



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 3

# **BUDGET ESTIMATES 2009-2010**

## **QUESTIONS ON NOTICE**

### **General Purpose Standing Committee No. 3**

Local Government

Tuesday 15 September 2009

Answers to be lodged by: Friday 9 October 2009

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<b>Hearing date</b>	<b>Portfolio</b>	<b>Answer to be lodged by</b>
15 September 2009	Local Government	9 October 2009 [21 days]
15 September 2009	Mental Health	9 October 2009 [21 days]
15 September 2009	Attorney General, Industrial Relations	9 October 2009 [21 days]
15 September 2009	Corrective Services, Public Sector Reform, Special Minister of State	9 October 2009 [21 days]
18 September 2009	Lands, Rural Affairs	14 October 2009 [21 days]
18 September 2009	Police	14 October 2009 [21 days]
18 September 2009	Gaming and Racing, Sport and Recreations	14 October 2009 [21 days]
18 September 2009	Juvenile Justice, Volunteering, Youth, Veterans' Affairs	14 October 2009 [21 days]

## Questions relating to the portfolio of Local Government

15 September 2009, 9.15 am – 11.45 am

### Questions from Mr Ajaka

#### 1. Cost Shifting

- a. What plans does the government have to either pay the current Sydney councils' contribution of 12.3% of the annual budget of the NSW Fire Brigade for the Sydney Fire District to reimburse councils for this contribution?
- b. Why did the government insist that Gosford City Council pay 50% of the cost of dredging the Broken Bay channel and the \$500,000 involved could have been used by council for the provision of local services?

#### 2. Rate Pegging

- a. Why was the application from North Sydney Council for an increase of 11.87% rejected when council will now have to cut 24 jobs, as a direct result of the rejection of its application, and in the light of the NSW budget's purported focus on jobs?
- b. Why was the application from Kempsey Shire Council for an increase of 11.5%, rejected when council may now have to cut staff, close swimming pools, reduce its library service and cut playing field maintenance?
- c. Why was the application from Muswellbrook Shire Council for an increase of 9.5% rejected when council will now have to ditch a roads program costing \$450,000, which would have created jobs?
- d. Why was the application from Dungog Shire Council for an increase of almost 10% rejected when council will now have to carry an operating deficit for the year and rely on neighbouring councils for resource pooling?
- e. Why was the application from Auburn Council rejected when council will now not be able to fund lights planned for playing fields, irrigation to sporting fields and road repairs?
- f. Will the minister ensure that future special rates variation application determinations are provided to councils before they commence their rate notice preparation cycle?
- g. Will the minister ensure that future guidelines for special rates variation applications include reference to all the methods, which will be used to assess the applications?
- h. How were the councils' financial sustainability taken into account, when considering their applications for special rates variations?

#### 3. Shellharbour City Council

- a. The Department of Local government conducted a Promoting Better Practice Review of Shellharbour City Council in 2005, which was finalised in July, 2006. The Review's report recommendations, included some, which related to governance issues. Why did it take until the end of March, 2008 to appoint a commissioner to conduct a public inquiry into council?
- b. What progress has the Department of Local Government and the administrators made with the recommendations from its inquiry into Shellharbour City Council?

#### 4. Auburn Council

- a. The department's investigation into Auburn Council in relation to the Auburn Central project recommended a review by ICAC. What was the result of ICAC's review and when will it be made public?

5. Influence on Councils of Unelected Persons

- a. What action does the minister plan to take to ensure that the problems concerning the influence of unelected persons, as revealed by the Victorian Ombudsman's investigation into Brimback Council, cannot occur in NSW local government?

6. Local Infrastructure Fund

- a. In the budget the government announced the establishment of the \$200 million Local Infrastructure Fund. The Treasurer has been unable to advise the source of the \$200 million required for the fund, could you do so?
- b. Can the minister give an iron clad guarantee that no part of the funding for the Local Infrastructure Fund relates to Section 94 levies for growth centres?
- c. In the light of the impact of cost shifting on local government of \$412 million in 2006-2007, as estimated by the NSW Local Government and Shires Association, why does the Local Infrastructure Fund not even reach the half way mark of cost shifting?
- d. Why is the money from the Local Infrastructure Fund being loaned to councils rather than being the subject of NSW government grants?
- e. Why are there timing constraints in relation to funds made available from the Local Infrastructure Fund?
- f. Why is funding from this Local Infrastructure Fund being targeted towards high growth areas rather than across the board?

7. NSW Community Building Partnership

- a. The NSW Community Building Partnership discriminates against councils as it requires them, unlike other participants in the program, to match the funds contributed by the NSW government. This discrimination acts as a disincentive for councils to apply for funding. Why are councils, which are seeking funds under this programme, required to match the funds contributed by the NSW government?
- b. Why aren't further grant funds, either with or without a matching requirement, being made available to local government?
- c. Why does the NSW Community Building Partnership include timing constraints, which will result in some worth projects being ineligible for assistance?

8. Councils Under Administration

- a. Given that councils pay for the costs charged by Elections NSW for the administration of local government elections, why are councils not allowed to come out of administration after a 12 month period in the interests of democracy?

9. Local Government Investments and Borrowings

- a. In view of the substantial losses incurred by local government from investing in Collateral Debt Obligations, at a time when the NSW Treasury had vetoed investments of this nature by state agencies, what action has the minister taken to ensure that financial disasters like this will not recur?
- b. When will the minister request an inquiry to determine why the Treasury advice on these investments was not passed on to councils instead of the government blaming them for the losses on these investments?
- c. Why are the rates, at which local government can borrow, no longer regulated

10. Federal Government Funding to NSW Local Government

- a. What is the total amount of federal government funding to NSW local government over the past 5 years?

11. Joint Ministerial Advisory Council on Women in Local Government

- a. Why has the Joint Ministerial Advisory Council on Women in Local Government only met on one occasion, in May 2009, when a forum was organised by the then Minister for Local Government and the Minister for Women in December, 2007 to discuss strategies to increase the representation of women in local government decision-making roles at both the elected representative and staff levels?

12. Integrated Planning and Reporting

- a. Will the minister advise whether the Local Government Department will provide financial support for smaller councils to help them to implement the integrated planning and reporting framework?
- b. Which branch in the department provide advice to councils regarding how they can achieve the funding require for their long term plans?
- c. Which branch of the department will provide councils with assistance in preparing their plans required by the integrated planning and reporting framework.
- d. How much has been included in the department's budget for this assistance?

13. Super Ministry

- a. How will the Department of Local Government operate after it has been subsumed into the new Premier and Cabinet Super Ministry?
- b. What will happen to the Department of Local Government's brief to oversee the provision of local services and the protection of the local amenity, when it forms part of the Premier and Cabinet Super Ministry, along with 11 other agencies?
- c. What impact will this change have on the department's ability to assist councils with their financial problems?

14. Department of Local Government Annual Report Objectives

- a. What progress has the department made in achieving its strategic alliances objectives, which were outlined in its 2007-2008 Annual Report?
- b. What progress has been made with workforce planning objectives?
- c. Which staff members are working on these objectives and what are their qualifications?
- d. What is the amount included in the department's budget for these people?