indeed, I have to say it did. We were quite surprised, to be brutally frank, at the opportunity that existed. We took a number of companies to regional centres, and whilst we thought that the main outcome of the investment tours in the first instance would be the increase in awareness of Sydney-based investors, trading houses, companies and individuals who might do business with companies in the regions, we discovered that there was a perception on the part of those travelling on the investment tour, and indeed the feedback from those companies that participated in the regions, that they perhaps were not presenting themselves and the opportunities they had at the same level of sophistication that the potential investors were looking for. It grew out of that. I cannot give you the figures at the moment. I am happy to take the question on notice.

The Hon. D. T. HARWIN: If you would like to take the question on notice, it will be in *Hansard*.

Mr HARRIS: Yes, I am happy to do that.

Mr WOODS: I might add, because you might identify with this, that some of these businesspeople run good businesses, but even simple things like having to pass up some of their ownership to expand is very foreign to them. It is hard to get their heads that way so that they are willing to pass on some ownership to get the capital to expand. It is not for everyone, but some of the owners or managers of these businesses need to get to that step to get into that expansion and jobs provision.

The Hon. D. T. HARWIN: Mr Harris, I will understand if you want to take the same approach and take this question on notice. How many business relocation seminars, which also is an activity with the Country Lifestyles program, were held in 1999-2000? Where were they held? What was the cost of holding them? How many people attended? How many are scheduled to be held in the next financial year, and where will they be held?

Mr HARRIS: I would take advice from Mr Cullen on that. They would almost certainly have been held here in Sydney and in the Country Embassy. The fairly obvious reason for that is that it is the hunting ground that we use—the metropolitan areas in which we are seeking companies that may well consider that their circumstances are such that they will be best served by relocating to country areas. The process is not designed to try to cannibalise companies from one part of country New South Wales to another. It is designed to offer opportunities to companies that have operations in the city that may well be able to realise perhaps on their capital assets, on the land that they control, on buildings, to relocate to regional areas. I think that about 100 people attended.

Mr WOODS: From my experience—I think I have been to a couple in the last year—they are breakfasts, generally, business seminars.

CHAIR: How many companies relocate in a year?

Mr WOODS: There are a number.

Mr HARRIS: I would have to look at that. The process is an awareness raising, I suppose, of the opportunity that exists. One very rarely finds, for very obvious reasons, that a company with a significant investment, perhaps running into some millions of dollars in facilities, in Sydney will turn up to a reinvestment seminar and as they go out the door say, "Whacko, this is for us." There is obviously a period in which they will consider it, but the relocations themselves are indeed a fact. At the relocation seminars we generally use companies that have actually relocated as case studies. They are the strongest element that we have in promoting the benefits of relocation in rural New South Wales.

CHAIR: What incentives can you offer them? Not very many these days.

Mr HARRIS: We offer fewer and fewer. The packaging of incentives has changed significantly in the last 10 years, I think, in all jurisdictions. Incentives provided by government are less than they were in previous years, but as a department we try to provide assistance to the companies in streamlining the process, in

providing, say, a dedicated officer within the department to work with a company, to help it through the process. Indeed, it is reflected in a lot of our investment activities in the past year. Of all companies that we have worked with that have decided to make relocations in New South Wales, more than 50 per cent have received no financial incentive.

Mr WOODS: I might add that it is good to have an idea why companies may relocate. We attracted Lockheed Martin to open a space tracking station in Uralla. I think the expenditure was tens of millions of dollars.

Mr HARRIS: In excess of \$50 million.

Mr WOODS: Lockheed Martin, of course, is a very large international company, and we were very pleased to get it. A person who is quite senior in Lockheed Martin came out when we had the sod-turning at Uralla. I can't recall his name. I said to him, "Why did you come here?" I was interested in the answer because the company had considered something like 30 sites that were suitable around the world, all over the place. I know that the Queenslanders had made a large offer to the company in money terms. This chap said, "We came here because you wanted us here."

It was not the money. Lockheed Martin wanted to go there because we were good to it. The local councils were very good in trying to make things easy for it. The company had a lot of opportunities to go elsewhere but came to Uralla because we worked with them and we were trying to do the things that a good government trying to have good relations and promote business would do. It is just worth thinking about. It is not always the money. You would be making a mistake if you thought you could just attract business with money because people would just be looking for subsidies and in the long-term you would be doing the wrong thing.

The Hon. D. T. HARWIN: Mr Harris, is it proposed that any of the allocation for the Department of State and Regional Development for 2000-2001 will be spent benchmarking the department's performance against equivalent State agencies in Australia and overseas?

Mr HARRIS: I can say to you at the moment that, no, it is not proposed.

The Hon. D. T. HARWIN: Have any funds been spent on any such study in any of the last five financial years?

Mr HARRIS: Yes, I am sure they would have been.

The Hon. D. T. HARWIN: Is it the case that KPMG Consulting has compiled an international benchmarking study in that period using a number of overseas agencies as benchmarks?

Mr HARRIS: In answer to that question, whether KPMG has done that, I know that there was work done with the Australian Graduate School of Management [AGSM]. I am familiar with that but I cannot say to you that I am familiar with the KPMG study. That does not mean that there is not one, but I am not familiar with it.

The Hon. D. T. HARWIN: To assist the Committee, could you check to see if any benchmarking has been done?

Mr HARRIS: Certainly the AGSM study is available.

The Hon. D. T. HARWIN: To help us assess the efficacy of what has been allocated for regional development purposes, would you make available a copy of the report for the Committee to look at?

Mr HARRIS: I would be delighted to make that available. We have provided the study that the AGSM has produced to the Auditor-General for reviews of the department. We have made it available in a number of places. The AGSM study has reflected that the Department of State and Regional Development is probably one of the most efficient agencies in the world, so I would be more than pleased to provide it.

The Hon. D. T. HARWIN: And would you also check to make sure that there are no other studies that have been done into the performance of the department?

Mr HARRIS: It is an industry. I will certainly check, yes.

The Hon. D. T. HARWIN: So you will take that question on notice.

Mr HARRIS: I would be delighted to do so.

CHAIR: Has your department been involved with the Australian Silicon proposal to establish a silicon smelter at Lithgow, a quartz mine at Cowra and a charcoal plant at Gunnedah in the current financial year?

Mr HARRIS: In the current financial year, in a relatively peripheral way. This is an issue that has been handled by the Premier's Department strategic projects unit. It is a question that is best addressed to the Premier's Department, but if the Minister is happy, I am perfectly willing to comment.

Mr WOODS: Yes, I do not mind.

Mr HARRIS: Our involvement has been to undertake some economic modelling and to offer some advice on the use of funds to see businesses such as this develop, but I suppose our major contribution has been in terms of using our own economic modelling people to look at the potential benefits.

CHAIR: It has not been an extensive involvement, then?

Mr HARRIS: No, it has not been.

CHAIR: The Department of State and Regional Development has allocated \$14.334 million to regional development assistance in 2000-2001. Precisely what projects will be funded under the Regional Development Assistance program and what funds have been allocated to each of these projects in 2000-2001?

Mr WOODS: Whilst Michael is looking for that, I have some information on the smelter. The joint venture, which is between Boral and Portman Mining, has been completed. They have lodged a feasibility study in detail and a development application for the smelter at Lithgow and the silicon mine at Cowra. It is a \$120 million project that will create 150 direct jobs. They are also finalising negotiations with State Forests to secure the appropriate quality and quantity of timber that is required. At the same time, alternative sources of timber are being examined. When that is viable it is expected that a DA will be lodged for the timber processing plant. So the project is currently undergoing an environmental impact assessment. That is about all I can offer.

CHAIR: What about the \$14.334 million?

Mr CULLEN: The regional development assistance line item actually includes a whole range of programs that we offer. It includes the regional business development scheme, which is essentially a program that helps businesses either establish or expand in regional New South Wales, as well as the regional economic transition scheme, a program that has been in operation now for a couple of years to help economies going through transition to get new sorts of economic activity. It also includes what we call our Community Economic Development programs, which includes the Main Street and the Small Towns program and a range of other smaller programs which are designed to help, basically, the building of local capacity in regional areas. The line item also includes the new programs that will be introduced this coming fiscal year, the New Market Expansion program that was talked about earlier and the Townlife Development program. The figure that is quoted is a combination of all of those programs and the cash flow forecasts against each of those programs.

CHAIR: Do you have a dollar figure for each of those or not?

Mr CULLEN: The programs are demand related, and although we have some flexibility there is not a specific amount. I can give you a broad idea of how that works. The regional business development scheme would typically be around \$7 million a year, the Main Street and Small Towns program around \$2 million a year, and the RET program, regional economic transition program, around \$5 million a year. Those are the broad parameters. The spending pattern changes from year to year in line with particular sorts of projects.

The Hon. D. J. GAY: Minister, in the lead-up to the last election, I noticed you on regional television. In the content of those advertisements you indicated that every major policy decision by the Government would be accompanied by a regional impact statement. Has that happened?

Mr WOODS: I am not sure I did. I mean, I am not saying it should not happen, but I think if you are going to make that sort of allegation can you tell me where I said that?

The Hon. D. J. GAY: Both you and the Premier --

Mr WOODS: You were talking about advertisements I made.

The Hon. D. J. GAY: Well, certainly in the advertisement and in statements --

Mr WOODS: Which advertisements are these, to start with?

The Hon. D. J. GAY: They were television advertisements.

Mr WOODS: The television advertisements that I made?

The Hon. D. J. GAY: Radio advertisements and newspapers advertisements.

Mr WOODS: I did not do any advertisements on regional radio.

The Hon. D. J. GAY: I am talking about the government ones.

Mr WOODS: You said that they were my advertisements.

The Hon. D. J. GAY: Did or did not your Government promise regional impact statements?

Mr WOODS: You began by saying that I made a promise and now you have shifted your ground. You show me where I shifted ground and, if you want to ask the Premier what he did, you ask him.

The Hon. D. J. GAY: Are you saying that you did not promise regional—

Mr WOODS: I am not saying anything. I am asking you to get your question right.

The Hon. D. J. GAY: You should know: you are the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs. Did your Government not promise regional impact statements?

Mr WOODS: Mr Chairman, I fail to see how this refers to the budget.

CHAIR: We have a broad scope within these estimates committees to ask all sorts of questions and it is within the scope of this Committee to ask that question.

The Hon. JANELLE SAFFIN: Does that include what the Premier said? I think that would be out of order.

CHAIR: No. The Premier is not here to answer questions, but certainly the Minister would have the capacity to answer that question.

The Hon. D. J. GAY: Minister, did your Government promise to have a regional impact statement with major decisions?

Mr WOODS: Mr Chairman, if the Hon. D. J. Gay is going to ask for broad statements—

The Hon. D. J. GAY: Say no if you did not.

Mr WOODS: No. I am not going to answer the question because I do not think it is appropriate; I am not going to go down that track.

The Hon. D. J. GAY: As the Minister for Regional Development, you should know the answer.

Mr WOODS: Mr Chairman, as this chap would know quite well—

CHAIR: This honourable member.

Mr WOODS: I am not here speaking for the Government; I am here speaking as the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs and, as such, I believe that question is out of order. The best I can do is to refer the Hon. D. J. Gay to the Premier.

The Hon. D. J. GAY: As Minister for Regional Development, are you able to enlighten this Committee as to whether any regional impact statement has been conducted into the impact of dairy industry deregulation?

Mr WOODS: As I would say if it were asked of me in the Legislative Assembly, that question should be referred to the Minister for Agriculture, and Minister for Land and Water Conservation.

The Hon. D. J. GAY: Has that discussion come up in Cabinet?

CHAIR: I do not think he is about to tell you.

The Hon. JANELLE SAFFIN: Good try.

The Hon. A. B. KELLY: Even I cannot find that out.

The Hon. D. J. GAY: Minister, at what stage is Lithgow aluminium smelter?

Mr WOODS: At present there are negotiations between the proponents and the electricity suppliers, which are, of course, confidential. As a matter of fact, the Government is not a part of those negotiations; the proponents do not want the Government's intervention.

The Hon. D. J. GAY: So your department has played no role?

Mr WOODS: Of course there is a role, but I have just given you an answer to your question which asked what stage the smelter was at?

The Hon. A. B. KELLY: Mr Chairman, this question was asked last night of the Minister for Regional Development and he tabled a letter about that.

The Hon. D. J. GAY: Mr Kelly, you are not the Minister for Regional Development yet.

Mr WOODS: Mr Chairman, the Hon. D. J. Gay asked what stage it was at and I think I have answered his question.

The Hon. D. J. GAY: Minister, are you a supporter of this project?

Mr WOODS: I will answer the question this way. By any measure, New South Wales is doing exceptionally well. It would not matter if you measured it on a national or an international basis. You can look at economic growth, employment growth, investment figures, unemployment numbers, and you will see that New South Wales is doing extremely well. We are doing extremely well because, as I mentioned before in the little story about the Uralla space tracking station, we want it and we are willing to go out and get it. We want that investment, and we are getting the jobs that go with it. But that does not mean we will get everything that is going around; it would not be responsible government if we set out to get everything at any price. We have to be responsible and sensible. We want as much as we can get, but we are dealing with taxpayers' money and we have to be responsible with it. I think that successfully answers that question if you have any brains at all.

The Hon. D. J. GAY: Minister, are you aware that the major construction contract for the Visyboard project at Tumut went to China? Has New South Wales committed upwards of \$60 million over 10 years to this project? Are you content for government-sponsored projects to be used to subsidise overseas construction operators who are in competition with New South Wales and Australian business? If you support government funds being used to support only New South Wales and Australian businesses, how will you ensure that the Visyboard situation does not recur?

Mr WOODS: This question goes to the area of international trade, which, of course, is an area of much contention. There are major differences of opinion—no matter whether it is about the provision of services in

some contracts, the sourcing overseas by some businesses, or the importation of salmon, orange juice, chicken meat, and pork. Those who purport to represent country areas would be well advised to go and see their Federal colleagues if they have opinions on all those issues.

The Hon. D. J. GAY: Are you happy with that situation? Are you going to do something to try to stop it recurring?

Mr WOODS: I suggest that the Hon. D. J. Gay approaches Mr John Anderson, the Deputy Prime Minister, and John Howard, the Prime Minister, and asks them what they will do about restricting international trade in a broad range of areas to assist industry and farmers in this State and in Australia.

The Hon. D. J. GAY: With great respect, as the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs, you have also provided funds. Will you try to tie those funds in future to make sure that they are used to benefit New South Wales companies?

Mr WOODS: With great respect, I think that, on a matter of international trade, you should go first to your colleagues in the Federal Government and make those points a lot more strongly. Of course, we have a range of initiatives to assist people to access goods close to where they are building their businesses.

The Hon. D. J. GAY: Are you going to do nothing?

Mr WOODS: Let me finish the answer. That is in New South Wales, close to Tumut and expanding from there. In fact, the industrial suppliers officer works closely with any proponents who build large or small plants and actively helps them to source goods close to the building. In this project, one was specifically appointed and paid for by the department for use by the organisation.

CHAIR: I have a question relating to a village comprising 80 homes that house 320 to 400 people. Supportive industry and village and recreational infrastructure is planned for development on land zoned rural 1A, prime agricultural land at Inverell. The site in question has been classified by the regional environmental office, north-west region, Department of Agriculture, as 70 per cent to 80 per cent prime agricultural land and directly adjoins a working farm property.

Under State environmental planning policy [SEPP] 15, rural land sharing communities, the maximum prime agricultural land permitted for such development is 25 per cent. Have any officers of the Department of State and Regional Development advised the proponents to purchase this land for their village? If so, why? Will the Government have to compensate the proponents by, for example, purchasing the property and/or finding the proponents a more suitable site if the Department of Urban Affairs and Planning does not allow the development to go ahead? If not, why have members of the community been advised that this is the case and that whatever has to be done will be done to get this proposal through?

Mr WOODS: I have some knowledge of this matter, but it is a bit vague so I will get my Deputy Director-General, Mr Cullen, to answer.

Mr CULLEN: There was some discussion with what is known as the Bruderhof community. There has been some work with them to help them understand regional New South Wales and options there, but basically it has been an introduction to various people locally. It is a planning issue, as the Minister said, which is being worked out between the proponents and the various government agencies to come to a satisfactory conclusion. Essentially, the reason that the Department of State and Regional Development is interested in them is that they are talking about a number of manufacturing industries in the area. But, until such stage as they work out some of those planning issues, there is not much that we can actually do with them in terms of those manufacturing facilities.

CHAIR: So is it true to say that they have been advised to purchase the land by State and Regional Development people?

Mr CULLEN: We would never advise a company about purchasing land. What we do is introduce them to contacts and they would need to do a deal with the various contacts. That is the way that the process would operate.

CHAIR: But surely your people would have been aware that this land would not be suitable for that development.

Mr CULLEN: Again, we just introduce people to the various real estate agents and others, and there is a commercial transaction between those parties. We really have no role in encouraging people to purchase a specific piece of land. The company needs to make a commercial decision.

CHAIR: So there is no question of compensation if they cannot go ahead with it?

Mr CULLEN: We have not told them whether to should buy a particular piece of land.

Mr WOODS: Do you mean compensation from—

CHAIR: The Bruderhof community. They cannot go ahead with the development because it is 70 per cent to 80 per cent prime agriculture land and they are ill-advised to go ahead with it.

Mr WOODS: When you start talking about compensation, I suppose that you are asking for a legal opinion and I do not think we are in a position to offer that.

Mr CULLEN: I emphasise that introducing the parties allows them to strike a commercial deal between them. We do not have a role in selecting a piece of land for any business. They need to make a commercial decision about that. Our role is simply introducing the parties.

The Hon. D. J. GAY: In view of the forecast numbers of dairy farmers who will be forced out by Labor's deregulation of that industry, what plans do you have in place to ensure that new employment is available in towns such as Dorrigo, Taree, Kempsey, Grafton—which is in your electorate—and Bega to absorb not only displaced dairy farmers but those jobs lost in the service industries in those communities?

Mr WOODS: Of course we are very active in all those places, particularly in some of our country centres, with growth strategies to provide economic growth ideas and programs. Some of them are very successful. We have been responsible in one way or another for the provision of quite a number of jobs over the last year in country New South Wales and we have done that very successfully. In fact, there has been some rise in employment growth rates right across country New South Wales. However, we realise that some places are doing better than others and that some places are doing particularly badly. We have special programs for those areas that have suffered severe economic shocks, and the regional economic transition scheme, in particular, is used to give them an extra boost.

With regard to the dairy industry, I point out—as I did before—that the details should be directed to the Minister for Agriculture. However, the so-called package of assistance from the Federal Government is not a package of assistance from the Federal Government. You can argue about where the assistance is coming from. You can say it is coming from the consumers or you can say it is coming from the dairy farmers themselves, but there is no basis for saying that that assistance package is coming from the Federal Government. Any idea that it has done something good for this industry is a complete furphy. In fact, what it has done is deregulate the industry to the cost of dairy farmers throughout this State.

The Hon. D. J. GAY: So I take it you do not have a plan, Minister?

Mr WOODS: I think my answer would indicate the exact opposite.

The Hon. D. J. GAY: What is the plan?

Mr WOODS: We have a raft of assistance programs available to towns that have had particular problems in recent times. We work through the country centres growth strategy and the regional economic transition scheme right across the board. We will work assiduously and conscientiously with all those areas through the raft of programs that we have introduced in places where there is a need, a willingness and a preparedness to work with us. Understand this: we have a belief in country New South Wales and a belief that it is a better place if it is growing strongly. That is why we have the policy and the strategies within the portfolio to provide assistance—but it is not just that. Through the country centres growth strategy, we often work as a conduit to other agencies to get that whole-of-government approach that is so essential. We certainly do that very effectively in places such as Tumut, Bathurst and Orange and in some places on the North Coast to add to that economic and employment growth.

As I said before, New South Wales is doing exceptionally well according to all these measures, and country New South Wales as a whole is doing well. That is not to diminish the problems and the challenges that

lie before country New South Wales, but we are not like the Opposition, which continually runs down New South Wales. We are proud of the people we live with out there and we want to see them do better. That is why we are working hard to do that.

The Hon. D. J. GAY: Thank you, Minister. I have a question for Mr Harris. My colleague asked earlier whether there was a KPMG benchmarking study. If there is such a study, could you forward it to the Committee?

Mr HARRIS: Indeed. I have no problem with that.

The Hon. D. J. GAY: And any over-benchmarking studies.

Mr HARRIS: I am perfectly comfortable doing that. For my own guidance, did this study look specifically into economic development and investment attraction issues? Was it conducted in relation to New South Wales or was it Australia wide? Was it a specific study?

The Hon. D. J. GAY: As I understand it, the study used the Irish Development Agency and Scottish Enterprise as benchmarks and made comparisons with New South Wales.

The Hon. D. T. HARWIN: What about all other Australian development agencies?

Mr HARRIS: A study was done in Queensland some time ago, but I do not know whether that was a KPMG study. I am perfectly comfortable locating these.

The Hon. D. T. HARWIN: If you have a copy of the Queensland study, would you be happy about providing it to the Committee?

Mr HARRIS: I do not have a copy of it; I am aware of it. I do not have it, but I am sure that one was done. I have no difficulty presenting any of those studies because, in the business we are in, you have to look at those things constantly.

Mr WOODS: I will pinch a minute to add to the response about the dairy industry. The National Party has been particularly irresponsible about the adjustment package that has been offered by the Federal Government. It is a \$1.7 billion adjustment package being funded through an 11¢ a litre levy on the retail price of milk over eight years. Milk consumers in New South Wales are going to pay \$506 million for that industry assistance package, and the New South Wales dairy farmers—of which there are 1,800—will get back only \$326 million. That underlines the sort of nonsense that the National Party carries on with about this particular issue.

The Hon. D. J. GAY: I cannot remember anyone asking you for any of that information, Minister.

Mr WOODS: I have provided it for you.

The Hon. D. J. GAY: You have answered a question that was not asked.

Mr WOODS: Well, you have got it

[Short adjournment]

CHAIR: The Committee will proceed to the portfolio area of Local Government. Page 19 of the 1995 report of the National People and Pets Survey stated of companion animal owners:

91 per cent feel "very close" to their pet—almost as many as feel very close to their family. This reinforces that pets are integral members of the family

Fines and fees figure large in the companion animals legislation. But in no other case where a fine or fee is payable is failure to pay the prescribed amount within a very short time frame penalised through the deliberate killing of a loved animal that is considered by most owners to be an integral member of the family. Does it seem to the Minister that this is a barbaric penalty to exact? Have you considered the possibility of the department's pursuing debts relating to the companion animals legislation as it pursues debts in other areas—for example, by giving reasonable time to pay and, if all else fails, garnisheeing wages or seizing saleable possessions rather than putting down the beloved animal?

Mr WOODS: The whole idea of the companion animals legislation is responsible pet ownership.

CHAIR: It is not about killing them?

Mr WOODS: It is not about killing them. I think that is what will come through in the long term. At present, large numbers of dogs and cats are euthanased or put down—as they were in the past—year by year in pounds all over the place. One of the aims of the legislation is to reduce that number. Thinking logically, although there are no figures on this, it is possible that there could be some increase in the initial stages of the introduction of the legislation because of irresponsible owners who are not willing to pay the small additional price. However, in the longer term, I think we will see quite a significant reduction in the number of dogs and cats put down.

I am willing to look at that matter over the next few years and, if the legislation is not achieving that major aim, I will certainly look at changing it. However, I think it will achieve that major aim. The reports I am getting would suggest—I do not mean reports with numbers in them but reports from people—that those sorts of aims are being achieved. If they are being achieved, as I mentioned, there might not be an immediate reduction in the number of cats and dogs being put down, but I think that reduction is likely to occur increasingly in the longer term—over two or three years.

CHAIR: Are you aware that animals have been put down in the greatest numbers in poorer areas because poor people cannot afford to pay the amounts of money required?

Mr WOODS: No, I was not aware of that. In fact, I am not aware of the report you talked about, so I cannot comment on the accuracy or otherwise of that statement.

CHAIR: Will you investigate that matter?

Mr WOODS: Yes, I would be happy to do that. I would be very interested in getting that sort of information.

CHAIR: Poor people are losing their animals.

Mr WOODS: I would be very interested in getting that information and using it in the context of the aim—or one of the major aims—of the legislation, which is responsible pet ownership.

CHAIR: Following on from that issue, are you aware that the huge increase in up-front fees and in fines for minor infringements makes it impossible for many people who are on low incomes or in receipt of a pension to experience the benefits of owning a companion animal?

Mr WOODS: No, I do not think that is true. You used the adjective "huge", but I do not think that is accurate.

CHAIR: To some people it is a very large amount of money.

Mr WOODS: It is a lifetime registration fee.

Mr ROGERS: The issues about responsible pet ownership really go to the cost of owning an animal. The registration fee, particularly for a desexed animal, is not large and it is a once-only fee. Compared with continuing registration of dogs, it is much cheaper over the life of the animal. It may be that the people whom you speak of did not previously register their animals and were then required to do so. The lifetime cost for a desexed animal would be considerably cheaper. If you compare it to the cost of pet food or veterinary fees, it is a very small proportion of the cost of keeping an animal.

Mr WOODS: I have a written answer here that covers some of the issues you raised. There is not an absolutely accurate figure as to how many dogs and cats are being destroyed at pounds because that is a matter for individual councils. We can expect an increase in the number of animals at pounds in the short term. People who make the commitment to care for a cat or a dog should be aware of their rights and responsibilities over the whole lifetime of that pet. It is easy to buy a pet thinking it is lovely and then a year later be in trouble with it. We have to get people thinking about the long term.

Dogs and cats stray. A dog is often picked up several times by different pounds with no collar, tag, or registration. The extreme consequences of pet irresponsibility are dog attacks, which are well documented and

publicised at the time the incident occurs and are often very tragic. If the dog or cat escapes the family home for 40 minutes or 40 days, the same rule must apply. If a pet has no identification and is picked up by council rangers, the pet's owner must pay a penalty. If that does not happen, we run the risk of people being attacked by domestic animals. It is not an attack on people who own dogs and cats; it is about protecting the welfare of companion animals in respect of the interests of the wider community and reuniting pets with their owners.

I am aware of a number of councils that combine their resources for good reason. Blacktown City Council, which is the largest government area in New South Wales, now operates pound services for nine Sydney councils. In regard to registration, pensioners need to pay only \$15 for a desexed dog or cat and others pay only \$35. I do not think that is excessive.

CHAIR: They would not have to get their animals out of the pound when they have wandered off.

Mr WOODS: Registration of a non-desexed animal costs \$100. Therefore, there is a real incentive to desex the animal, which is a universally accepted practice to protect dogs and cats as well as native flora and fauna. It should be noted that these costs represent a one-off lifetime registration fee and replace annual fees that existed previously. So whilst these costs are a small price to pay to achieve the responsible care of pets—and I think we will achieve that aim to a degree—they also represent a mere fraction of the cost that responsible pet owners would expect to pay for their pets' medical and other expenses over their lifetime.

CHAIR: There are reports in the newspapers about pensioners pawning their jewellery, for example, to get their pets out of pounds after they have strayed.

Mr WOODS: I will give the obvious answer to that: people, particularly in city areas, do not want cats and dogs straying.

CHAIR: Do you think it is okay for pensioners to pawn their jewellery to get their animals back?

Mr WOODS: Look at it this way: you have seen the newspaper reports of young children and babies who have been attacked by dogs and cats that have strayed.

CHAIR: A cat?

Mr WOODS: Yes.

CHAIR: I have never seen a report about that.

Mr WOODS: I can recall being scratched by strange cats. I will not tell you what John Laws called me.

The Hon. JANELLE SAFFIN: Mr Chairman, I assure you that the Minister is an animal lover. I know this and can attest to it.

CHAIR: In that case, the Minister will do something about the Act.

Mr WOODS: Mr Chairman, I want to see this instituted as best we can. There is a balance to be struck. I think we are close to that balance, but I am going to monitor the legislation over time and see if it is achieving its aims. I am not an expert; I am advised by experts. I remember as a Federal member being down at the Olympic Dam mine site in South Australia and seeing a chap bring in a cat that he had shot. It was a jolly enormous thing. They cut it open and found 34 native lizards in its stomach.

CHAIR: Good heavens! Can you give us figures—presumably you will take this question on notice—about how many animals are currently held on the register for each local government area in New South Wales? How many are identified only and how many are registered?

Mr WOODS: The Director-General will take that question.

Mr PAYNE: We do not have with us figures for each local government area—in fact, they are still being compiled. However, I can tell you that, from 1 July 1999 to 7 June, the total number of animals identified and registered was 98,000. To break that down, there were 42 standard registrations—I will round off these

numbers. About 17,000 pensioners registered their animals as did 2,000-odd breeders. There were 164 assistance animals. Some 62,000 animals were desexed and 17,000 were non-desexed. To reiterate, as at 7 June, there were 98,000 animals on the register of animals that were identified and registered. Also on the register is a large number that have been identified but are yet to be registered because there is a three-year period.

Mr WOODS: There have also been some notable recoveries of pets. There was one little dog, Teardrop, who got away in Sydney and was found in Nundle a few days later.

The Hon. D. T. HARWIN: Sydney to Nundle?

Mr WOODS: Yes. It was returned for one reason only: it was microchipped. That would not have happened otherwise.

The Hon. D. J. GAY: Minister, you gave this story in detail at the estimates committee hearing last year.

Mr WOODS: No, I do not think so.

The Hon. D. J. GAY: Yes, you did.

Mr WOODS: Did I?

The Hon. D. J. GAY: Yes. I can remember your answers better than you can.

Mr WOODS: I thought it happened in the past year; I stand corrected. The story is worth repeating.

The Hon. D. J. GAY: Minister, the Director-General indicated that there are 98,000 registrations yet the budget papers indicate 110,000. Why is there a variation?

Mr WOODS: The estimate last year was for 110,000 dogs and cats to be registered under the new system.

CHAIR: Which is about 5 per cent of the total population of dogs.

Mr PAYNE: I said there were 98,000-odd registered to 7 June. We anticipate that that number will increase to 110,000 by the end of the year. That is only another 10,000 in the next three weeks.

The Hon. A. B. KELLY: It is a lifetime thing.

Mr WOODS: If we estimated 110,000, we are at 98,000 and we have three weeks to go, we will not be far out in our estimation.

The Hon. D. J. GAY: Minister, is that in line with what you expected?

Mr WOODS: If we estimated 110,000, I suppose it is.

The Hon. D. J. GAY: That is not an estimation; these are your actual figures.

Mr PAYNE: Initially, a figure of \$12 million was estimated in the budget. That was right at the start of the process some time ago. That was revised down to about \$4.3 million or \$4.5 million, which is the 110,000. For next year, we are anticipating 160,000. It needs to be borne in mind, of course, that there is a three-year period for people to register.

The Hon. D. J. GAY: How many prosecutions have been made under the companion animals Act? If you do not have the information, you can take the question on notice.

Mr PAYNE: That is a matter for councils.

The Hon. D. J. GAY: Do they not report to you?

Mr PAYNE: No. They report dangerous dog declarations, but prosecutions are handled by the local councils through the Local Courts.

The Hon. D. J. GAY: How much revenue has been collected in registrations?

Mr PAYNE: At this stage, I can talk in terms of the estimates. We are expecting the revenue this financial year to come in at about \$4.6 million. When I say revenue, a large slab of that will be sent back to councils. At this stage—bearing in mind we still have three weeks to go and money is still coming in from councils for registrations—we are looking at returning to councils about \$3.1 million for enforcement and management of the companionable programs.

We will also be paying \$365,000 for the data entry that some councils have done. Some councils have not done their data entry and will not be paid for that. We have spent almost \$400,000 on community education programs. There have been two programs. One is just about to be launched. That means a return for enforcement of about 68 per cent, 8 per cent for data entry and 9 per cent for community education. The remaining 15 per cent will cover the cost of the register, departmental overheads and the cost of the Companion Animals Board.

The Hon. D. J. GAY: Do you have an idea how much revenue has been collected in fines?

Mr WOODS: The answer is the same as before: the councils would have that information.

The Hon. D. J. GAY: The Director-General indicated that \$3.1 million of the \$4.7 million will be returned to councils. First, why has that money not gone back already because councils have had to put infrastructure in place for this Act? Secondly, when will it go back?

Mr WOODS: It will go back very shortly.

Mr PAYNE: I can answer question that very clearly. It has not gone back until now because it has not been received. As at the other day, I think only about \$1.8 million had been received. The \$3.1 million has not been received yet. We are anticipating that that will come in the next few weeks, and it will be returned. There were initial establishment costs and the technical issues of setting up the register. From memory, the billing process started at the end of February or March and the money started to flow in from March onwards. But it is still coming in and it will be ongoing. We will draw the line at 30 June and return the figures that I have mentioned.

Mr WOODS: Whilst councils might have collected it, they have not sent it to us yet in all cases.

The Hon. D. J. GAY: Director-General, you mentioned earlier that some councils are not entering data. How many councils are refusing to enter data into the pet registry because of their concerns about the time it takes?

Mr PAYNE: I am not aware of any council refusing to enter data. Some have had problems. We have helped a number and some are contracting it out. I am aware of only one council that is refusing to remit the money.

CHAIR: Which one is that?

Mr PAYNE: Manly, and we will take that up later. The data entry has been an issue and the department has assisted a number of councils in resolving the problems, particularly with their software. That has happened. We have had the contractor out on site in a number of cases. When it has been extremely difficult—for instance, when vets have not filled out the form correctly and we cannot read it—those forms have been sent to the department and we have somehow managed to decipher them and entered them onto the record from there. There were teething problems, but we took up the slack and did it from the department.

The Hon. D. J. GAY: Has the issue of access to the pet registry been addressed? By that I mean access 24 hours a day, seven days a week for vets and council rangers.

Mr WOODS: The register provides 24-hour, seven-days-a-week access to those people who are authorised to access it. Unlike the old council registers, the information on the companion animals register is not on the public record. Privacy is important—indeed, we need to comply with various privacy matters. Vets who are authorised—they are authorised as a group; I have authorised identifiers—currently have access to enter onto the register new records of animals that they have microchipped. However, they do not have a higher level of access to trace owners whose pets have been lost or injured or brought into the surgery.

The Hon. D. J. GAY: How can they find out?

Mr WOODS: Access to the register by vets was brought to my attention by the Australian Veterinary Association [AVA]. We have had a number of meetings with that organisation—in fact, I think the AVA has a valid case.

The Hon. D. J. GAY: It has been putting it for 12 months.

Mr WOODS: Well, we are trying.

The Hon. D. J. GAY: I brought it up this time last year.

Mr WOODS: As I mentioned, it is not a public record and there are privacy issues involved. I think we are getting there. Responsible owners want to be contacted immediately if their pets are injured so they have the opportunity to discuss treatment or take their pets to their local vet. I think we have made considerable progress in this area and I hope to make an announcement in the very near future that will address the issue.

The Hon. D. J. GAY: So it is not fixed yet?

Mr WOODS: No, but it is very close.

The Hon. D. J. GAY: How many pets have been put down because their owners could not be contacted outside hours?

Mr WOODS: None I would think, but I do not know.

Mr PAYNE: I do not know.

Mr WOODS: I would be surprised if there were any.

CHAIR: Is it possible to find out?

Mr PAYNE: We would not have access to that information. I do not think any pound or vet would put an animal down that has been chipped. They would scan it first.

The Hon. D. J. GAY: But the problem that vets have is when dogs come in that have been hit by a car and suffered road trauma and an expensive operation is needed. The vets are unable to contact the owners to see whether they are willing to pay for the operation.

Mr WOODS: I understand the problem.

The Hon. D. J. GAY: We brought it up 12 months ago.

Mr WOODS: I understand the problem, but I would have faith in the way vets operate.

The Hon. D. J. GAY: So would I.

Mr WOODS: That is why I would answer the question in the way I did, which is that I think there would probably be none put down simply because they could not contact the owner. I would think vets would firstly see if the animal was microchipped, if there was time even to do that, and, if it was I would think, bearing in mind they have a problem of contacting the owner out of hours at the present time, they would probably do what they could to save the animal, and then worry about contacting the owner the next day. However, recognising the problem, we have been working on this issue, and I hope to make an announcement, as I mentioned, in the near future that will address it.

Mr PAYNE: Chairman, as the Minister has indicated, there was a privacy issue with this. We have been discussing this with the Privacy Committee. Direct access to the register, or public access to the register, is not permitted, so we have had to work around those problems, and they are nearly resolved.

The Hon. D. J. GAY: How many of the so-called 999 test chips that are without unique numbers have been implanted?

Mr WOODS: One moment, please.

The Hon. D. J. GAY: See, I know your portfolio better than you.

Mr WOODS: I have some notes here on the sale of 999 code test microchips. Since 1 October 1999 microchips implanted in cats and dogs must be ISO Standard chips—that is, International Standard Organisation. The microchips must have a unique manufacturer's code issued by ICAR, the International Committee of Animal Recording. When a company makes application to ICAR for a manufacturer's code the chips submitted for testing have 999 as the manufacturer's code. These 999 chips are test chips only and should not be sold.

Forms for 999 microchips were first received by the companion animals register in October 1999. The department immediately contacted the implanters involved to identify the distributor of the chips. A meeting was held at which the distributor agreed to withdraw all remaining 999 chips by 8 November 1999. All authorised identifiers and councils were advised by departmental circular that microchips with numbers starting with 999 are test ISO chips and should not be used. The department is monitoring the situation and sending letters to any authorised identifiers who may still use 999 chips and asking them to show cause why they should not have their authorisation under the Companion Animals Act withdrawn.

The Hon. D. J. GAY: Minister, that answer is on your web site. You are reading the brief that is on your web site.

The Hon. JANELLE SAFFIN: Why did you ask the question?

The Hon. D. J. GAY: My question was specific. How many of the so-called 999 test chips without the unique numbers have been implanted and how many 999 records are there on the database?

Mr WOODS: Well, I think it would be impossible to quantify how many.

The Hon. D. J. GAY: Oh, come on!

Mr WOODS: Do you want to go and check every dog? Is there some other way?

The Hon. D. J. GAY: When you implant a 999 you record it, if you are doing your job properly.

CHAIR: How about taking it on notice, Minister, so you can provide a considered response?

Mr WOODS: Okay. I will check it out and see what I can come up with. There may be some means of telling you how many 999 chips there are.

The Hon. D. J. GAY: There are a lot of people with dogs with 999 chips because of this, and no other number. So, if those dogs with the 999 chip are lost—

Mr WOODS: No, I think you are wrong. Maybe the director-general can help clarify the matter for you. We will see.

Mr PAYNE: Mr Chairman, we can identify the 999 chips by searching the register but I doubt the need to do so. When the department first recognised that there was a problem when these chips were on the market, rather than disadvantage the pet owner, we recognised the chips. The 999 chips have their own unique identifiers as well. They are on the register, they are recognised. It is just that we do not permit them—or have never permitted them. They are not being used, as far as I know, but, to see, we would have to do a search of the 100,000 to recognise them, for what purpose I am not sure, because they are in fact recognised.

Mr WOODS: So the 999 chips would still effectively work for the owners.

The Hon. D. J. GAY: There were 15,000 distributed and your department said there were at least 150 implanted.

Mr WOODS: There may well be 150 implanted.

The Hon. D. J. GAY: But those dogs will all get confused.

The Hon. A. B. KELLY: 999 is just the first three numbers.

The Hon. D. J. GAY: There are not unique numbers.

Mr WOODS: No, in fact, I think the message here is that for the owners and for the identification of the dogs they can still be identified.

The Hon. D. J. GAY: The vets tell us they are not unique.

Mr WOODS: We will check that out, but that is as I think it is.

Mr PAYNE: The 999 is the prefix and then there is a number after it, and the number after it is unique.

The Hon. D. J. GAY: There are a number without a unique number following the 999.

Mr PAYNE: It is not implanted as 999.

The Hon. M. I. JONES: I would like to speak about the national competition policy. What has been the cost to the Department of Local Government of implementing the national competition policy? How much funding has the Department of Local Government received from State Treasury in national competition policy funding, and why has not any of this money been returned to councils across the State? When can councils expect to see their share of the national competition policy payments?

Mr WOODS: Before going to whether the department has received any national competition policy payments, let me address the other issue. The Government's position is that national competition policy funding will not be going to councils. However, I have received a number of submissions or representations from councils asking me for information on this. I have written to some of them and at the recent conference I invited councils to contact me and give me details of costs to them arising from the national competition policy, and I undertook to convey them to the Treasurer. I have also written to the Local Government and Shires Association [LGSA] asking it to make a better case than it has up to now. If it does, once again, I will convey that to the Government, but it has not to this point. As to whether the department has received any national competition policy funding, I will ask the deputy director-general to answer you.

Mr ROGERS: The department has received no money from Treasury in relation to national competition policy. It has dealt with national competition policy matters within its normal policy framework and it deals with national competition policy complaints within its complaints handling framework. So the department is not holding funds that might otherwise have been distributed to councils, if that is what you were alluding to in your question.

The Hon. M. I. JONES: Have you requested any money from Treasury?

Mr ROGERS: No.

The Hon. D. J. GAY: Are you aware that when I raised this matter in the House Mr Egan said no, there will not be any money?

Mr WOODS: I think I just said that.

The Hon. A. B. KELLY: He might not ask as nicely as you.

Mr WOODS: No, I did not say I was going to ask, either. I said I would convey the information. Yes, of course, I am. I think that was contained in my answer to you.

The Hon. M. I. JONES: The budget estimates for pensioner rate rebates are \$71.25 million. This is similar to the previous year's figures. As pensioner numbers are expected to rise, why do these figures not reflect that?

Mr WOODS: Pensioners numbers have been rising. People are getting older.

The Hon. A. B. KELLY: That is another revelation.

Mr WOODS: I have been reading a book called *The Stupidest Things*. I recall that this issue came up last year. The budget papers show that we will spend \$71.25 million, as you mentioned, on pensioner rate rebates. That will assist some 415,000 pensioner households, of whom one-third are in country areas. Now, as I mentioned, last year there was a similar question asking why the figure is comparable to the year before and likewise this year.

There are two points about this. Firstly, the pensioner rebate scheme is paid to local government and is based on the number of claims submitted by councils. If there are changes to pensioner households in a particular local government area, those councils submit a claim to cover those increased or decreased numbers. Secondly, the total number of pensioners who claim is affected not only by the number of pensioners—which clearly, as you identified, is likely to rise—but by the number who live in their own dwellings and pay rates.

So I think what is happening, and I think what is accepted, is, firstly, that the number of people of pensionable age is growing, but with claims for rebates there has been a general rise in the number of self-funded retirees and more pensioners moving to retirement villages and other forms of catered-type accommodation, where they do not get it the rebate. So, in relation to self-funded retirees, for example, no-one here would probably qualify for the rebate. I think that is why you get the discrepancy. Although the total is rising, the actual number of people entitled to the rebate is not necessarily—

The Hon. M. I. JONES: When you say here, do you mean in this room?

Mr WOODS: Yes. I mean if you were of a pensionable age. I am not referring to anyone in particular.

The Hon. M. I. JONES: Minister, how are on-site sewage management funds being distributed? How many councils have been provided funds?

Mr WOODS: Quite a few.

CHAIR: More specifically?

Mr WOODS: There are a lot of septic systems. One in five families in regional New South Wales uses a septic system. The registration of septic systems is now complete in many areas and councils are developing long-term strategies to minimise sewage pollution and help householders keep their systems working properly. The Government is providing assistance of some \$4 million dollars under our septic safe program to assist 141 councils develop septic safe management strategies. In March I announced \$400,000 in funding for new on-site sewage management improvements in key shellfish production areas and in drinking water catchment areas. That announcement was made at Wallis Lake.

The Hon. D. T. HARWIN: What month did you say that was in?

Mr WOODS: Let me refresh my memory. It was in March. I actually went up there. Wallis Lake is a beautiful spot. It is the largest oyster production area in Australia. It produces—

The Hon. D. T. HARWIN: From time to time.

Mr WOODS: —about 3 million dozen oysters each year. I think the oysters up there are all rock oysters, not Pacific oysters.

The Hon. D. T. HARWIN: Wallis Lake is mainly rock but there are some Pacific oysters.

Mr WOODS: I think the rock oysters are far preferable to the Pacific oysters. The on-site sewage management regulations which were passed by this Parliament in 1999 were the result of a strong call from local government and the Shires Association. The association believes that councils urgently require the flexibility and power to regulate septic systems to avoid another repeat of the Wallis Lake incident and to protect them and their communities from intensive costly consequences. I believe that the intent of the legislation is there and that we should not be too prescriptive in this particular area. That is why the responsibility for the development of sensible, cost-effective management plans really is in the hands of the councils, because it differs from council area to council area.

Councils have that local knowledge and they are the best judge of the challenges in their local areas. They know where the high risks are and how to establish an inspection regime on that basis. To assist councils

with the implementation of their septic safe management strategies, we have also had television community service announcements which were aired across the State last year. A radio and communication campaign has also been developed.

Mr PAYNE: I can add some figures. The funding, which is a total of \$3.8 million over three years, is available for three types of projects. The first is to develop and implement OSM strategies. The second is enhancement projects in environmental sensitive areas, and the third is research projects.

In terms of the first type of project, 127 councils have sought funding and \$1.5 million has been approved for those projects in that category, of which \$681,000 will be distributed in this financial year. For the enhancement projects, \$1.4 million is available, and so far we have had 28 applications. Some 18 have been approved for a total of \$278,000, which leaves \$1.12 million to carry over for the next year. For the research projects, \$200,000 is available and we have received 17 applications, and six have been approved.

The Hon. D. T. HARWIN: Mr Payne, which of those categories does the shellfish program fall under?

Mr PAYNE: The third: enhancement projects for environmental sensitive areas. Sorry, could I just clarify that? I am not sure whether it would also fall within the council area, the first category.

Mr WOODS: That \$400,000, if that is what are you talking about, was for shellfish production and also for the drinking water catchment program.

The Hon. D. T. HARWIN: Has there been any consideration given to the backlog of sewerage provision in the Hornsby council area, given the effect that has on the very significant oyster growing areas along the Hawkesbury River around Brooklyn?

Mr PAYNE: That is probably an issue for Sydney Water. In terms of whether there has been an application for a grant from, say, Hornsby council, I am sorry, I do not have the information with me.

CHAIR: I have a question on coastal policy. Where in the budget is there a commitment to the implementation of a coastal policy for local councils? How will you, Minister, and the department counter the effect of local councils not following due process and consultation with the Department of Urban Affairs and Planning and the Department of Land and Water Conservation in regard to developments that undermine the coastal policy? Can your department outline the resources and actions that have been taken to review old local environment plans that do not correlate with coastal policy? And, where in the budget is there a commitment of resources to fund this process?

Mr WOODS: Mr Chairman, I think aspects of that come under the responsibility of the Department of Urban Affairs and Planning, but if it is okay by you I will take that question on notice and give you a written answer.

The Hon. D. J. GAY: Minister, how many freedom of information requests have been made to your department in the last 12 months?

Mr WOODS: I have no idea.

The Hon. D. J. GAY: Perhaps your director-general can help you?

Mr PAYNE: I am sorry, I do not think we have those figures.

Mr WOODS: I would imagine there have been quite a few. People keep making these requests, do they not?

The Hon. D. J. GAY: Will you obtain that information?

Mr WOODS: I am sure we can obtain that information.

The Hon. D. J. GAY: Minister, are you aware that from only two recent requests I made to your department for information under the FOI Act I have been quoted \$1,290 in processing fees? One of these requests was for information on the department's alleged move to Nowra and the other was for information on

the inquiry and report into accountants Adams Kenneally White following the dismissal of Windouran Shire Council—two important matters, I am sure you would agree. Minister, is this your department's way of raising funds because Treasury will not give you any, or are you simply trying to hide from genuine accountability?

Mr WOODS: Certainly not, and it is not an attempt by the department to raise funds. I am advised that the reason for my department's request for advanced deposits is quite obviously that large amounts of material are held by my department. FOI charges are determined on a cost-recovery basis and they are charged on the basis of \$30 an hour. I do not think that would provide resources of any measurable sort by the department. Indeed, there could be costs. My department determined that the total cost to access, prepare and photocopy the documents you requested from the Treasurer, the Premier, and local government in relation to the department's move to Nowra would be \$960 and a request, accordingly, was made for that fee. I think that is a very reasonable request.

The Hon. D. J. GAY: Some \$960, Minister, for 400 pages and \$330 for 150 pages.

Mr WOODS: I cannot confirm that. I did not count them.

The Hon. D. J. GAY: I can show you the letters. I have them here in front of me. Do you not believe that that is excessive?

Mr WOODS: Certainly not.

The Hon. D. J. GAY: Minister, will you request your department to waive these charges to allow that information to go to the public arena at a reasonable cost?

Mr WOODS: No, Mr Chairman, I will not. I think it is reasonable that when departments are asked for documents they are able to recover the costs of providing them.

The Hon. D. J. GAY: Minister, can you understand why people would think that you are just trying to cover up?

Mr WOODS: No. I think most people in seeing this sort of thing would make the determination and come to the conclusion that it is quite reasonable to not waste taxpayers' money, especially when often enough there are frivolous requests, and that the ability to charge cuts down on the number of requests.

The Hon. D. J. GAY: Minister, do you call these frivolous requests?

Mr WOODS: I did not identify them. If you had been listening carefully, you would have realised that what I was saying was that there are sometimes frivolous requests and that the ability to charge for this information does cut down on the number of frivolous requests. Remember, we are dealing with taxpayers' money. We have a responsibility to the taxpayers, and bureaucrats in the department are not there to waste taxpayers' money.

The Hon. D. J. GAY: Would you be aware that all the information in this document, some 60-odd pages, came from Treasury for \$30?

Mr WOODS: Well, I am sorry, I might be aware. Let me just read this. No, I think that question would probably be best addressed to Treasury. I mean, I should not be aware of what Treasury does.

The Hon. D. J. GAY: So you will not instruct your department to release that material to me at a lesser figure so that the people of this State can know how the department is operating?

Mr WOODS: What I would refer you to is my previous answer. I think there are significant costs in departments putting together information and I think it is reasonable to expect departments to look at cost recovery for them. Otherwise it is the taxpayer who is being penalised.

CHAIR: Minister, what funding has been spent in 1999-00 and allocated in the 2000-01 budget within the Department of Local Government for progressing integrated biodiversity strategies, and how much of this is for new initiatives?

Mr WOODS: I am not aware of any. However, I will check that out.

CHAIR: Will you take it on notice?

Mr WOODS: Yes..

The Hon. D. T. HARWIN: Director-General, could you tell me how the department is progressing with the plans to move to Nowra?

Mr PAYNE: The department has completed a facilities plan which is the document that sets out its requirements in terms of space, et cetera. The facilities plan has been endorsed by a central committee. The next stage is a determination of the type of accommodation to be secured in Nowra. If it is to be a multiple occupancy building, occupied by my department and others, the project will be run centrally through the Department of Public Works and Services and funded accordingly. If it is to be a standalone Department of Local Government building, the department will take responsibility for the project and it will be funded accordingly. So at this stage we have completed the facilities plan and the next stage is to determine the type of accommodation.

The Hon. D. J. GAY: Minister, according to documents that I was able to acquire under freedom of information from State Treasury—which charged me a lot less and was helpful—by this date your department should have completed statutory approvals for the move and be ready in six weeks to accept tenders relating to the move. Has this timetable been followed? If not, where are you at this stage?

Mr WOODS: An enhancement bid was included in the 2000-01 budget estimates on the basis that the department would be occupying a building.

Mr PAYNE: If I understand the question, from memory the timetable was that at the end of March or early April expressions of interest would be sought, and I think you have probably got the documents there. That was delayed by the interest of some other departments.

The Hon. D. J. GAY: It would help us both if we had the same document, but your department will not give it to me.

Mr PAYNE: I do not have a document. All I have is what I am told by the people progressing the project for me but apparently by the end of this month, June, expressions of interest will be sought on the provision of the accommodation. That is my latest information.

The Hon. D. J. GAY: The same document identifies the establishment of a small Sydney office for the department. Is that plan still going ahead? If that is the case, why are you duplicating resources?

Mr PAYNE: Mr Chairman, there is no duplication. The department will require a small central office in Sydney to service the Minister's office, for a start, on certain things, the Pecuniary Interest Tribunal, the Remuneration Tribunal. There will be a need in some cases for officers to be in Sydney for several days. When I say that, it will be a very small office maintained in Sydney.

The Hon. D. J. GAY: Will you and Mr Rogers be there or at Nowra?

Mr PAYNE: We will obviously be in Sydney at times, and we will also be in Nowra.

The Hon. D. J. GAY: So you will have two offices as well?

Mr PAYNE: Well, I will not necessarily have two offices. The department will have two locations. Its major location will be in Nowra and it will maintain a small Sydney office, which is quite a common thing with most decentralised departments.

The Hon. D. T. HARWIN: So, director-general, your principal office will be in Nowra?

Mr PAYNE: Yes.

The Hon. D. T. HARWIN: And presumably you will need to reside in that area? Anyway, that is a personal matter. You do not need to answer that.

Mr WOODS: I think you are jumping ahead a bit. Let me just add to that. When details of this move were announced, other agencies expressed an interest in being co-located, so there are two options there, if you

like. If two or more departments occupy, funding is provided through the Department of Public Works and Services [DPWS]. If it is the other way, the department will seek supplementation of its budget to meet those costs in the 2000-2001 year. I think, in essence, you are getting a fair bit ahead even on the office side of it. The decision to move the Department of Local Government to Nowra of course was not based solely on financial grounds. It has never been suggested otherwise. It is a government policy decision as well.

The Hon. D. J. GAY: But none of this was done until the end of last year.

Mr WOODS: This Government is committed to regional New South Wales and to moving the department. The cost of accommodating the department in Nowra is likely in the long-term to be less expensive than basing it in Sydney, and of course the initial capital costs will be amortised over a period. The real benefit will be the enormous flow-on effects generated by a move which will no doubt stimulate the local economy, and I do not know why the Hon. D. J. Gay, for instance, is so adamantly opposed to this, as he has expressed in a number of meetings I have been present at in country New South Wales. I know that the people of Nowra want it to happen. It is going to happen. It is going to happen in the proper diligent way as these things do, and that process has started. Documents were released under FOI dated August 1999 that clearly show that the DPWS was at that time considering the accommodation options for the relocation of the department to Nowra.

The Hon. D. J. GAY: That was after the estimates hearings last year, after I asked questions and not before.

The Hon. D. T. HARWIN: As a Shoalhaven resident, I would like to say that I am delighted that the department is moving there.

Mr WOODS: And a wonderful area you live in. It is a wonderful area.

The Hon. D. T. HARWIN: I just wonder, director-general, if you would confirm whether, in terms of those parts of the department that you said would still be Sydney based, you were saying that they would maintain a presence in Sydney but principally be based in Nowra. Or would they remain permanently in Sydney?

Mr WOODS: The whole—

The Hon. D. T. HARWIN: I asked the Director-General.

Mr WOODS: No, I will answer it for you. The whole of the department is moving to Nowra. Let me make that perfectly clear: the whole of the department. Now, there may be good reason for the director-general to attend in Sydney from time to time. We will have a look at that. But let me make this point, and understand this: We live in an age of very high-tech communications, a lot of which I do not understand.

The Hon. JANELLE SAFFIN: But you know it is good.

Mr WOODS: I know it is good.

The Hon. D. J. GAY: You should go to your own web page. You would find out about the 999 chips.

Mr WOODS: This new department is going to be equipped with very up-to-date, right-up-to-the-minute telecommunications facilities that will enable teleconferencing and all those sorts of things which are very much necessary. I think that is going to be an enormous advantage not just to the department but to the Government as a whole in communicating and to local government right across New South Wales.

The idea that the Department of Local Government should be in Sydney is quite stupid when you think of country New South Wales. You have got this enormous State. It is a big State on world standards, with towns all over and 75 local government areas. If we put in good communications and the Federal Government comes to the party and gets Telstra to cease trying to maintain its monopoly in country areas, we might have country people bearing less travel costs for their representatives and having far better access to the department.

The Hon. D. T. HARWIN: So you think Mr Payne was wrongly mentioning those tribunals that would remain in Sydney.

Mr WOODS: No, not at all. What I am saying is that with the advent of all these things, the necessity of the department having access to Sydney or being in Sydney is going to be reduced. As I said, the whole of the department is moving to Nowra.

The Hon. M. I. JONES: Just revisiting last year's estimates hearings, Minister, the same questions were asked, and I would like to revisit them. How many offices do you still have?

Mr WOODS: I think it is—I just happen to have this little—

The Hon. JANELLE SAFFIN: Just in my back pocket.

Mr WOODS: Well, let me explain first because we have people here who probably do not realise that an ordinary member of the Legislative Assembly has an office here in Parliament House and an office in the electorate. They have two offices.

The Hon. JANELLE SAFFIN: Legislative Council members are different.

Mr WOODS: I will not talk about them. I do not know about them.

The Hon. D. J. GAY: Mr Kelly has two offices.

Mr WOODS: A Minister has an electorate office, a ministerial office and a parliamentary office.

The Hon. M. I. JONES: Why do you need an electorate office as a Minister?

Mr WOODS: That is what I have. In addition to that, I have an office in Bathurst, which services that great western area and is used regularly by myself and visited often by local government and industry people west of the range. They like it. I have many letters, and we could even supply them to you, of congratulation and commendation for opening that office in Bathurst. So I fully intend to use it as much as possible. That is the only difference between the number of offices I have and any other Minister.

CHAIR: Right. I have one final question I would like to ask you.

The Hon. D. J. GAY: May I ask a question relating to the office?

CHAIR: I will ask my question first and if we have time we will go on to that one.

The Hon. R. D. DYER: Chair, we do not have time. We agreed that we would conclude at five past nine.

CHAIR: So we will have one minute each.

The Hon. R. D. DYER: How can we have one minute if it is after five past nine?

The Hon. D. T. HARWIN: With great respect to the Hon. R. D. Dyer, the Committee did not resume until well after 10 past eight.

The Hon. R. D. DYER: I clearly heard the Chair announce that the proceedings would end at five past nine.

CHAIR: Are you aware of incidents of many council pounds failing to meet the requirements of the current code of practice and the Prevention of Cruelty to Animals Act? For example Casino pound, which is like a concentration camp for animals where they are dying in large numbers? What is being done by the Department of Local Government to ensure that required standards in pounds are being met and that resources are available to councils to provide adequate care? Some councils, such as Casino council, refuse to bring their pounds up to standard.

The Hon. JANELLE SAFFIN: That might change with the amalgamation, the election.

The Hon. D. J. GAY: Mr Chairman, one question?

CHAIR: Just one, but that is it. Otherwise I will have the Hon. R. D. Dyer bashing me.

The Hon. R. D. DYER: No, the rules are rules. Mr Chairman, as my colleague the Hon. J. R. Johnson would say, the little hand is against the nine and the big hand is against the 10. Translated, that means ten past nine.

CHAIR: But the Minister would be delighted to answer the question.

Mr WOODS: Look, I will give it my best shot. I think in this particular instance my director-general's best shot is probably better than mine.

Mr PAYNE: Your question is not a matter for the department. The prevention of cruelty to animals legislation is, I believe, under the Department of Agriculture. The conduct of pounds and the operations of pounds is a matter for them, so I do not have any details.

Mr WOODS: As with many things, Mr Chairman, local government representatives are elected people and they have responsibilities. Now if there are things going wrong with some matters in local government, it is a matter for me to straighten out. I think in many matters councillors need to take more responsibility for the things they are responsible for, and I think this is one of those. I think where a council is not living up to what we would see as its responsibilities, I can apply pressure, and I am happy to do that, but local people should be going to their local representatives and making their demands.

The Hon. D. J. GAY: A final question on offices. The report indicates that a small Sydney office should be secured—I assume that is in the CBD—with a small one beside it, and this small Sydney office would comprise two executive offices for the director-general and the deputy director-general, one non-executive office, three permanent and four casual staff work stations, a conference room for 20 people, one eight-person meeting room, a kitchen and reception area, and two to four parking spaces. Is that a small office?

Mr WOODS: Are you asking me to confirm that that is a quote?

The Hon. D. J. GAY: This is the proposed relocation for the Department of Local Government. This is what the Department of Public Works and Services has said your small office in Sydney would comprise.

The Hon. A. B. KELLY: That is exactly what the coalition Government did with the Department of Agriculture. It has an office here in Sydney.

Mr WOODS: Understand this: that document refers to quotes and estimates about options that may or may not be taken up. There is no decision on it.

The Committee proceeded to deliberate.
