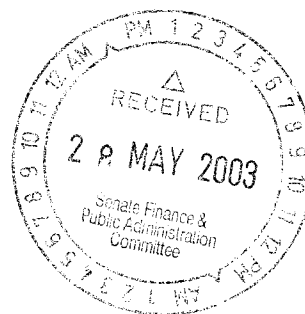


In Reply Please
Quote Reference: 03.7264; 03.7009



28 May 2003

Mr A Sands
Australian Senate
Finance & Public Administration Reference Committee
Parliament House
CANBERRA ACT 2600

Dear Sir

Attached please find the documents forwarded by mail on 23 May 2003 for the response to the questions taken on notice at the Senate Inquiry.

Could you please treat the covering letter of 23 May 2003, along with the responses to the questions taken on notice as part of Council's submission.

Yours faithfully

JAMES F. LEVY
GENERAL MANAGER

In Reply Please

Quote Reference: 03.7264

23 May 2003

Mr A Sands
Australian Senate
Finance & Public Administration Reference Committee
Parliament House
CANBERRA ACT 2600

Dear Sir

Further to your request for a response to the questions taken on notice at the Senate Inquiry I attach those questions together with the responses.

I would also take this opportunity to provide comment in respect of statements made by Councillor Cairney at the Senate Inquiry in response to his knowledge of the DairyRAP (DRAP) application and Council's role in pursuing a contribution towards the sewerage of the Industrial Estate.

In this regard I would advise as follows:

- On Monday 8 October 2001, the General Manager briefed the then Mayor, Councillor Peter Cairney on funding issues associated with the Northern Moruya Industrial Estate (NMIE) including the sewerage of that Estate.
- On 30 January 2002, the Mayor of the day, Councillor Peter Cairney, in the company of the General Manager, Jim Levy, attended the official announcement of the DRAP funding for the expansion of the steel rolling plant. Following the presentation of the cheque those present at the official announcement then walked from the 'old' Mordek factory to view the new facility, which was under construction. It is recalled that there were workmen still working on the roof and there had been no internal fitout at that time.

This announcement was covered by the Moruya Examiner on Wednesday 6 February 2002.

- On Monday 8 July 2002, the Mayor of the day, Councillor Peter Cairney asked questions of the General Manager regarding DRAP funding, as well as questions relating to the sewerage of the North Moruya Industrial Estate. The General Manager undertook to ascertain the background details to these issues and that day provided the Mayor with the details of the situation at that time. The Mayor indicated on that day that the Coastal Sun proposed to expose the "scam" this week.

- On Tuesday 9 July 2002, the Mayor of the day Councillor Peter Cairney was shown a copy of the newspaper article dated Wednesday 6 February 2002 with the headline "Grant means jobs boost for Moruya" and advised that Council staff would talk to the Editor of the Coastal Sun regarding his advice that the Coastal Sun proposed to "expose the scam this week".

The article displayed a photograph of Mordek's metal roofing "old" building with the following caption "Big Cheque: Annette and John Nader were obviously delighted with the cheque for \$339,900 presented to them by Federal Member Gary Nairn. Mayor Peter Cairney seemed just as pleased."

The Article indicated that "Mayor Peter Cairney said the event represented another example of community spirit". and "I'm sure this will be a wonderful thing for the community".

- The Mayor of the day, Councillor Peter Cairney, chose not to respond to the Coastal Sun.

The Mayor of the day, Councillor Peter Cairney was well briefed, as were the Councillors, on the DairyRAP funding for the expansion of the steel rolling plant and the negotiations with the owners of the estate for the sewerage of that area.

I trust that the responses to the questions taken on notice are satisfactory.

Yours faithfully

JAMES F. LEVY
GENERAL MANAGER

Inquiry into a funding matter under the Dairy Regional Assistance Program

Questions on notice to Eurobodalla Shire Council from public hearing on 8 May 2003

| QUESTION | EUROBODALLA SHIRE COUNCIL RESPONSE |
|--|---|
| ESC1. How many times did council write to the department in relation to the Mordek application? | Council's records indicate one letter was sent the Department of Employment, Workplace Relations & Small Business on 7 September 2001; and another letter was sent to the Manager Regional Services, DEWRSB on 12 September 2001. |
| ESC2. What correspondence was exchanged between the Department of Transport and Regional Services and the council? | As above |
| ESC3. Did council officers send or receive emails from the department in relation to the Mordek application? | Council can find no record of any emails between departmental officers and council staff in relation to the grant. |
| ESC4. Were John and Annette Nader members of the council's Business Development Board on 21 May 2001? | No. |
| ESC5. On 21 May the Business Development Board resolved that Councillor Laughner hold discussions with the mayor and the general manager on the matter of obtaining Dairy RAP funds for sewerage the North Moruya Industrial Estate. Do you have any record of such a meeting? | <p>On Friday 8 June 2001 discussions involving the Mayor Councillor Vardon, Councillor Laughner and the General Manager regarding the North Moruya Industrial Estate and DairyRAP were held.</p> <p>The General Manager undertook to check the present position regarding applications for Dairy RAP funding and to check Council's position regarding applications for Grants, funds for sewerage the NMIE and who was to be the proponent of the application.</p> |

| QUESTION | EUROBODALLA SHIRE COUNCIL RESPONSE |
|--|---|
| <p>ESC6. The Coastal Sun article 'Dairy RAP Dilemma' of 11 July 2001 claims that council's Mr Herrick met with Dairy RAP officers and representatives of the federal government to discuss funding for the sewerage. If this is so: (a) when did this meeting occur; and (b) who attended?</p> | <p>Mr Herrick met with Brad Pym, DRAP project officer in June 2001. In attendance were Mr Pym, Mr Bowman (Council's Light Manufacturing Industry Development Officer) and Mr Herrick (Council's Business Development Manager)</p> |
| <p>ESC7. Were any objections received to Mordek's development application of 20 September 2000 and indexed as 213/01 by council?</p> | <p>No objections on file 00.4717.D</p> |
| <p>ESC8. At which meeting of council was the delegated approval of that development noted?</p> | <p>Councillors confirm the delegated authority for Environment Planning & Administrative Services Committee to determine Development Applications each September. All Development Applications performed under staff delegated authority reported monthly. This particular matter was listed for Council on 23 January 2001.</p> |
| <p>ESC9. Regular inspections [of the new Mordek plant] commenced on March 14 2001. On what dates did they take place?</p> | <p>Inspections were carried out on the following dates: 14 March 2001; 15 March 2001; 26 July 2001; 31 July 2001; 25 September 2001; 27 September 2001; 28 September 2001; 8 October 2001; 9 October 2001; 11 October 2001; 15 October 2001; 17 October 2001; 18 October 2001; 14 January 2002; 21 February 2002; 3 July 2002; 29 July 2002; 17 December 2002 and 19 December 2002.</p> |
| <p>ESC10. When was the final inspection certificate [for the new Mordek plant] issued?</p> | <p>No final inspection Certificate issued – Occupation Certificate was issued on 19/12/02</p> |
| <p>ESC11. What was the state of construction of the facility as at 12 December 2001?</p> | <p>Inspection results on Council's DA system shows that the Slab was partly completed as at 12 December 2001.</p> |
| <p>ESC12. Does the report to council of 5 June 2001 that an order had been issued to Mr Nader for the removal of a slab in connection</p> | <p>No</p> |

| QUESTION | EUROBODALLA SHIRE COUNCIL RESPONSE |
|--|--|
| with the construction of a large display shed and display area at the North Moruya Industrial Estate concern Mordek's steel profiling plant? | |
| ESC13. Did council officers or councillors communicate with the member for Eden-Monaro, Mr Gary Nairn, about the Mordek Dairy RAP application and grant? | Neither Council staff nor Councillors have any recollection of communicating with the member for Eden Monary, Mr Gary Nairn. |
| ESC14. When was Eurobodalla Shire Council's annual report for 2001-2002 tabled? | 26 November 2002 |