

GENERAL PURPOSE STANDING COMMITTEE NO. 4

Wednesday, 31 August 2016

Examination of proposed expenditure for the portfolio area

PLANNING

The Committee met at 14:00

UNCORRECTED PROOF

MEMBERS

The Hon. R. Borsak(Chair)

The Hon. D. Clarke

The Hon. S. Mallard

The Hon.C. Houssos

Mr D. Shoebridge

The Hon. B. Taylor

The Hon. D. Mookhey

The Hon. P. Sharpe

PRESENT

The Hon. R. Stokes, Minister for *Planning*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

The CHAIR: Welcome to the public hearing for the inquiry into budget estimates. I acknowledge the Gadigal people who are the traditional owners of this land. I pay respects to the elders past and present of the Eora nation and extend that respect to other Aboriginal people who may be present. I welcome Minister Stokes and accompanying officials. Today the Committee will examine the proposed expenditure for the portfolio of Planning. Today's hearing is open to the public and will be broadcast live on the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with broadcasting guidelines, I inform members of the media that while they may film and record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I remind media representatives that you must take responsibility for what you publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside their evidence at this hearing. I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat. Regarding questions on notice, there may be some questions that a witness would only answer if they had more time or with certain documents at hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days.

Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister Stokes, I remind you and the officers who are accompanying you that you can pass notes directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Could everyone please turn off their mobile phones for the duration of the hearing. All witnesses from the department, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

TERRY BAILEY, Chief Executive, Office of Environment and Heritage, affirmed and examined

MARCUS RAY, Deputy Secretary, Department of Planning and Environment, affirmed and examined

CAROLYN MCNALLY, Secretary, Department of Planning and Environment, sworn and examined

JULIAN FRECKLINGTON, Chief Operating Officer, UrbanGrowth, sworn and examined

SARAH HILL, Chief Executive Officer, Greater Sydney Commission, sworn and examined

The CHAIR: I declare the budget estimates inquiry into the proposed expenditure of Planning open for examination. Questioning for the portfolio of Planning will run from 2 p.m. to approximately 4.40 p.m.. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. DANIEL MOOKHEY: I would like to table these contracts and have them passed to the witnesses. I have provided three copies.

The CHAIR: Order! There is a problem with the audio.

The Hon. SHAYNE MALLARD: Can I clarify who are substituting members and who is the joining member?

The Hon. PENNY SHARPE: I am the participating member. I do not have a vote.

The CHAIR: That is the only relevant issue.

The Hon. PENNY SHARPE: I am aware I do not have a vote.

(Short adjournment)

The Hon. DANIEL MOOKHEY: Thank you, Minister, for your appearance, and for the appearance of your officials. Minister, the documents I have just given you are numbered 1, 2 and 3. With respect to the questions, I will specify precisely which document I am referring to. The first document, No. 1, is an extract from the contract database that shows that the Department of Planning and Environment, Corporate entered into a contract for social media campaigns for the Greater Sydney Commission between 16 May 2016 and 18 August 2016, with an original contract value of \$150,000 amended to \$300,000.

Document No. 2 shows that the Department of Planning and Environment, Corporate entered into a contract for the provision of social media services for the Greater Sydney Commission with a contract duration of 1 August 2016 to 30 June 2017, with a contract value of \$224,642. The third contract, which is document No. 3, shows that the Department of Planning and Environment, Corporate entered into a contract for the engagement of a service provider to provide event management services for the Greater Sydney Commission, in particular its draft district plans between 23 June 2016 and 31 August 2016 with a cost of \$700,000. Minister, has the Greater Sydney Commission paid \$1.2 million for a 94 day social media PR campaign?

Mr ROB STOKES: Thank you for your question. I will make some preliminary comments and then pass over to the Chief Executive Officer of the Greater Sydney Commission on the operational specifics. Community engagement and participation is one of the key objectives of the Environmental Planning and Assessment Act. Part C of the Environmental Planning and Assessment Act makes it clear that one of the principal objectives is to encourage greater involvement in public participation and involvement in environmental plan making. Similarly, 9(g) of the Greater Sydney Commission Act has a similar objective of encouraging and incubating public participation and involvement in regional planning for the Greater Sydney Region. Certainly, in general planning practice, encouraging deliberation about the plans for the future of Sydney needs to be an open and democratic process. Certainly, as part of the statement of priorities that I gave to the Greater Sydney Commission, one of the key things it was tasked to do was to develop engagement strategies to inform the creation of district plans. Having made that opening statement—

The Hon. DANIEL MOOKHEY: Just before you do, so I can understand the answer, am I correct in understanding that the \$1.2 million that has been spent on a non-informative campaign arises out of a legislative mandate and your directions to the Greater Sydney Commission?

Mr ROB STOKES: I am saying that on operational matters, I will defer to the chief executive officer [CEO]. At all times it would be my expectation, as Minister, that the agency would operate within its budget.

The Hon. DANIEL MOOKHEY: Thank you.

Mr ROB STOKES: In relation to how it fulfils its statutory functions and the matters that I am empowered to direct it to do, as a matter of how it fulfils those operational responsibilities, that is a matter for the agency.

Ms HILL: I would like to reiterate the importance to the Greater Sydney Commission of increasing opportunities for public involvement and point to one of the key objects of our legislation accordingly. I would also like to clarify the nature of the contrast—

The Hon. DANIEL MOOKHEY: Sorry, I will happily take the first part, but I do have other questions, in which the details you wish to clarify may well come up. Given that we have limited time, if you wish to provide that and if your argument is exactly the same as that of the Minister's—that you have a legislative mandate—I appreciate the answer that we have. Thank you very much. Can I—

Ms HILL: So if I may just clarify that the \$1.2 million has not been spent and that the first contract has been awarded for social media. It is important to us, as I said, that we engage with community members more broadly, and social media is an incredibly important platform for that.

The Hon. DANIEL MOOKHEY: I am sorry, can I just come to that briefly? You are talking about contract No. 1. Is that what we are talking about?

Ms HILL: Yes.

The Hon. DANIEL MOOKHEY: From 16 May 2016 to 18 August 2016 an amended contract value of \$300,000 and an original contract value of \$150,000 has not been spent.

Ms HILL: It has been spent. Contract No. 1 has.

The Hon. DANIEL MOOKHEY: And contract No. 2—to be fair, contract No. 2 is from 1 August 2016 to 30 June 2017.

Ms HILL: It has not commenced. It will commence on Monday.

The Hon. DANIEL MOOKHEY: It has commenced on Monday?

Ms HILL: It will commence on Monday, the following Monday.

The Hon. DANIEL MOOKHEY: And the contract value, \$700,000, the engagement of a service provider, it says here, commenced on 23 June and finished on 31 August which, as I understand it, is today.

Ms HILL: So, if I can clarify, that contract was for a major event in Sydney to bring Sydneysiders together to talk about strategic planning. We heard from Sydneysiders that the best way to engage with them—

The Hon. DANIEL MOOKHEY: Great. What was the event? What was the date?

The Hon. BRONNIE TAYLOR: Point of order: I just want to clarify from the beginning and make it really clear that if questions are going to be asked, we have to allow the people to answer the question completely. They deserve that courtesy.

The Hon. DANIEL MOOKHEY: I understand that; I did not mean to be rude. I was simply asking about the event to which she referred—

The CHAIR: Order! Ms Taylor, I will decide what is appropriate or not question-wise. There is no point of order.

The Hon. DANIEL MOOKHEY: What was the event? What was the date?

Ms HILL: The event was not held. We did not commence the contract because we listened to Sydneysiders, who told us that it was best to first meet with them at a community level. For that reason we rethought the approach and we have been having over 50 meetings during the month of August directly with community stakeholders.

The Hon. DANIEL MOOKHEY: Were they paid for from that contract?

Ms HILL: No.

The Hon. DANIEL MOOKHEY: So what happened to that \$700,000?

Ms HILL: The money has not been spent.

The Hon. DANIEL MOOKHEY: Okay. Thank you. Minister, as of 1.30 p.m. today, did the Greater Sydney Commission have 4,169 Facebook followers? Did it have 559 Twitter followers? Did it have eight YouTube subscribers, and 123 Instagram followers?

Mr ROB STOKES: I will defer that question to the CEO.

Ms HILL: I would have to take those exact numbers on notice.

The Hon. DANIEL MOOKHEY: Thank you. We will exclude the \$700,000, but based on the other expenditure, is it the case that the taxpayers of New South Wales have paid \$72.39 per Facebook like, \$536.67 per Twitter follower, \$2,429 per Instagram follower and \$37,500 per YouTube subscriber?

Ms HILL: As I said, I would have to take those numbers on notice, but I would like to say that to the best of my knowledge we have had more than one million people engaged with our website and our social media, and we have had more than 142,000 people directly engaged with us in liking or commenting.

The Hon. DANIEL MOOKHEY: Thank you. Minister, do you not think that spending \$1.2 million on a 94-day social media public relations [PR] cash splash is an outrageous use of taxpayers' dollars?

Mr ROB STOKES: As I said in my opening statement, obviously public engagement and consultation is one of the principal functions of the Greater Sydney Commission, and indeed it is one of the principal functions of the planning system as a whole. It is important to consult with the community and also to provide opportunities for the community to have feedback at a strategic planning level as well as, obviously, in relation to assessment of individual development applications. It is important to provide opportunities for people to have their say. As part of that I also note that the operational budget of the Greater Sydney Commission is reasonably low compared to the operational budgets of metropolitan governance authorities globally. In fact, if I reflect on the Sydney Metropolitan Development Authority that was the creation of Labor when it was last in Government, that had a similar size budget—

The Hon. DANIEL MOOKHEY: Thanks, Minister.

Mr ROB STOKES: —but it only had three precincts in Sydney that it was planning for. So I would say that the overall budget of the organisation is—

The Hon. DANIEL MOOKHEY: Thank you. But I am not asking you about the overall budget; I am asking you about the \$1.2 million specifically. If you do not think that this is an outrageous expenditure of public dollars, would you spend the \$1.2 million again?

Mr ROB STOKES: I am sorry, I cannot comment on hypotheticals.

The Hon. DANIEL MOOKHEY: Can you think of even one project that would have delivered better value for money than this social media campaign?

Mr ROB STOKES: Once again, it is important to provide opportunities for the public to have their say on plans that will shape the future for their homes, for their jobs, and for their recreational opportunities. It is important to provide a platform for this sort of discourse and dialogue. Social media is one strategy. There is a range of ways in which these conversations are important.

The Hon. DANIEL MOOKHEY: Minister, either to you or through you to any person you wish to refer this to, does the Greater Sydney Commission have on its staff a senior media adviser, a communications and engagement administrator, a digital strategist and a director of communications and engagement?

Mr ROB STOKES: I will offer some preliminary comments and then direct the question to the CEO. But what I will say is that I understand the total staffing of the Greater Sydney Commission is around 40 or so, of which about half are secondments from local government and from other government agencies.

The Hon. DANIEL MOOKHEY: Are those four positions secondments?

Mr ROB STOKES: I will direct the specifics to the CEO.

Ms HILL: We do have a number of staff in our communications and media team to support the importance of involving more Sydneysiders within Sydney. At this point in time, we have not got permanent positions owing to the—

The Hon. DANIEL MOOKHEY: There are four people, either seconded or otherwise—at least four; I only know about four. But are there four people—the senior media adviser, seconded or otherwise; the communications and engagement administrator, seconded or otherwise; the digital strategist, seconded or otherwise; or the director of communications and engagements, seconded or otherwise?

Ms HILL: If you can give me a moment, I will just confirm—

The Hon. DANIEL MOOKHEY: If you wish to take it on notice, you are welcome to.

Ms HILL: I am happy to take that on notice, thank you.

The Hon. DANIEL MOOKHEY: Thank you. In respect to the communications staff that have been seconded, why are they not capable of completing the legislative mandate that you outlined before, Minister, or the direction that you provided? Why are the in-house staff of the Greater Sydney Commission not capable of performing the Facebook likes, the tweets, the Instagram posts and the YouTube contributions?

Mr ROB STOKES: I will offer a preliminary comment and then defer to the CEO. The staff of the commission are there to assist the commissioners in their role. Ultimately, it is for the commissioners to do a lot of the direct consultation—for them to understand what the various views are as they complete the district plans in the case of the Greater Sydney Commissioners and of the other commissioners as they focus on environmental, social and economic issues across the fabric of the city. Part of that will require them to be supported by people who are able to help them in those communication tasks, but fundamentally the commissioners are there to provide that interface with as many people as they are able to reach through community groups, through street stalls and through other innovative means of communication.

Ms HILL: I reiterate the importance of engaging with a broad range of people in Sydney. Those staff are very much required to support our commissioners, who are meeting with community stakeholders, who are meeting with councils, who are meeting with a range of peak bodies and reference groups. This is quite a resource-intensive process, but it is critically important to the Greater Sydney Commission to increase opportunities for public participation.

The Hon. DANIEL MOOKHEY: Was the award of these contracts reported to the finance and governance committee of the Greater Sydney Commission and/or the Greater Sydney Commission meeting itself?

Ms HILL: They were reported to the finance and governance committee meeting, yes.

The Hon. DANIEL MOOKHEY: Who chairs that?

Ms HILL: Lucy Turnbull, the chief commissioner.

The Hon. DANIEL MOOKHEY: Was the award of these contracts reported to the department secretary, given that this was a contract instituted by Planning?

Ms HILL: They have followed the process with the contract, but I would have to take that on notice.

The Hon. DANIEL MOOKHEY: I was asking the Minister, to be fair.

Mr ROB STOKES: Again, I am happy to defer to the secretary with operational matters.

Ms McNALLY: There is a standard process in government, and the lead agency usually takes the lead on that. We provide the services, making sure these things are properly reported with proper processes.

The Hon. DANIEL MOOKHEY: Were you notified?

Ms McNALLY: I get regular lists of what is put onto the contracts website.

The Hon. DANIEL MOOKHEY: Minister, did your office, any of your staff or you receive notification of these contracts being entered into?

Mr ROB STOKES: I will have to take that on notice.

The Hon. DANIEL MOOKHEY: You do not know, you cannot recall or you will take it on notice?

Mr ROB STOKES: I will take it on notice.

The Hon. DANIEL MOOKHEY: If you go back to contract No. 1, what was the method of tender?

Mr ROB STOKES: I will defer to the CEO.

Ms HILL: I would have to say that due process in the tender process was taken and I would have to take the full details on notice.

The Hon. DANIEL MOOKHEY: If you turn to page 2, it says the method of tendering was a non-tender. Why was this contract not tendered?

Ms HILL: I would have to take the details of that on notice.

The Hon. DANIEL MOOKHEY: Who made the decision not to tender it?

Ms HILL: That is a matter for the acting chief information officer [CIO] that I would have to take on notice.

The Hon. DANIEL MOOKHEY: What relevance does the acting CIO have to this?

Ms HILL: They have managed the tendering process.

The Hon. DANIEL MOOKHEY: Did they make the decision not to tender the contract?

Ms HILL: I would have to take that question on notice.

The Hon. DANIEL MOOKHEY: Minister, were you informed that this contract was not tendered?

Mr ROB STOKES: No, but again the details will come on notice.

The Hon. DANIEL MOOKHEY: Is it routine that contracts that are issued by the Department of Planning are not tendered?

Mr ROB STOKES: Again, I would have to take the specifics of your question on notice.

The Hon. DANIEL MOOKHEY: Secretary, were you aware that this contract was not tendered?

Ms McNALLY: There are standard procedures where for contracts under \$150,000 you are required to obtain one quote, for contracts under \$300,000 quotes and anything over \$300,000 is required to go to tender.

The Hon. DANIEL MOOKHEY: That is interesting, because through the course of the contract, the initial contract value was \$150,000. That was amended to \$300,000. Who issued the amendment? Who authorised an additional \$150,000 and therefore triggered the threshold that the secretary just spoke of?

Ms HILL: As I said, I would need to take that on notice.

The Hon. DANIEL MOOKHEY: You do not know. Does anyone know who doubled the contract through the life of the contract?

Ms HILL: It is a matter—

The Hon. DANIEL MOOKHEY: Can we find out?

Mr DAVID SHOEBRIDGE: She said she would take it on notice.

The Hon. DANIEL MOOKHEY: I am going to talk through the requirements for non-tenders. Does that mean that this contract was arrived at through a direct negotiation?

Ms HILL: I will have to take the details on notice to avoid any confusion.

Ms McNALLY: I can add one point there. One of the things that we have in government is standard panels. Quite often, for contracts under the threshold amounts, the panels are used. Those panels originally do go out to tender, and agencies are able to utilise providers from those panels.

The Hon. DANIEL MOOKHEY: Thank you, Secretary—trust me we will get to that. With respect to the market approaches guide, which is issued by the Department of Finance and Services and which is a binding document on all New South Wales government agencies, it says quite clearly about direct negotiation that such an approach requires high-level authorisation and should only be used in clear and unambiguous circumstances. Who provided the high-level authorisation for this to go through a non-tender?

Ms HILL: If I can take this on notice, and we will provide those details.

The Hon. DANIEL MOOKHEY: Let us turn to contract No. 3. I understand the money was not ever expended although the contract was entered into. This contract was undertaken through a limited tender. What form of limited tender?

Ms HILL: Again, I am advised that the appropriate process was taken, and I would need to take the full details on notice.

The Hon. DANIEL MOOKHEY: In respect of the limited tender circumstances, why was it put to a limited tender?

Ms HILL: Again, I would need to take the details on notice.

The Hon. DANIEL MOOKHEY: I again go back to the market approaches guide. It says limited tenders are generally used, first, for emergency situations. Did an emergency situation prompt this?

Ms HILL: I will need to take the details of this on notice.

The Hon. DANIEL MOOKHEY: And, secondly, specialist work. Was specialist work required?

Ms HILL: I will need to take the details of those on notice.

The Hon. DANIEL MOOKHEY: I am asking specific questions because I want specific answers on notice to these three points. Were there special circumstances when only one or a limited number of service providers are known to be able to carry out the work?

Ms HILL: Again, I will need to take the details of this on notice.

The Hon. DANIEL MOOKHEY: For low-value, low-risk, off-the-shelf procurement.

Ms HILL: I will take the details of those on notice.

The Hon. DANIEL MOOKHEY: Minister, were you informed that the third contract was entered into by a limited tender?

Mr ROB STOKES: Again, these are operational matters relating to specific contracts. They were not issues in which I was directly involved; they are at operational level. I will defer to the CEO to answer those specific questions.

The Hon. DANIEL MOOKHEY: Was the secretary informed that this was entered into by a limited tender?

Ms McNALLY: No.

The CHAIR: Minister, you would recall that my colleague the Hon. Robert Brown, along with the Hon. Paul Green of the Christian Democratic Party, met with you previously to complain against the inappropriate application of environmental zones [E zones] in northern rivers councils.

Mr ROB STOKES: Yes, I recall.

The CHAIR: You subsequently issued a section 117 directive regarding the indiscriminate application of these E zones over commercial and agricultural use on private property, where prior use should automatically exclude E zoning. Do you recall that directive?

Mr ROB STOKES: I cannot recall the exact wording, but we were seeking to ensure that zoning reflected the actual use to which the land was being put. There were some ridiculous situations, in my view, that were put to me by your colleague and by the Hon. Paul Green where, for example, there was an operational macadamia farm that had been covered by an E2 zone, I think in Ballina Shire Council. It was clear that the current use of the land was rendered a prohibited use because of the zoning. To get over those situations, we made it clear that in the future planning proposals by councils, or certainly when these matters were finalised because they had been deferred from the local environmental plan [LEP] process, they had to be guided by the actual use of the land. For example, where there is a national park or nature reserve, that is easy—an E1 zone can be applied. Where a land owner has entered into a conservation agreement for the management of land for environmental conservation, an E2 zone would be appropriate. But where, for example, you had an operational farm, you would not be putting an environmental conservation zone over the top of it.

The CHAIR: Are you aware that although Kyogle council has complied, Ballina council has chosen to ignore your section 117 directive in relation to E zones?

Mr ROB STOKES: I was not aware and I am concerned. I will give an undertaking that we will follow that up. As a point of law, when a section 117 direction is provided, a council is obliged as a matter of law to follow that direction in its approach to land-use zoning. Can we provide any other details at this stage, Mr Ray?

Mr RAY: No, Minister, we cannot.

The CHAIR: Minister, please take that on notice and advise us once you have appraised yourself fully of what you will do to fix that.

Mr ROB STOKES: Sure. I will say they were deferred and it is now a matter for council to come up with a planning proposal to deal with those bits of the LEP. I will find out what is going on and get back to you.

The CHAIR: They still have to comply with your section 117 directive?

Mr ROB STOKES: Yes, that is right.

The CHAIR: Following on from that, can you advise whether the department will now enforce the section 117 directive by adding a three-month deadline for compliance with it?

Mr ROB STOKES: Again, I will take the specifics on notice. The 117 directive means that when a council is involved in a statutory planning process, it is obliged to act in accordance with the directive. It does not force it to undertake a statutory process—that is a matter for the local government to decide—but when it does, it has to follow it.

The CHAIR: Just for clarification, you are saying that it could defer it indefinitely.

Mr ROB STOKES: I will take the specifics on notice. There are always opportunities for a Minister to intervene. I am not saying I will intervene; I will seek further details and see what the appropriate response is. Obviously on the North Coast it is important that we provide as much predictability in the planning system as possible. The planning system should not be getting in the way of people making productive use of their land, but we also need to balance that against the important agricultural industry on the North Coast. There is also an important tourism industry, and part of the tourism industry relies upon the health of the local environment. A healthy local environment is important to the North Coast—

Mr DAVID SHOEBRIDGE: Just for the tourism industry.

Mr ROB STOKES: No, for a whole range. I am just saying that tourism, for example, relies on a healthy natural environment but ultimately agriculture does too. These things all need to be balanced, and I will look to take appropriate action.

The CHAIR: What concerns my colleagues and me is that somehow or other Ballina Shire Council may be subverting the prior use law that carries through and that, by being able to indefinitely delay a section 117 directive, it is effectively subverting the planning process.

Mr ROB STOKES: If that were the case, that would not be appropriate in my view. I will seek to look into it and provide you with an answer.

Mr DAVID SHOEBRIDGE: Given the history of New South Wales, I put it to you that it would be one of your primary duties to ensure that our planning system is corruption proof as far as possible. Would you agree with that?

Mr ROB STOKES: I would.

Mr DAVID SHOEBRIDGE: In fact, the history of the New South Wales planning system is one that has been rife and riddled with corruption, and there is an overriding obligation on any Minister for Planning to re-establish confidence in the planning system. Would you agree?

Mr ROB STOKES: I would agree.

Mr DAVID SHOEBRIDGE: Your job as a Liberal Minister for Planning to re-establish that faith in the planning system has been made much more difficult by at least nine of your former Liberal colleagues taking illegal property developer donations, has it not?

Mr ROB STOKES: Are these questions or statements?

Mr DAVID SHOEBRIDGE: It is a question. Your job as a Minister for Planning is to root out corruption and to re-establish faith in the planning system, which has been made much harder because nine of your Liberal Party colleagues took illegal property developer donations.

Mr ROB STOKES: I would not just limit it to that. I think when any public official at any level acts inappropriately on any level, it erodes confidence in the whole process of government, not just in planning. Planning is a key function of government, but it does not end there. It reflects poorly on all of us.

Mr DAVID SHOEBRIDGE: You and your Coalition planning Minister predecessors should be doing everything you can to ensure that the planning Act has provisions in it to remedy matters when a planning decision or a rezoning decision has been tainted by corruption, should you not?

Mr ROB STOKES: I certainly do not think that that is a partisan obligation. I think there is an obligation on anyone who holds an office to ensure that we have a robust planning system.

Mr DAVID SHOEBRIDGE: The Greens will join you; I give you that guarantee.

Mr ROB STOKES: We also need to make sure that the process is certain. There are a number of things that we need to balance as part of our planning system, but certainly having an honest and open system for reaching decisions is important. We need to have certainty in the decisions once they are made as well.

Mr DAVID SHOEBRIDGE: I assume you support section 124A of the Environmental Planning and Assessment Act 1979 that says where a development approval has been tainted by corruption, that approval can be set aside. I assume you support the provision in the Act.

Mr ROB STOKES: Not that I do not trust you at all, but I am just looking it up.

Mr DAVID SHOEBRIDGE: Siri agrees with me.

The CHAIR: She did not say that.

Mr ROB STOKES: Yes, I will agree that that is an important part of the Act.

Mr DAVID SHOEBRIDGE: So where a development approval—and maybe that is for a block of flats, a container terminal or a coal loader terminal—has been tainted by corruption, that development approval should be able to be set aside, subject to some checks and balances, should it not?

Mr ROB STOKES: There are 11 subsections to this section, so I will—

Mr DAVID SHOEBRIDGE: But the basic concept is that once an approval has been tainted by corruption there should be a power in place—

Mr ROB STOKES: A capacity.

Mr DAVID SHOEBRIDGE: There should be a capacity to set it aside. Do you agree with that?

Mr ROB STOKES: There is, yes.

Mr DAVID SHOEBRIDGE: It is good, is it not?

Mr ROB STOKES: I am agreeing that that section is there, yes.

Mr DAVID SHOEBRIDGE: In the Hawkesbury former Liberal Mayor Bart Bassett took \$18,000 in an illegal property developer donation from Builddev, laundered it through the Free Enterprise Foundation when

he knew it was illegal, then went into council and used his casting vote to vote for the rezoning of land owned by Buildev in North Richmond called Redbank. That was tainted by corruption, was it not?

Mr ROB STOKES: I have not had a chance to read the Spicer report in detail, but I am happy to take this particular matter on notice and to provide a considered response. You would appreciate that there are serious imputations in your question which I will reflect upon, and I will ensure that I provide a detailed answer.

Mr DAVID SHOEBRIDGE: I put it to you, absent the personalities: If a mayor—let us make them a Liberal mayor—gets \$18,000 in illegal donations from a property developer, knows at the time that it is illegal, launders it to his party through an organisation like the Free Enterprise Foundation, then trots into council and uses his casting vote to approve a rezoning for the developer who gave the illegal donation, that would trouble you, would it not?

Mr ROB STOKES: We have sought legal advice in relation to the applications of the ICAC findings in Operation Spicer.

Mr DAVID SHOEBRIDGE: Minister, I will show you some correspondence. This is a letter I sent to your predecessor, Pru Goward, on 26 September 2014, advising her of a resolution of the then Hawkesbury City Council—which did not include Mr Bassett—that month asking for the planning approval process for Redbank to be stopped until Operation Spicer had reported. I pointed out in that correspondence that there was currently no statutory power to set aside a rezoning approval that was tainted by corruption and that your Government should look into that and it would have the support of The Greens to put it in place. Ms Goward responded by saying she would wait until Operation Spicer had reported. We have had no action for two years, despite there being a gaping hole in the planning Act that means you and no court have the power to set aside a corruptly obtained rezoning proposal. What have the department and your Government been doing for two years—just putting your heads in the sand and hoping Spicer will be okay?

Mr ROB STOKES: Mr Shoebridge, as you appreciate, these are letters to my predecessor. I was not aware of them. Having had an opportunity to read them, and I say this in the spirit of goodwill, we do have an opportunity through legislative updates that I am presently seeking to develop to reflect on this issue you raise. In a considered response to this, I will ensure that we look at this carefully. We are seeking legal advice about the implications of Operation Spicer. I will ensure that this is part of that. I can understand why you are asking these questions, and I can certainly see this correspondence. I was not aware of this until you handed it to me because it is addressed to my predecessor and not to me. I will follow it up.

Mr DAVID SHOEBRIDGE: Your Government was put on notice two years ago that there was a huge corruption hole in the Planning Act and it has done nothing. How do you explain that inaction?

Mr ROB STOKES: Again—

Mr DAVID SHOEBRIDGE: You blame Pru Goward. Are you saying that she put it in a black hole?

Mr ROB STOKES: No, that is not what I said. I said that you have given me some correspondence that I have now seen for the first time. That is reasonable because it was not addressed to me.

Mr DAVID SHOEBRIDGE: No, it was addressed to your predecessor, a Liberal Party Minister for Planning, who did nothing and did not even alert you to it. Is that right? Did she not tell you about the problem in the Planning Act?

Mr ROB STOKES: Once again, I have provided a clear answer to the question. I take on notice the issue you have raised, and I think it is a reasonable issue for us to look at. In a spirit of cooperation, I will look at this carefully and provide a detailed response as to how we might be able address it.

Mr DAVID SHOEBRIDGE: This matter is urgent for the Hawkesbury community, which has seen huge overdevelopment for the first time ever on the western side of the Hawkesbury River, pressure on local roads, trees being knocked down, and a subdivision rolling out because the Redbank approval went through on the casting vote of a member of the Liberal Party who took \$18,000 in illegal property developer donations. The community cannot wait for a grindingly slow corruption response from your Government. Will you provide an urgent response and look to setting aside the rezoning that has been undoubtedly tainted by corruption?

Mr ROB STOKES: Thank you for raising this with me. I note that this is the first time you have raised it with me.

Mr DAVID SHOEBRIDGE: I sent the correspondence to your predecessor. You cannot avoid responsibility.

Mr ROB STOKES: I am not seeking to avoid responsibility. I am thanking you for raising it with me. However, to be fair—

Mr DAVID SHOEBRIDGE: So when you took office there was a blank desk; there was nothing from Pru Goward?

Mr ROB STOKES: I am trying to answer the question.

The Hon. BRONNIE TAYLOR: Point of order: The Minister has answered the question, but the member keeps asking it again and again. The Minister said that he was not aware of the correspondence and that he would consider the issue.

Mr DAVID SHOEBRIDGE: That is not a point of order

The CHAIR: That is not a point of order.

Mr ROB STOKES: I repeat, thank you for raising this issue with me. As you would appreciate, the letter is not addressed to me. Nevertheless, I have now seen it and the member has raised a valuable point. I will ensure that the issue is looked into and I will provide an appropriate response. In relation to the specifics of the rezoning, I do not have that information in front of me, and I am therefore not in a position to make a judgment.

Mr DAVID SHOEBRIDGE: If your party has received a donation from a property developer or any proponent about a planning matter, are there procedures in place that mean you avoid having any contact with them?

Mr ROB STOKES: Questions about the processes of the Liberal Party should be directed to the party.

Mr DAVID SHOEBRIDGE: If the Liberal Party has received a donation from a property developer, do you have any processes in place that prevent you as a Liberal Party Minister making a decision about a matter impacting on that property developer? Are there any of those basic corruption-proof measures in place?

Mr ROB STOKES: In terms of making determinations on development applications, unless it is a matter of critical infrastructure or a State-significant project, that is not a decision I make.

Mr DAVID SHOEBRIDGE: Assume that it involves State-significant infrastructure, if there was a donation from a proponent or an applicant—it does not have to be a property developer—that is not a decision you can make. Surely you have something like that in place.

Mr ROB STOKES: I am searching my mind for a critical State-significant infrastructure project where that would apply. I am not aware of any donations that the Roads and Maritime Services has made to the Liberal Party. These issues relate to when State agencies are building a piece of State infrastructure. They are matters on which I have the capacity to make a distinction and they are delegated in other matters.

Mr DAVID SHOEBRIDGE: What if there is a 117 planning direction that might impact on land owned by a property developer in Wyong, or if a property developer makes a presentation to you and says, "I want a 117 direction about Ballina"? Surely you have in place a process that checks whether the person asking for a result from you has made a donation to your party.

Mr ROB STOKES: First, donations from property developers are illegal in this State. With respect, the whole premise of the question is misconceived.

Mr DAVID SHOEBRIDGE: Let us say that they are not a property developer; let us say they are a landowner.

Mr ROB STOKES: I will not speculate on hypotheticals.

Mr DAVID SHOEBRIDGE: Is there any kind of integrity measure that checks on donations from property developers before they became illegal? They made bucket loads of them to your party before they became illegal. Do you have any integrity measures in place?

Mr ROB STOKES: I have been provided with advice about decisions where political donations have been made. Councils, for example, are expected to advise the department whether they have received reportable donations when they submit a planning proposal for gateway assistance. The department has guidance on its website regarding this issue. The department's templates for local environmental plans have an area in which to identify whether a registered lobbyist has been involved and whether a reportable donation has been made. The processes about which you are seeking advice do exist within the planning system.

Mr DAVID SHOEBRIDGE: There is a big problem here because the Independent Commission Against Corruption has found that \$693,000, primarily from property developers, has been funnelled to your party through the Free Enterprise Foundation, and to date nobody knows. There has never been a disclosure about who those property developers are. Therefore, no council will know whether or not it has been tainted. You potentially will not know whether something has been tainted by property developer donations because your party is not telling anyone.

Mr ROB STOKES: I will take that as a statement. What I can say—

Mr DAVID SHOEBRIDGE: Are you going to fix it? Are you going to get your party to break down and declare the donations? Are you going to say which property developers have been buying influence with you?

Mr ROB STOKES: These are matters for the Liberal Party.

Mr DAVID SHOEBRIDGE: They impact directly on your portfolio.

Mr ROB STOKES: Again, in respect of laws relating to reportable political donations, I am sure that I abide by my legal responsibilities at all times.

The Hon. DANIEL MOOKHEY: I turn to contract No. 3, the \$700,000 contract that will now not go ahead. Is there a definitive decision that that money will not be spent?

Ms HILL: We decided that an event of that scale was not appropriate this year given the feedback we have had from Sydneysiders that they would like to meet with us more directly rather than have a major event.

The Hon. DANIEL MOOKHEY: What was the event?

Ms HILL: We were anticipating an event where people from across Sydney could come together to share their ideas about Sydney and better ways of being more involved in strategic planning.

The Hon. DANIEL MOOKHEY: Was it a one-day event?

Ms HILL: Yes, it was a one-day event.

The Hon. DANIEL MOOKHEY: And the budget was \$700,000.

Ms HILL: That was an upper figure limit. It certainly was not something that we—

The Hon. DANIEL MOOKHEY: I turn to contract No. 1. This is the \$300,000 contract awarded to Weber Shandwick without going to tender. Do you know that firm?

Mr ROB STOKES: No.

The Hon. DANIEL MOOKHEY: This was the contract engaged in through direct negotiations. Who led the negotiations? Was it someone from the department or the Greater Sydney Commission?

Ms HILL: The Greater Sydney Commission.

The Hon. DANIEL MOOKHEY: Who in the commission?

Ms HILL: The head of communications and engagement.

The Hon. DANIEL MOOKHEY: Is Weber Shandwick an appointed service provider under advertising and digital communications services according to the Department of Finance, Services and Innovation's prequalification process?

Ms HILL: To ensure the accuracy of the answer, I will take the question on notice.

The Hon. DANIEL MOOKHEY: I am happy to table this document if you would like to see it. There are 24 firms on this list, and Weber Shandwick is not one of them.

Ms HILL: I understand that the organisation's name is Jack Morton.

The Hon. DANIEL MOOKHEY: Jack who?

Ms HILL: Jack Morton.

The Hon. DANIEL MOOKHEY: That name is not on the list either.

Ms HILL: I will need to take the details of that on notice.

The Hon. DANIEL MOOKHEY: So therefore how was Weber Shandwick approached?

Ms HILL: Again, to ensure the accuracy of my answer, I would need to take that on notice.

The Hon. DANIEL MOOKHEY: Does the department that actually entered the contract know how Weber Shandwick was approached?

Ms McNALLY: No, I do not have that information.

The Hon. DANIEL MOOKHEY: Did you google them? Did you get it off the White Pages? How does this firm appear to be able to receive a \$300,000 contract without being prequalified?

Ms HILL: I will need to take that question on notice.

The Hon. DANIEL MOOKHEY: Let's go to contract No. 3. This is the contract that is not to be proceeded with and this was for the engagement at the event that you just described. This contract was also awarded to Weber Shandwick through a limited tender. Were other firms asked to tender for this work?

Ms HILL: Yes, they were.

The Hon. DANIEL MOOKHEY: Which ones?

Ms HILL: I will have to take that question on notice to ensure the accuracy of the answer.

The Hon. DANIEL MOOKHEY: Was the reason Weber Shandwick got the second contract that it got the first contract without a tender?

Ms HILL: I cannot answer that. I need to take it on notice.

The Hon. DANIEL MOOKHEY: Does anyone know anything about these contracts?

Ms HILL: To ensure the accuracy of the answer, I will take that on notice.

The Hon. DANIEL MOOKHEY: We have hours, so if you wish to find out in the meantime it would be most appreciated. Minister, is Weber Shandwick listed as active on the New South Wales lobbyist register list?

Mr ROB STOKES: In answer to an earlier question I said I do not know who it is, so I do not know the answer to your question.

The Hon. DANIEL MOOKHEY: Does anyone know the answer as to whether or not it is?

Ms HILL: I would need to take it on notice. I do not have the information before me.

The Hon. DANIEL MOOKHEY: Great—of course not. I am happy to table the document again. I have an excerpt from the lobbyist register, and this is information that is accurate as of this morning. Weber Shandwick Worldwide is active on the New South Wales lobbyist register. Do you want me to table the document? I am happy to show it to you. I want to be fair about this. How is it that \$1 million of public money goes to a firm that is on the New South Wales lobbyist register and no-one seems to know anything about it?

Ms HILL: I would need to take that question on notice.

The Hon. DANIEL MOOKHEY: Minister, are you able to shed light on any detail of this?

Mr ROB STOKES: Again, as I have explained, I do not have any engagement with this company. Those operational details relating to how the Greater Sydney Commission chooses to respond to its legislative responsibilities are a matter for the commission. They have the capacity to enter into contracts in accordance with the probity standards of government agencies.

The Hon. DANIEL MOOKHEY: Is your answer that they have not done anything wrong?

Mr ROB STOKES: My answer is that I do not have the specifics that you are seeking.

The Hon. DANIEL MOOKHEY: Do you approve of \$1 million of public money going to a lobbyist firm to do this work?

Mr ROB STOKES: I cannot comment on the specifics.

The Hon. DANIEL MOOKHEY: Why not?

Mr ROB STOKES: Because you have made a number of assertions, I have not had the opportunity to get advice on the matters you have raised.

The Hon. DANIEL MOOKHEY: Fair enough. Is the work that these people are doing in accordance with the Greater Sydney Commission's engagement strategy document that was released on 1 July 2016?

Ms HILL: That is the document that is available on our website.

The Hon. DANIEL MOOKHEY: That document says, amongst other things—and, just to remind everybody, this is precisely why the \$700,000 was awarded to Weber Shandwick:

These District Plans will provide a coordinated, practical focus to developing the jobs close to home and great places to live that Sydney needs. Your District Plan will tell you what to expect in the future—where new infrastructure, jobs, housing and parks are going to be developed and what areas and buildings will be protected and/or enhanced.

It then goes on to say:

We can only do that if we understand:

- The data held by government, councils, the community and the private sector—what this evidence tells us ... about what the future might hold ...
- The particular attributes of each district—what shapes the suburbs and town centres, jobs and facilities ...
- The priorities of different parties (including government)—what problems need to be solved, or issues addressed, so that each district can become a great place to live, work and visit?
- What communities need and want—what do the communities of each district value, what is important to them and how can we deliver these outcomes ...

Presumably they also reflect the legislative mandate in your directions, Minister?

Mr ROB STOKES: I will make an opening comment and then again refer the specifics to the chief executive officer. The job of the commission in relation to engaging with the community and introducing itself to the community extends across all the local government areas in Sydney. When you look at the level of engagement that councils are engaged in and the expenditure of councils across their jurisdictions you will see that if you were to add up those amounts and compare them to the expenditure by the Greater Sydney Commission—I do not know what the results of that would be—

The Hon. DANIEL MOOKHEY: Minister, would you agree that—

Mr ROB STOKES: I will just finish. The legislative mandate and the expectation that the Government had of the commission that it is to actively listen to the community, to reflect on what is heard and to engage in detailed engagement with local communities to understand the parameters of the sorts of areas that people want to see grow, change or stay the same is a really important function. Once again, from the advice that has been provided, the \$700,000 that you are concerned about has—

The Hon. DANIEL MOOKHEY: Oh, I am concerned about the \$1.2 million.

Mr ROB STOKES: —not been spent.

The Hon. DANIEL MOOKHEY: The \$300,000 has been. That was clarified earlier. In terms of all that information that you just outlined as well as the information in the document to which I just referred about community engagement, do you agree with me that should that information fall within the hands of the lobbyists it would be incredibly valuable information for that lobbyist to have?

Mr ROB STOKES: I am not in a position to comment on that. Again I do not know the identity of the organisation to which you are referring and I am not sure—

The Hon. DANIEL MOOKHEY: To be fair, my question was not about one organisation.

Mr ROB STOKES: Again perhaps the chief executive officer might be in a position to provide some more specifics.

The Hon. DANIEL MOOKHEY: Please.

Ms HILL: Contract one was for social media. The social media is a public forum for people to engage. That information is made publicly available on Facebook, Twitter or other things.

The Hon. DANIEL MOOKHEY: Is your argument that it has no value to a lobbyist?

Ms HILL: I cannot comment on that other than to say that the information has been made public in accordance with the social media approach.

The Hon. DANIEL MOOKHEY: Thank you. I would like to explore what precise risk mitigation devices were contained in this contract framework as well as the manner in which the direct negotiations were pursued with Weber Shandwick, which we now know is an active lobbyist. I will start with the negotiation process. I will be quite clear about the document to which I am referring, because this is a binding document for all agencies. It is the ICAC guide on how to undertake direct negotiations and the specific requirements that are

listed in that report. In respect of the non-tender, the \$300,000 that thankfully the secretary also established earlier was above the threshold of low-value risk, was a business case prepared for that tender.

Ms HILL: An engagement strategy has been prepared. The importance of social media is part of that.

The Hon. DANIEL MOOKHEY: No—a business case.

Ms HILL: A detailed business case.

The Hon. DANIEL MOOKHEY: No?

Ms HILL: Not to my knowledge, but I will take that question on notice to avoid any confusion.

The Hon. DANIEL MOOKHEY: Was an independent gateway review undertaken?

Ms HILL: I need to take that question on notice to avoid any confusion.

The Hon. DANIEL MOOKHEY: Did everybody—and specifically the head of engagement who we now know is the person who did the negotiations—sign a declaration stating that they were aware of any conflict of interest that might be relevant?

Ms HILL: I will need to take that question on notice.

The Hon. DANIEL MOOKHEY: In respect of the negotiations, was any anti-poaching entered into? This is the thing that ICAC says you have to do to make sure that they are not trying to grab your staff while it is doing a negotiation.

Ms HILL: I will need to take that question on notice.

The Hon. DANIEL MOOKHEY: Did the Greater Sydney Commission, the department or anyone else ever bring in any external assistance for this contract?

Ms HILL: I will need to take that question on notice.

The Hon. DANIEL MOOKHEY: Was a negotiation protocol put in place for how the direct negotiations were to be undertaken between a firm that is not prequalified and that no-one seems to know how it appeared in this? Did anyone enter into a negotiation protocol with the mystery firm that turned up?

Ms HILL: I will take that on notice.

The Hon. DANIEL MOOKHEY: After a price was settled, was it subject to any form of market testing to see whether or not taxpayers were getting value for dollars?

Ms HILL: I will take the details of that on notice.

The Hon. DANIEL MOOKHEY: When the contract value was amended—and by "amended" I mean doubled—was the doubling of that contract subject to any market testing?

Ms HILL: I will take that on notice.

The Hon. DANIEL MOOKHEY: Were any of the duties of the people in the Greater Sydney Commission segregated? That is, was the person who was responsible for undertaking the negotiations separate from the person who was responsible for actually overseeing the works delivery?

Ms HILL: To ensure the accuracy of the answer, I will take that on notice.

The Hon. DANIEL MOOKHEY: Was a probity officer appointed at all?

Ms HILL: I will take that on notice.

The Hon. DANIEL MOOKHEY: In respect of the Finance and Governance Committee meeting to which you just referred, was the New South Wales Department of Planning and Environment fraud and corruption control policy circulated?

Ms HILL: The GSC follows all of the appropriate policies under the Department of Planning and Environment's guidelines and code of conduct.

The Hon. DANIEL MOOKHEY: In the contract itself, were any restrictive covenants entered into that would restrict the staff of Weber Shandwick, which is doing this work from performing like duties—or any other duties that are relevant to this contract—for any of its other clients?

Ms HILL: Again, to ensure the accuracy of the answer, I will need to take that on notice.

The Hon. DANIEL MOOKHEY: Did the contract contain any clause that would bar the staff working on this contract from doing any work for anybody who has an application before the department, before PAC, before a joint regional planning panel or before the Greater Sydney Commission? Was this done?

Ms HILL: I would be happy to take that on notice.

The Hon. DANIEL MOOKHEY: Is there any information you can provide us about what risk mitigation devices were inserted into this contract to ensure that a firm that was not eligible to bid was not able to use the information taxpayers were paying them to collect for another client?

Ms HILL: I will take that on notice.

The Hon. DANIEL MOOKHEY: Minister, do you have anything to add?

Mr ROB STOKES: You referred to the ICAC guidelines on direct dealings. It is obviously my expectation that every agency complies—

The Hon. DANIEL MOOKHEY: Did you take steps to ensure that those guidelines were being followed?

Mr ROB STOKES: It is my expectation that everyone within the agencies that are ultimately answerable to me follow all relevant guidelines relating to probity and conduct.

The Hon. DANIEL MOOKHEY: Did the secretary, or any other person involved in the corporate area of Planning and Environment that actually entered this contract, do anything to check why a non-tender was awarded to a firm that was not eligible to bid.

Mr ROB STOKES: I will direct that to the secretary.

Ms McNALLY: I was not involved in these contracts, so I cannot comment on that. But in the department we do have a procurement area that provides me with advice on particular contracts the department enters into.

The Hon. DANIEL MOOKHEY: Do any of Weber Shandwick's clients currently have any business before the Department of Planning and Environment, the Greater Sydney Commission, PAC or any joint regional planning panel?

Mr ROB STOKES: As I have already answered, I am not aware of Weber Shandwick, so I am also not aware of its operations.

The Hon. DANIEL MOOKHEY: Minister, are you aware that the lobbyist register shows that one client of Weber Shandwick is Macquarie University?

Mr ROB STOKES: Once again, I have answered your question.

The Hon. DANIEL MOOKHEY: Minister, are you aware that Macquarie University said on 1 June 2016 that it is now preparing the detailed design to lodge a development application in the second half of the year for a \$200 million innovation hub in Macquarie Park?

Mr ROB STOKES: I am now.

The Hon. DANIEL MOOKHEY: Minister, does that fall within the northern district of the Greater Sydney Commission areas?

Ms HILL: Yes, it does.

The Hon. DANIEL MOOKHEY: The Greater Sydney Commission is tasked with producing a district plan for that area, that is correct?

Ms HILL: Yes.

The Hon. DANIEL MOOKHEY: I am going only off the GSC's own press releases here and other statements you have made—and other statements, incidentally, that other Government Ministers have made. These include reference to the fact that there are government buildings involved in the Macquarie Park development. It is also clear that the core aspect of that northern plan is to turn that district into an innovation hub—that that is one aspiration that is widely shared in that region and that the Greater Sydney Commission is expected to undertake community consultation to determine the extent to which that is right or wrong. That is correct, is it not?

Ms HILL: That is a matter for the North District Commissioner to consider.

The Hon. DANIEL MOOKHEY: For the North District Commissioner to consider? Wonderful. Weber Shandwick, through the non-tender for \$300,000 of work, would have had fantastic opportunities to see exactly what was being told to the Greater Sydney Commission. I understand the way Facebook works. If it is doing the Facebook administration, it is getting all the messages, it is deciding all the advertising and it is letting all the events—it is a serious piece of work that it is doing. I go back to my earlier question: What measures were put in place to ensure that no information learned by Weber Shandwick through its engagement with the Greater Sydney Commission could be used for any of its other clients, including Macquarie University—which, incidentally, is almost definitely going to have its DA decided by the panel, "the Sydney planning panel" I think you call them, for that district?

Ms HILL: First, may I explain that any social media is a public platform, so any information relating to that is made public.

The Hon. DANIEL MOOKHEY: Is your view, then, that there is no risk?

Ms HILL: I would have to reflect on that and respond after a more detailed investigation.

The Hon. DANIEL MOOKHEY: Minister, with Macquarie University's application for its \$200 million development, for which it has retained the services of a lobbyist firm—that, incidentally, is also doing work for the Greater Sydney Commission—are you aware of any measures that have been put in place to ensure that none of the confidential information it is receiving from the Greater Sydney Commission is being used to assist any other private client?

Mr ROB STOKES: The first thing I would say in response is that from the evidence that has been provided by the CEO, that information is actually publicly available. So to say that it is "confidential" information contradicts the evidence I have just heard.

The Hon. DANIEL MOOKHEY: Minister, is there any aspect of this episode—the \$37,000 per YouTube subscriber, the \$72 per Facebook like or the \$536 per Twitter follower paid to a lobbyist firm that was not eligible to bid and that also had a client before the Greater Sydney Commission—that strikes you as being a total shemozzle and a total failure by you, your officers, the department and the Greater Sydney Commission to fulfil your responsibilities to make sure that the most basic probity standards were being upheld?

Mr ROB STOKES: I will make a couple of points. The first is that I do not accept your characterisation of a certain amount of money per Facebook post. The point of engagement is to provide a platform for people to be able to engage. That is the first thing I would say. The second thing is that you have presented a series of assertions that you have characterised in a particular way. That needs to be reflected upon, and I will provide—and the CEO has already indicated that you will receive—detailed answers to the questions you have raised. I am just not in a position to answer them all now.

Mr DAVID SHOEBRIDGE: Minister, I will move on from contracts for the moment. You would be aware that the Property Council of NSW is a very substantial lobbyist, effectively, for the property industry.

Mr ROB STOKES: One of a number of stakeholders in the property industry.

Mr DAVID SHOEBRIDGE: It is more than a stakeholder. It advocates for the business interests of its members, does it not—the property industry?

Mr ROB STOKES: It fulfils a number of functions. I would certainly say that advocating the interests of its members is foremost among its objectives, but I think it also—certainly from my observation—seek to provide a voice, more broadly, for the interests of productivity in Sydney, and particularly central Sydney.

Mr DAVID SHOEBRIDGE: This is what it says about itself:

Our members invest in the Property Council because we deliver policy outcomes which make NSW a better state to invest in the property industry.

Do you agree with that? That is what it says it intends to do.

Mr ROB STOKES: I agree with what is said.

Mr DAVID SHOEBRIDGE: They say, "They will continue to prioritise our time and energy on advocating for policies which are in the business interests of our members."

Mr ROB STOKES: Sure.

Mr DAVID SHOEBRIDGE: They are not shy about it. They are advocating for change that helps the business interests of the property lobby.

Mr ROB STOKES: Sure. I would not just say the property lobby. I think their members also include building owners and managers. That is where they came from, as well as the property industry more broadly.

Mr DAVID SHOEBRIDGE: That is why I said the property lobby. That is the people who own property and redevelop for money; the people who redevelop it to make money out of it.

Mr ROB STOKES: Sure, and the people enrolled in it for a long period of time as well. It has a broad base of members.

Mr DAVID SHOEBRIDGE: Does the Property Council have an official seat on Cabinet?

Mr ROB STOKES: No.

Mr DAVID SHOEBRIDGE: Is that a no?

Mr ROB STOKES: No.

Mr DAVID SHOEBRIDGE: Minister, I will show you this document. I will give you the coloured version.

The Hon. SHAYNE MALLARD: A rerun of the adjournment speech.

The Hon. PENNY SHARPE: I hope you gave it to the Minister.

The Hon. SHAYNE MALLARD: No, but sit and listen. Do not worry.

Mr DAVID SHOEBRIDGE: That is the Property Council's NSW Advocacy Priorities 2016.

Mr ROB STOKES: Sure.

Mr DAVID SHOEBRIDGE: If you turn the page you will see on the first page it says, "Advocacy is our core business." Do you see that?

Mr ROB STOKES: Yes.

Mr DAVID SHOEBRIDGE: Then if you turn over the page you will see "Major wins in 2015".

Mr ROB STOKES: Yes.

Mr DAVID SHOEBRIDGE: Go to the bottom where it says, "A Greater Sydney Commission." Is this an accurate description of what the Property Council did? They say:

We pushed for creation of an agency to take overarching responsibility for Sydney's long-term growth, with the muscle and freedom to stay focused on delivering the jobs, housing and infrastructure essential for prosperity.

Is that the advocacy that you saw from the Property Council?

Mr ROB STOKES: I am not really able to comment on what claims a lobbying group makes about its advocacy.

Mr DAVID SHOEBRIDGE: That is why I am asking if you agree with their claim. Did you observe them doing that? Is that what they did?

Mr ROB STOKES: I will reflect on this for a moment. Yes, I think that is an accurate characterisation of the messaging that they were suggesting publicly and broadly in relation to the Greater Sydney Commission, and it is similar to the vision that quite a number of other stakeholders were also advocating.

Mr DAVID SHOEBRIDGE: They say:

What we got.

The Greater Sydney Commission was born and has commenced work in the first quarter of 2016. It will be responsible for metropolitan planning in partnership between State and local government.

The Property Council proudly say that they demand it, they advocate it, and you deliver it. You deliver for them, do you not? That is the job of your department, to deliver for them?

Mr ROB STOKES: No, I do not accept your statement. There is a great number of stakeholders that all of us answer to in our various public roles. When I say "answer to", I do not mean in a sense of doing what they say, but respond to the requests that they make. This was one that the Property Council of Australia, among others, had a range of views on. I certainly think while I did have discussions with the Property Council, as with a wide range of people in relation to the Greater Sydney Commission, there were a number of issues that I

suspect the Property Council would love to have seen in the bill that were not in the bill, and that is the nature of listening and responding to citizens and also stakeholders and other groups.

Mr DAVID SHOEBRIDGE: For current purposes I am addressing what they got out of your Government that relates to your portfolio.

Mr ROB STOKES: Yes, but I do not agree with your characterisation that they got the Greater Sydney Commission because they asked for it. I do not think that that is an accurate reflection of the process.

Mr DAVID SHOEBRIDGE: You are entitled to put that view, Minister. Let us go to the next page. "Review of planning regulation". Do you see the second point down? Is this a true reflection of what the Property Council did, so far as you saw?

We called for a review of all State Environment Planning Policies [SEPPs] to unclog roadblocks at a development assessment stage and promote growth and density.

Is what they did? Did they knock on your door and make that representation?

Mr ROB STOKES: Again, among a whole range of stakeholders and citizens and resident action groups, there have been a lot of people calling for the planning law, particularly delegated legislation like State environmental planning policies to be made clearer, to be refreshed, to be updated, and the Property Council was one among those voices.

Mr DAVID SHOEBRIDGE: Is that a characterisation of what they got? You see there, "What we got." Is this true:

A full and comprehensive review of all 60 SEPPs commenced in 2015 with a review of 16 SEPPs now complete.

Is that what they got, as they say?

Mr ROB STOKES: We are undertaking a full and comprehensive review of State environmental planning policies, but we are not doing that at the behest of the Property Council.

Mr DAVID SHOEBRIDGE: You think the Property Council are wrong in pointing out that they called for it and you delivered on it?

Mr ROB STOKES: No. Again, all—

Mr DAVID SHOEBRIDGE: It is just a coincidence?

Mr ROB STOKES: No. I can observe that they—I note the comments that they make about the things that they called for. I note in relation to each of the items that you have explained to me they were not alone in those calls, and to characterise that there is one particular stakeholder group that calls for something specific and that somehow the Government answers what they want and nothing else is not an accurate reflection of the reforms that we are adopting. It may be a fact that the Property Council is advocating for the commission. It happens to be my own belief, quite independently, that there is a very good reason to review and update State environmental planning policies. We have a great many of them. They are complex. It increases complexity in the planning system and makes it harder for people to understand the planning system where we have bits of law all over the place. It makes good sense to streamline them, to look at them and, in many, cases to modernise them. The one we are currently looking at is in relation to koala management, SEPP 46.

Mr DAVID SHOEBRIDGE: SEPP 44.

Mr ROB STOKES: SEPP 44, sorry. It is out of date because the koala recovery strategy for 2006 has not been incorporated into it. That is just one example of where the updating process can actually get better economic outcomes, better social outcomes and better environmental outcomes as well. Fundamentally, what we are seeking to do is make the planning system more accessible and part of that is a comprehensive review of our State environmental planning instruments.

Mr DAVID SHOEBRIDGE: You will put more teeth in SEPP 44, will you?

Mr ROB STOKES: Yes, among others. That is something that we are currently looking at.

Mr DAVID SHOEBRIDGE: Let us go to the next Property Council claim: "More priority precincts". Do you see that? They say:

What we did.

We called for the identification of a rolling schedule of Priority Precincts (formerly known as Urban Activation Precincts) to help deliver the housing and employment NSW needs.

Is that an honest statement from the Property Council, so far as you observed what they did in their advocacy?

Mr ROB STOKES: I have not had discussions with the Property Council in relation to this matter, so I can defer—

Mr DAVID SHOEBRIDGE: Is there anybody else in the department or the Greater Sydney Commission?

Mr ROB STOKES: I can defer regarding the new priority precincts announced. Perhaps the secretary, Marcus, might have some reflection.

Mr DAVID SHOEBRIDGE: I am asking about the Property Council.

Mr ROB STOKES: You are asking me if I had specific discussions about this matter. Not to the best of my recollection.

Mr DAVID SHOEBRIDGE: Is the Property Council being accurate in saying they had this kind of advocacy? I am happy for anybody from the department or the Greater Sydney Commission to indicate if the Property Council has come to ask them about it.

Ms McNALLY: The department has been talking to a range of stakeholders—

Mr DAVID SHOEBRIDGE: I am talking about the Property Council.

Ms McNALLY: —along the lines of what will create greater certainty in the system and how to get better planning outcomes. The Property Council is likely to have raised this issue. There have been a number of meetings at a number of levels with them. It is certainly an issue that a number of stakeholders have been raising. They want greater clarity. They do not want this hotchpotch of development going on and they are asking for a better approach. I would say that the statement made by them is something that they probably have a firm position on. They would like greater certainty and clarity of outcomes.

Mr DAVID SHOEBRIDGE: That is not what they say though, is it? They said:

We called for the identification of a rolling schedule of Priority Precincts ... to help deliver the housing and employment NSW needs.

It is different.

Ms McNALLY: The idea of a rolling schedule is to give them certainty about what is coming through the system.

Mr DAVID SHOEBRIDGE: Would you mind providing on notice the occasions that the Property Council has met with the department, or any officers of the department and the Ministers?

Mr ROB STOKES: Sure.

Mr DAVID SHOEBRIDGE: And the details that were discussed and who was in attendance.

Mr ROB STOKES: I do not need to, you can look at my ministerial—

Mr DAVID SHOEBRIDGE: I am primarily directing it to the department.

Mr ROB STOKES: I am happy to do that.

Mr DAVID SHOEBRIDGE: The Property Council claimed a victory from you. They said:

What we got.

The Government's A Plan For Growing Sydney includes a goal to deliver more housing supply alongside urban renewal by rolling out additional precincts around train stations in the inner west, north-west and south west. New Priority Precincts announced include Glenfield, Carter Street, Lidcombe, Arncliffe, Banksia, Showground Station, and Ingleside.

Did you deliver on these precincts after receiving advocacy from the Property Council, Ms McNally?

Ms McNALLY: I do not recall receiving any specific advocacy on each of those individual precincts. The issue of priority precincts has come up in general discussion. There has been a lot of push for some of those priority precincts by councils and others. We are trying to work very hard in the State Government to get increased housing outcomes.

Mr DAVID SHOEBRIDGE: Which councils wanted those priority precincts.

Ms McNALLY: One of the councils that wanted one recently was Rockdale. There has been a number of councils that have wanted to talk about priority precincts. They want greater certainty and they want to work closely with the State Government on getting good planning in their areas.

Mr DAVID SHOEBRIDGE: The position that has been put by the Property Council is that it demands and your Government delivers. Is that not how it has always been in New South Wales? Whether there is a Labor Government or a Liberal Government, the property developers demand and you deliver.

Mr ROB STOKES: I reject that contention. It may well be that stakeholder groups make all sorts of policy suggestions. Of course we will listen to what people have to say. If, for whatever reason, the policy outcome corresponds with what people have been calling for, it does not follow that we are doing whatever a particular lobbyist or stakeholder might say. Many people claim credit for Government decisions. That is just the nature of things. As you say, it has always been thus. It will be that way in the future. I can say that in terms of my decision-making processes, of course I will talk to every group that wants to speak to me about these issues, as is reasonable. But I will not make decisions on the basis of what any particular industry group might call for.

Mr DAVID SHOEBRIDGE: I might move on. Is there a legislative time frame that the Greater Sydney Commission has for delivering on its draft district plans? If so, what is it?

Mr ROB STOKES: It is 27 January next year.

Ms HILL: That is correct.

Mr DAVID SHOEBRIDGE: In working up your draft district plans, who are the primary organisations that you are engaging with?

Ms HILL: We are engaging with a broad range. I am happy to list a number of those bodies that we are engaging with, including the National Parks Association, the National Trust, Environmental Defenders Office, Institute for Sustainable Futures, Sydney Peri Urban Network, 100 Resilient Cities, Stormwater NSW, Sydney Coastal Councils Group, the Green Building Council of Australia, the Youth Action Network, Better Planning Network, the Committee for Sydney, Metropolitan Aboriginal Land Council, Sydney Institute of Marine Science, the University of Sydney, La Perouse Aboriginal Land Council, Nature Conservation Council, the Total Environment Centre, Combined Pensioners and Superannuation Association, Western Sydney Community Forum, Shelter NSW, Settlement Services International and People with a Disability—I could go on. We are also engaging with the Property Council, the Urban Development Institute, the Urban Taskforce, the Planning Institute, and more broadly with each council and a broad range of other stakeholders.

Mr DAVID SHOEBRIDGE: In terms of trying to work out the finer planning issues—what zoning should be happening—you would agree that one of your primary consultation points has to be the local councils, because they are the organisations that have to deliver on any draft district plans, don't they?

Mr ROB STOKES: Can I intervene to say that the councils are, of course, important mediums through which to talk to the community directly? That does not mean that we are not also talking to the community directly—through the councils and through direct consultation.

Mr DAVID SHOEBRIDGE: I heard the list. That is okay. The councils are going to have to deliver on any rezoning proposals. They will have to deliver local environmental plans [LEPs] to be consistent with the district plans. Unless you have the councils on board you are going to be in a world of pain, aren't you?

Ms HILL: We are working very closely with councils. In fact, we have local government secondees working within the commission.

Mr DAVID SHOEBRIDGE: Do you know, off the top of your head, how many local government secondees you have on the commission?

Ms HILL: We have seven local government secondees.

Mr DAVID SHOEBRIDGE: In getting this right, you are going to have to partner with local government. If the Greater Sydney Commission goes out heroically lonesome, you will fail. Isn't that right, Ms Hill? You have to partner with local government.

Ms HILL: We think it is incredibly important that we partner with local government and work with them. Hence we have certainly engaged broadly with them. As I said, we have local government secondees working within the commission.

Mr ROB STOKES: I want to put on the record that I endorse that view. The partnership between State and local government, and between different State agencies and the community is key with planning.

Mr DAVID SHOEBRIDGE: We are all on the same page, here, Minister. The great difficulty, though, for the Greater Sydney Commission, is your legislative timetable of having to have the draft plans done by 27 January. That means that the overwhelming number of councils within the Sydney region that the Greater

Sydney Commission is negotiating with do not have democratic councillors elected, but have administrators appointed by your Government. There is a fundamental democratic hole in the process, isn't there, Minister?

Mr ROB STOKES: The challenge you have addressed there means that in the mean time it is very important to collaborate with council staff—the technical staff—to go through all the background mapping of constraints and opportunities, and all those sorts of technical aspects and to ensure that the finalisation of the plans requires a discussion with newly elected democratic councils in the second half of next year.

Mr DAVID SHOEBRIDGE: The time that the draft plans go out is one of the most fundamentally important parts of the process. Let us be clear: The draft plan is going to drive what happens thereafter. You can tinker with it. You can change it. But the draft plan is going to be the fundamental shape-maker for Sydney.

Ms HILL: We see the draft district plans as a starting point for discussion. It is something to table with people and to have a conversation about. We have held more than 26 technical workshops with more than 400 local government officers to work on those draft district plans. We have met with every general manager. We have also held an event with mayors and administrators. We are working very closely with local government and through a broader engagement exercise to engage with Sydneysiders. They are a starting point for discussion.

Mr ROB STOKES: Can I also add that the district plans work in a hierarchy of plans. The district plans are there to deliver the broad-brush vision of a plan for growing Sydney that was a document that was made in consultation and coordination with councils at the time. It is informed by a level of consultation that has gone before. Also, it builds on the work of the subregional planning that was done back in 2006. There is a continuum of work to this point. It is not to say that this work will drop from the sky; it is consistent with directions that have been laid down for some time.

Mr DAVID SHOEBRIDGE: Minister, the district plans are intended to be fundamentally important Sydney-changing instruments, are they not? They are meant to be fundamentally important to get it right for the future of Sydney's planning. You are not going to shy away from that prospect.

Mr ROB STOKES: No. The key is that it is spatial and temporal. It builds on the past and into the future. It is spatial in terms of the different parts of Sydney. It is important to recognise that it builds upon what has been done by councils in cooperation with State governments in the past. That is not to negate consultation that has already informed documents that, themselves, inform district plans. Those district plans will go through a process of direct consultation with communities, and will also go through a process of consultation through the medium of local councils.

Mr DAVID SHOEBRIDGE: I have heard who you are consulting with. I have heard the list. But when it comes to local government I have heard talk of administrators, council staff and the technocrats in the background, but the democratically elected councillors—your Government has sacked them all—and the residents have been dropped out of the process. There has been no identified communication plan that I have seen that is going to replace the essential democratic feedback between councillors and residents when it comes to the Greater Sydney Commission's work on district plans.

Mr ROB STOKES: I am sure the chief executive officer wants to comment on this, but I will start off. Direct consultation with citizens is vitally important. I accept that the commission recognises that. It is also important to include the democratically elected councillors. One of their first items of business when the elections are held will be to engage with strategic planning, which, in my view, is one of the most important responsibilities for the councillors.

Mr DAVID SHOEBRIDGE: You are giving them two months.

Mr ROB STOKES: As part of their election platform councillors will have the benefit of the draft district plans and of articulating to the community what their responses will be to those documents. I think there is a great platform for engagement with councils and with residents directly.

Ms HILL: I would also add that over the course of May-August, the commissioners directly briefed councillors from at least 28 councils, I understand. They have also been meeting with local members of Parliament [MPs] and we have certainly been out meeting with Sydneysiders in their locations and having direct contact with at least 2,000 of those direct conversations over the last few months. We take this very seriously. We are working closely with councils. For that reason we have extended the period of time for engagement on the district plans and that was in the local government section of the newspaper yesterday.

Mr DAVID SHOEBRIDGE: I saw that and I appreciate it.

The CHAIR: At this point we will take a 10-minute break.

(Short adjournment)

The Hon. PENNY SHARPE: In your role as planning Minister, have you been briefed on corruption risks within your portfolio?

Mr ROB STOKES: I am sorry, that is a broad question. I am constantly—what is the word?—I am very aware of the risks that come along with discretion and I am constantly on the lookout for issues that come to my notice, whether that is in local government or the State Government, as to where those risks might occur. But in terms of have I had a specific briefing, no. I did actually early on seek a specific meeting with the Independent Commission Against Corruption [ICAC] to get an understanding of the interest they have in the areas I am responsible for administering.

The Hon. PENNY SHARPE: Given the nature of the Spicer investigation and given the clear and, as we now find, proved reality that the Liberal Party washed almost \$700,000 worth of illegal donations into the system—which we now, you accept, cannot track back—was there any work in the previous two years after being alerted by members of Parliament and others to this particular problem? Are you saying you were never briefed on the risks that were inherent and that were coming through in the Spicer report?

Mr ROB STOKES: The Spicer report had not been finalised. I did not seek in any way to intervene in those processes. Of course, now that the Spicer report has been finalised and findings of fact have been made, we are seeking legal advice as to what the implications of that report might be for the planning system and we will take appropriate action on the basis of that advice.

The Hon. PENNY SHARPE: Ms McNally, are you concerned about Operation Spicer and the potential risks within the planning system prior to the report being brought down this week?

Ms McNALLY: Yes. We have done a few things to actually make sure the process is tight. Perhaps I can turn it over to Mr Ray and he can take you through that.

Mr RAY: We have made a number of changes to our procedures about reportable political donations.

The Hon. PENNY SHARPE: When were those changes made?

Mr RAY: Those changes were made in the last financial year and also there were some made in the previous financial year.

The Hon. PENNY SHARPE: Did you brief the Minister about those changes?

Mr RAY: Look, I do not think I have personally briefed the Minister about these particular changes, no, but the changes were—

The Hon. PENNY SHARPE: You made changes because you were worried about a corruption risk, but you did not brief the Minister on those changes.

Mr RAY: The changes were about the procedures that staff apply when they receive a major development application. They included an audit of our department information, communication and technology [ICT] material to ensure that we have complete records of disclosure statements. We made the disclosure statements for reportable political donations available on our website and made sure that happened in June and July of 2015. We developed some procedures as well. Over the last year we had an internal guideline and checklist prepared for assessment offices. We undertook some training on the internal guidelines and assessments. We also put a new function on our website because major project applications have to be lodged online. We have put a function on our website that has a question about whether you have or have not made a reportable political donation. That is a mandatory question. The applicant must lodge a statement that either says they have made a reportable political donation or they have not made a reportable political donation.

The Hon. PENNY SHARPE: You accept that, as a result of Spicer, there are an unknown number of donations that have been made and that there is no way that they can be tracked through the system that you set up and have not briefed the Minister on.

Mr RAY: Obviously, the system that we have set up is for donations that we have responsibility under section 147 of the Act to ensure are disclosed, and they are reportable political donations. They are not prohibited donations that were prohibited by the 2009 legislation in relation to property development.

The Hon. PENNY SHARPE: Minister, I wish to turn to population growth and green space in the city of Sydney. You would be aware that the current population in the city of Sydney is just a tad over 200,000 people and it has grown around 30 per cent in the last 10 years. You would also be aware that there is an expected increase in population of around 81,000 by 2036?

Mr ROB STOKES: In broad terms, yes.

The Hon. PENNY SHARPE: You would also be aware that there are projections that the amount of total open space for people within that time frame will shrink by over 20 per cent.

Mr ROB STOKES: I take that. I note your figures.

The Hon. PENNY SHARPE: It is work that has been done by the City of Sydney. It has been public. It basically states that apparently for every person who is living in the city, there is around 18.3 square metres of open space and it is set to reduce to 14.4 square metres by 2036. Do you accept that is about right?

Mr ROB STOKES: Look, I do not have—if that is a report from the City of Sydney, I accept the veracity of the report.

The Hon. PENNY SHARPE: You also accept that the amount of green space in the city of Sydney has not increased substantially, even though the population has increased by over 30 per cent in the last 10 years?

Mr ROB STOKES: Well, I accept that right across Sydney, including the inner city, we have challenges in accommodating a growing population in the land area that is not growing.

The Hon. PENNY SHARPE: This morning, Minister Ayres at his hearing spent some time talking about feasibility studies going on in relation to a new indoor stadium in the central business district [CBD]. Are you aware of those discussions?

Mr ROB STOKES: No. It is not within my portfolio responsibilities, but obviously I will be—

The Hon. PENNY SHARPE: So you are aware that a very large indoor stadium is looking for a place to be put somewhere in the CBD?

Mr ROB STOKES: I am broadly aware of the needs for better indoor stadium facilities and I am broadly aware of the work that the Minister for Sport is doing.

The Hon. PENNY SHARPE: Minister Ayres was unable to tell this Committee, or basically was not able to rule out, that green space at Wentworth Park would not be taken for such an indoor stadium if it was to be built. Would that concern you, Minister?

Mr ROB STOKES: Look, again, I am not aware of any specific proposal in relation to a specific site. That would obviously have to go through a process of consultation. What we need to do is to make very efficient use of our green spaces and to ensure that we—

The Hon. PENNY SHARPE: Presumably by not plonking a large stadium on top of them.

Mr ROB STOKES: I will answer that this way. Through the green grid process what we are seeking to do is to identify land that is owned by utilities, by local councils, by State government agencies and see how we can link up the existing green spaces by better using riparian corridors, using other bits of public land to seek to put together a green grid for Sydney and recognise that the green infrastructure of the city is going to be just as important as the buildings surrounding it.

The Hon. PENNY SHARPE: But you basically accept that there are enormous constraints in relation to the amount of green space and you do not have any specific mandate or any particular interest in preserving that green space through the planning process that is going to be hitting the city over the next 15 years.

Mr ROB STOKES: I will actively look for opportunities in my role as Minister for Planning, for ways in which we can augment green space in Sydney, not just in the city but elsewhere across the city.

The Hon. PENNY SHARPE: When you say "augment", do you mean add to the existing green space?

Mr ROB STOKES: Yes, if we can find opportunities. Certainly the work of the Office of Strategic Lands, for example, in the last year alone—off the top of my head—I think 90 hectares was gifted to local councils for the purpose of open space. A further 60 hectares was bought this year; about 50 hectares of that went into the Western Sydney parklands. We are looking—

The Hon. PENNY SHARPE: I am talking specifically about the City of Sydney and growth. I am particularly concerned, obviously, about Wentworth Park. We have a Minister in one part of the Government who is basically looking around for an opportunity to build a large indoor stadium and he seems remarkably unfussed about perhaps taking over the very little bit of green space that is left around Wentworth Park.

Mr ROB STOKES: As part of the broader Bays work, I will be actively looking for opportunities to add to open green spaces. I am not looking for opportunities to detract from them. But we have to recognise that green spaces are important for active and passive recreation, whether that be through indoor sports and other facilities as well. In terms of access to open green space, that is obviously a key criterion of liveability in the city, whether for residents of the inner city or the outer western suburbs. That is something that the Government is keen to explore—how we can add to green space and also how we can make better use of existing green space.

The Hon. PENNY SHARPE: Minister, earlier you touched on koalas and particularly SEPP 44. You recently responded to questions I asked you on notice in relation to updating SEPP 44 to reflect the New South Wales koala recovery code.

Mr ROB STOKES: Now I remember.

The Hon. PENNY SHARPE: Correct. You are aware that the New South Wales Koala Recovery Plan is more than three years out of date and is not being reviewed.

Mr ROB STOKES: What I can respond to is I have asked the department. There are two things we can do. One is we can look at fauna protections more broadly across the planning system. We can also look at modernising SEPP 44. I have asked for the work on SEPP 44 to be fast-tracked to ensure that the actions identified in the Koala Recovery Plan are reflected in the plan.

The Hon. PENNY SHARPE: As I said, the Koala Recovery Plan is now three years out of date and the department has indicated that it is not going to be updating it and is yet to replace it with a priority action statement. Minister, do you think that is a reasonable document to be basing your assessment on to try to save koalas in New South Wales?

Mr ROB STOKES: The specifics I will have to take on notice. If there are opportunities we have to provide better protections in relation to koala habitat, and I am very open to look at that and to see how we can better manage koala habitat, given that urban settlement and the encroachment of urban settlement is a key threatening process.

The Hon. PENNY SHARPE: And you are aware that recently one of the departments sold off core koala habitat within the Mambo Wetlands in Port Stephens?

Mr ROB STOKES: I am advised that the Department of Education sold some land at Salamander Bay, which was adjacent to a SEPP 14 wetlands. I am also advised that it is zoned for environmental conservation.

The Hon. PENNY SHARPE: Sure, but my question is: Given that SEPP 44 is not preventing loss of koala habitat and you were planning on using a recovery plan that is more than three years old and out of date, how confident are you that any review of SEPP 44 is actually going to protect koalas and not see their further eradication?

Mr ROB STOKES: I have asked the department to fast-track the review of SEPP 44. We are looking for ways in which we can improve the existing protections and bring them up to date. In relation to the Salamander Bay site, I can confirm that the zoning currently permits uses consistent with environmental conservation.

The Hon. COURTNEY HOUSSOS: Minister, I want to bring you back to the CBD and the sell-off of government land specifically in the CBD that is currently occurring. I would say the community is deeply concerned about the amount of land that is being sold off around the CBD, whether it is Miller Point or the Sirius building or the replacement of the Sydney Entertainment Centre. There is a range of projects—now we have heard about the IMAX that is going to be knocked down and we will leave the Powerhouse Museum to one side for the moment. As the Minister for Planning, what is your view of what is going on with the development of the CBD currently?

Mr ROB STOKES: That is a very broad question to which I will provide a broad answer. I believe that certainly at a strategic level, development must be taken in accordance with the relevant planning controls for different sites and different areas. I am keen to see more appropriate development within the CBD to provide more opportunities for people to live and work in an area that is well serviced by public transport. Obviously, I am sensitive to the concerns that were raised by the Hon. Penny Sharpe in relation to open space. Clearly, as the city is the focus of more development, it is imperative that we ensure that there are opportunities for people to recreate and that there are social opportunities. But the city has all sorts of great locations and destinations, so it is an obvious spot to look for opportunities to increase the supply of homes and jobs.

The Hon. COURTNEY HOUSSOS: Minister, you said that it should be "appropriate development" within the CBD. What are the parameters around "appropriate development"?

Mr ROB STOKES: It will depend from site to site. Certainly there are key controls in relation to things like sightlines, for example, to ensure that there is not excessive overshadowing of public open space. There would be other controls relating to heritage buildings and preserving curtilages wherever possible. There would be other controls relating to a whole range of other issues, constraints and opportunities around the harbour and its foreshores as well as further into southern Sydney.

The Hon. COURTNEY HOUSSOS: Minister, are you are familiar with a prospectus that has been released for a building at 14 Hickson Road?

Mr ROB STOKES: Not off the top of my head, no.

The Hon. COURTNEY HOUSSOS: It is a prospectus that was released by your Government, by Property NSW, that outlines a block of a little over 700 square metres in the Walsh Bay conservation zone. It is metres from the southern pylons of the Sydney Harbour Bridge within a heritage area. A prospectus issued by your Government has outlined that it thinks it is appropriate for an eight-storey development on 800 square metres of land. Do you think that that is appropriate for that area within Sydney?

Mr ROB STOKES: I know this site broadly. Without viewing the site it is difficult for me to give a view. What I would say is that any site would have to be developed in accordance with the controls in relation to that site relating to building heights and floor space ratio [FSR] and whatever other controls relate. If it is in the conservation zone, obviously those controls will be relevant matters for consideration as well.

The Hon. COURTNEY HOUSSOS: It is interesting that you note FSR, because in the prospectus that was released by your Government it says, "This flexible zoning carries with it no maximum floor space ratio or building height controls".

Mr ROB STOKES: Again, I am not familiar with the controls for that site specifically. My statement is, whatever the controls—and there are controls for every site across New South Wales and in this city there are generally more constraints—those constraints will all be relevant matters for consideration in the assessment. Obviously, I have to be guarded in my comments because I cannot prejudice the outcome of any application that may or may not be submitted in respect of that development. But I am happy outside of this forum to investigate, and if there are specific concerns you have, I am happy to take them up.

The Hon. COURTNEY HOUSSOS: My concern is that this is an area that is an incredibly sensitive area of Sydney. Your Government has previously indicated it has no care about heritage on the Sirius building. It is selling off Millers Point public housing. This is another space on public land that appears to be being flogged off for the highest price possible. We heard this morning from the Minister for Finance, Services and Property that \$4.9 billion of property around New South Wales has been sold off in the last four years. My question to you as the Minister charged with planning and charged with maintaining those controls is whether you would have concerns about a site that is being actively promoted as having no height, floor-space ratio or setback control restrictions being so close to such a sensitive area within the city CBD.

Mr ROB STOKES: Sure. I do not know the specific site intimately, but what I can say is obviously that any application would need to respond to the site-specific constraints and need to respond to the controls that relate to that parcel of land. My role would be to ensure that those controls are properly considered if in fact I have an assessment role in relation to whatever might be proposed on that site. I cannot really provide any further specificity than that.

Mr DAVID SHOEBRIDGE: It would not come as a surprise to you that Jeff McCloy is a property developer, would it?

Mr ROB STOKES: I have not met him, but I understand that is what he does for a crust.

Mr DAVID SHOEBRIDGE: Would it surprise you to know that he gave a bag of cash to a Liberal Party candidate in breach of the donation laws?

Mr ROB STOKES: There is a range of surprising and disappointing findings of fact in the Spicer report that stand for themselves.

Mr DAVID SHOEBRIDGE: You know that he met with one of your former colleagues in the back of his Bentley and gave him 10 grand in cash.

Mr ROB STOKES: I know that that is one of the findings of fact.

Mr DAVID SHOEBRIDGE: That would be a prohibited donation.

Mr ROB STOKES: Again, these are statements. I am not contradicting them. They are findings in the Spicer report.

Mr DAVID SHOEBRIDGE: But will you agree that a property developer giving cash to a candidate before the 2011 elections is a prohibited donation?

Mr ROB STOKES: Again, I have not had the opportunity to read the Spicer report in detail. We have sought legal advice on its applications for the planning system. I cannot really provide any more detail than that at this stage.

Mr DAVID SHOEBRIDGE: I will ask if anyone in your department knows whether or not property developers giving bags of cash to candidates before the 2011 election was unlawful.

Mr ROB STOKES: No, I can answer that. I can say that for a property developer to give a bag of cash to a political candidate would be a prohibited donation.

Mr DAVID SHOEBRIDGE: No doubt, Ms McNally, the department sought some briefings or some advice on the kind of allegations in Spicer. You were no doubt looking at what was apparent to all, the real corruption concerning the planning system. You were not just sticking your head in the sand and waiting for the report, were you?

Ms McNALLY: As we outlined earlier, Mr Shoebridge, we have identified some process areas where we can tighten up our procedures, which we have done. The report came out yesterday and I have asked for some advice on that.

Mr DAVID SHOEBRIDGE: Mr Ray, you said that you have checked up on reportable donations. You have some extra checks and balances in place. Is that right?

Mr RAY: Yes.

Mr DAVID SHOEBRIDGE: But then you said, if I understood your evidence correctly, that examples like the bag of cash given by Jeff McCloy was not a reportable donation but a prohibited donation and you do not have any system in place to pick that up. Is that right?

Mr RAY: Yes. Under the Environmental Planning and Assessment Act, section 147 requires the disclosure of reportable political donations, but under the Election Funding, Expenditure And Disclosures Act 1981 there is a whole regime for the disclosure of donations and also some donations are prohibited. The department's role is limited to the disclosure of donations that are reportable political donations under section 147. The broader issue about whether donations were permissible, reportable or not reportable, is a matter for the Electing Funding Authority.

Mr DAVID SHOEBRIDGE: Let us assume that Mr McCloy did not report his \$10,000 cash handout to the Liberal candidate—and he did not. If Mr McCloy or any company associated with him puts another development application in to your department, you are not even checking. You have nothing in place to check these people who we know have made illegal donations. They do not even come up on your radar. You are blind to them. Is that right?

Mr RAY: We are not blind to it.

Mr DAVID SHOEBRIDGE: But what are you doing to pick them up?

The Hon. BRONNIE TAYLOR: Point of order: Let the witness answer the question.

Mr RAY: Essentially, I think one of the important things to remember about Spicer is that Spicer did not make any findings about donations and corruption in the planning system.

Mr DAVID SHOEBRIDGE: So you have read the report.

Mr RAY: I have not read all of the report, but I have read the start of the report.

Mr DAVID SHOEBRIDGE: How can you say that? Have you read the whole report?

Mr RAY: I have not read the whole report, but I have read some of that report.

Mr DAVID SHOEBRIDGE: You are just giving me a summary of the bits you have read.

Mr RAY: I have read that part.

Mr DAVID SHOEBRIDGE: So far as the report deals with the planning system, you have read all of that, have you?

Mr RAY: Sorry—I will go back. I have read the bulk of the report, I have read the findings and I have read the recommendations, and there are no findings and recommendations in relation to donations in the planning system or corruption in the planning system.

Mr DAVID SHOEBRIDGE: Minister, there are individuals out there involved in the property industry who have been acting in a predatory manner—Jeff McCloy, Nathan Tinkler and the like—and as I understand Mr Ray's evidence, there is nothing in your department that is checking whether or not these people are putting in development applications. You are not even looking for prohibited donations. Will you remedy that?

Mr ROB STOKES: Can I just say the regulation of political donations is done under the electoral funding laws—

Mr DAVID SHOEBRIDGE: You know section 147 of your Act picks up reportable donations, but you are not picking a prohibited donations.

Mr ROB STOKES: No, but if donations are prohibited then—

Mr DAVID SHOEBRIDGE: They have been made. We know that.

Mr ROB STOKES: You are firing several questions at once. I am seeking to answer the first.

The CHAIR: Please allow the Minister to answer the questions.

Mr ROB STOKES: The planning system is there to help people make special choices about their future and provide an assessment framework for development applications. It is not there in relation to setting up a framework for the making of donations. Section 147 is an offence provision that provides for reportable decisions to be disclosed. That is the appropriate measure to include in the planning system. We have sought legal advice in relation to whether there are other issues raised in Spicer that we need to reflect on, whether that is in legislation or in process. It is therefore premature for me to seek to answer what that legal advice may tell us, but I can say once it comes in and we have a chance to reflect on it, if there are ways in which we can improve the system, we will always look for ways in which we can improve the transparency of the system.

Mr DAVID SHOEBRIDGE: Surely it is relevant when you—the department, a council operating under your Act—are considering a development application for the planning authority to know whether or not the applicant has previously sought to make or has made illegal donations. Surely it is relevant to know whether or not they have made prohibited donations and have tried to corrupt planning officials or members of Parliament.

Mr ROB STOKES: Certainly. Again, as I have said, we are seeking advice in relation to the findings of Spicer. We will reflect on that advice and make whatever improvements we can to ensure that the system is as robust and transparent as possible.

Mr DAVID SHOEBRIDGE: But as it stands today, Hilton Grugeon, Tony Merhi, Nathan Tinkler and Jeff McCloy can put an application into your department or a council under the Environmental Planning and Assessment Act, and nobody cares about whether or not they have made an illegal, prohibited property development donation. That is the state of the law at the moment, isn't it?

Mr ROB STOKES: Can I just say that the role of the planning system is to determine a planning application on its merits? It is quite clear under law that it is illegal for a property developer to make a political donation and if they do they are liable to prosecution. That is the law as it stands.

Mr DAVID SHOEBRIDGE: Would you agree that the Paris climate commitment is essential for the future of the planet?

Mr ROB STOKES: Yes.

Mr DAVID SHOEBRIDGE: And the commitment that the Australian Government made, which it will rely on the State and Territory governments to implement, is designed to keep the increase in global temperature below two degrees and, if possible, below 1.5 degrees?

Mr ROB STOKES: That was the agreement concluded in Paris.

Mr DAVID SHOEBRIDGE: And the New South Wales Government has an obligation to do what it can to help with that?

Mr ROB STOKES: Of course we will always work to honour or implement the agreements that the Federal Government has entered into.

Mr DAVID SHOEBRIDGE: What plans do you have to ensure that when it is assessing coalmines—their approval or extension—the New South Wales planning system is consistent with that national and global target of keeping global temperature increases at 1.5 degrees or less?

Mr ROB STOKES: The environmental impacts of development, including coal projects and other projects—a range of projects can generate greenhouse gas emissions—are relevant considerations for decision-makers. As part of the integrated mining policy, we have a suite of policies that seek to clarify how decision-makers can undertake assessments. I think that is the best general answer I can provide.

Mr DAVID SHOEBRIDGE: Will you ensure that the emissions from the coal once it is burnt are included in the environmental impact assessment? Will you put some mechanism in place that has planning authorities reference the Paris climate agreement when they are considering coalmines in that way?

Mr ROB STOKES: This opens up a very complex issue, which relates to—

Mr DAVID SHOEBRIDGE: The future of the planet.

Mr ROB STOKES: —the counting of emissions and whether that is done at source point or at combustion. As I understand it, generally the position has been that each signatory is accountable for the emissions involved, for example, in the mining process, and in every part of the process while the resources are in Australia. After that point, it becomes a matter for the other Government or the other signatory. That is to avoid this issue of double counting.

Mr DAVID SHOEBRIDGE: So we will live in this fantasy world in New South Wales where when planning authorities are considering coalmines they will ignore the fact that 90 per cent of the time the coal will be burnt and substantially contribute to climate change? Will that not be a relevant consideration? That is what you are telling me.

Mr ROB STOKES: No. It has been well established in New South Wales ever since the Redbank Power decision in the mid-1990s that greenhouse gas emissions are a relevant matter for decision-makers to consider. Environmentally sustainable development remains an object—

Mr DAVID SHOEBRIDGE: What about the burnt coal that is exported?

Mr ROB STOKES: That case related to the emissions of coal that was combusted in New South Wales.

Mr DAVID SHOEBRIDGE: I am asking you about the millions and millions of tonnes that will be exported. We know it will be burnt; they are not getting it to put it on someone's mantelpiece. Will the New South Wales planning system take into account the fundamental reality that the coal we export from this State will be burnt and will add to climate change? Will that be part of the planning assessment?

Mr ROB STOKES: Greenhouse gas emissions are a relevant consideration for consent authorities under New South Wales law.

Mr DAVID SHOEBRIDGE: But you are telling me that they do not take into account the carbon that is released if the coal is exported and burnt overseas. Is that the case, yes or no?

Mr ROB STOKES: I will get further advice because that is a technical legal point. I know that the technical notes to the economic guidelines that were introduced as part of the integrated mining policy are under review and that they will address some of these issues. I will take that element of the question on notice.

Mr DAVID SHOEBRIDGE: Do you agree that when a New South Wales planning authority is considering the approval of a coalmine that as a matter of plain common sense and in the interests of future common humanity the authority should consider the carbon dioxide emissions of the coal once it is burnt?

Mr ROB STOKES: Again, I go to the reality that under section 79C of the planning legislation a range of issues are relevant to a decision-maker, including the environmental impacts of a proposal. They are relevant matters to consider. As to your specific question in relation to what other processes might happen with New South Wales resources in other jurisdictions, I will take that on notice.

Mr DAVID SHOEBRIDGE: I assume that you are referring to the question that I asked rather than the question as you paraphrased it. You said that you would take it on notice earlier.

Mr ROB STOKES: Sure.

Mr DAVID SHOEBRIDGE: No doubt your Government appointed Ms Lucy Turnbull to head the Greater Sydney Commission because you thought that she was in touch with Sydneysiders, that she knew what was going on, and that she was the right person for the job.

Mr ROB STOKES: Her appointment and the appointment of the other commissioners was achieved by following a merit-based recruitment process and in accordance with the qualifications for appointment under the legislation.

Mr DAVID SHOEBRIDGE: But you would not have appointed someone who was in some sort of Point Piper bubble and who had no idea what was going on, would you? You would have ensured that when you appointed her Ms Turnbull knew what was going on in Sydney.

Mr ROB STOKES: I do not want to reflect on any individual. However, each of the commissioners was appointed on the basis of merit.

Mr DAVID SHOEBRIDGE: Do you think that the head of the Greater Sydney Commission—the single most powerful planning authority in Sydney—has a sufficient understanding of the issues on the ground in Sydney when it comes to planning? Do you think she has a sufficient understanding of the issues affecting Sydneysiders?

Mr ROB STOKES: I think she is eminently qualified for the position she holds.

Mr DAVID SHOEBRIDGE: This is your chance to say that you support her and that you think she has her finger on the pulse. Does she have her finger on the pulse, yes or no?

Mr ROB STOKES: I support her appointment. I think she is eminently qualified for the position she holds.

Mr DAVID SHOEBRIDGE: Looking at this transcript, she would be—

The Hon. BRONNIE TAYLOR: Point of order: The Minister has clearly answered the question.

Mr DAVID SHOEBRIDGE: That is not a point of order.

The Hon. BRONNIE TAYLOR: Yes it is. The member keeps asking the same question looking for a different answer.

The Hon. PENNY SHARPE: It is not a point of order.

Mr DAVID SHOEBRIDGE: It is a debating point.

The CHAIR: That is not a point of order. The member is entitled to ask the question as many times as he wishes, and the Minister can answer it as many times as he wishes. I think he has answered it many times.

Mr DAVID SHOEBRIDGE: Do you think that Lucy Turnbull has her finger on the pulse when it comes to understanding the issues that affect ordinary Sydneysiders, yes or no?

Mr ROB STOKES: First, I will not provide yes or no answers to—

Mr DAVID SHOEBRIDGE: You are definitely not going to say yes. We have that worked out.

Mr ROB STOKES: As I have said on multiple occasions, not only do I believe that Lucy Turnbull is eminently qualified for the position she holds but she also has my full support in exercising her functions under the Greater Sydney Commission Act.

Mr DAVID SHOEBRIDGE: Could you believe it when you heard her on Sydney radio only a matter of weeks ago saying that she had no idea that houses were being demolished in Haberfield? Surely you cringed at that moment and thought, "How could I possibly have appointed this woman to head the Greater Sydney Commission?"

Mr ROB STOKES: No, that is not a proper characterisation of any response I might have had. In public life all of us from time to time say things that we may later regret. I think it was very clear from Lucy Turnbull's comments to the local Haberfield newspaper that she regretted the comments she made. Planning is incredibly complex and there are so many issues across the fabric of a city as diverse and as big as Sydney. It is almost inevitable that from time to time people involved in the planning system will make statements on the basis of incomplete information and a whole range of other things. Regarding Lucy's comments I think the most important thing is to reflect on the way in which she dealt with the situation. I understand she immediately went out and visited the areas and that she expressed regret for any hurt that her comments had caused.

Mr DAVID SHOEBRIDGE: Do you know that she did not go out to meet with residents but in fact went out with the WestConnex corporation? Are you aware of that?

Mr ROB STOKES: I am not in a position—

Mr DAVID SHOEBRIDGE: Do you want to take it on notice?

Mr ROB STOKES: No. I am answering now that I was not aware of the circumstances of her visit. What I am aware of—

Mr DAVID SHOEBRIDGE: Well, you have just told me about it. You said she went out and visited the site. I am suggesting to you she went out not to meet with residents but to meet with the corporation which is demolishing their houses.

Mr ROB STOKES: I am not sure who she met with. What I do know—

Mr DAVID SHOEBRIDGE: Do you want to take that on notice and find out?

Mr ROB STOKES: No. I am answering it right now to say I am aware that she went and visited those areas and I am aware that she made statements to the local media that she had learnt through this experience and had made comments that she regretted. Her statement stands for itself. All of us from time to time will say things that we later regret saying. She has clearly learnt from that experience. There but for the grace of God go any of us, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Minister, what plans are there to change the current definition of ecologically sustainable development [ESD] under the planning Act? It is one of your projects going forward.

Mr ROB STOKES: We are looking at updating legislation. In relation to the definition of ESD I am not aware of any particular proposal. I learnt from the experience of the 2013 planning bill. There was a big debate that I felt was largely semantic about the difference between sustainability, sustainable development or its Australian iteration being ecologically sustainable development. I think they are really all references to the same thing. I think the Australian definition is section 6 (1) of the Protection of the Environment Administration Act which refers to intergenerational equity, the precautionary principle and those principles. Certainly in the Coastal Management Act that passed through the Parliament earlier this year we ensured that the definition made reference to section 6 (1) of the Protection of the Environment Administration Act.

Mr DAVID SHOEBRIDGE: I have run out of time. I will come back to Ms McNally later.

The Hon. COURTNEY HOUSSOS: Minister, your Government has frequently said that housing supply will solve the housing affordability crisis in Sydney. You often quote the figures on housing approvals to support this. But figures from your own department show that while there were 58,619 approvals in the year to April 2016 there were only 32,032 completions—that is occupation certificates granted. This is at a time when interest rates are at record historic lows and in a boom building time. At the same time 2016 saw the fourth consecutive year of double digit growth in housing prices for Sydney. First homebuyers are down to 7 per cent of the market and it has never been more difficult to buy a home in New South Wales—and definitely Sydney—than it is now. Minister, will you now admit that increasing supply is not enough.

Mr ROB STOKES: For starters, the final question refers to the premise of the beginning of the question. You are suggesting that I have said that supply is the only answer to Sydney's housing challenges. I have never thought that. I have thought supply is a necessary, but by itself not necessarily sufficient, precondition to increasing housing affordability, but there will be a range of bespoke policy initiatives that will have to be taken to increase the supply of a diversity of housing types, of tenures, including social and affordable housing as part of an overall mix. But make no mistake: We have an affordability challenge in Sydney because of an historical lack of supply. We have to address that historical undersupply but we need to look at other specific policies to provide for subsidised rental accommodation as well.

The Hon. COURTNEY HOUSSOS: In the House just a couple of weeks ago you said that the historic undersupply of housing in Sydney resulted from only about 30,000 houses being provided on the market and yet that is exactly what your Government is providing.

Mr ROB STOKES: No, I was talking about the approvals, not the completions.

The Hon. COURTNEY HOUSSOS: I do not think that that was very clear in your answer. At the same time you said, "The fundamental lever I have as planning Minister is unlocking greater supply."

Mr ROB STOKES: Yes, I would agree with that.

The Hon. COURTNEY HOUSSOS: Are you looking at any other measures to improve housing affordability in Sydney?

Mr ROB STOKES: Yes. Obviously a starting point to answering these challenges is that there is a supply and demand challenge here. We have more demand than we have supply to cater for that demand, which is a problem shared by many global cities. Obviously one of the key things we need to do—in fact, a principal thing we need to do—is to address that imbalance by providing greater supply but it is also clear that with the

housing affordability challenges you have raised there are many in the community for whom we also need to look at other types of access to the housing market. Primarily that will be through subsidised rental accommodation. We have a number of measures directed toward this objective, one of which would be State environmental planning policy [SEPP] 70 which relates to inclusionary zoning. We have the SEPP—

The Hon. COURTNEY HOUSSOS: I might get to SEPP 70 in a moment because I have a few questions for you on that. Before we get there I would like to ask you whether you are aware of research from the University of Sydney that shows that increasing supply can increase prices?

Mr ROB STOKES: I need to provide a full answer to your previous question because that question contained, I felt, a suggestion that I was suggesting that supply was the only answer. That is not the case. But it is a fundamental part. Historically—and it is self-evident; it is common sense—when you have increasing demand and you have insufficient supply, that will drive up costs.

The Hon. COURTNEY HOUSSOS: That is a traditional market view, but this research from the University of Sydney shows that does not apply to the housing market.

Mr ROB STOKES: I am happy to reflect on that, but as part of the approaches we are taking—because I recognise that supply is not the only answer but it is a fundamental answer—we also have, as I mentioned, SEPP 70; we have the provision of affordable housing through voluntary planning agreements; I have now expanded the use of special infrastructure contributions for priority precincts that can also be used for affordable housing provision; we also have a clear direction in A Plan for Growing Sydney relating to providing a greater supply of affordable housing on government-owned sites; we also have the affordable rental housing State environmental planning policy. All of these together over the past five years have generated more than 15,000 new affordable housing units into the market. Clearly that by itself is still not sufficient, so it is clear that we have to do more, but part of that answer will include a greater supply of housing as well.

The Hon. COURTNEY HOUSSOS: Coming back to what I wanted to ask you about, which is this research from the University of Sydney, it has been well publicised. I can read you a quote from the *Sydney Morning Herald* if you like that says, "In the housing market as prices rise more people are encouraged into the market," which means that housing supply will not necessarily solve the problem. It continues:

The private sector can deliver increased housing supply in a rising market, but focused interventions are needed to address existing affordability problems affecting low and moderate income earners.

You talked about SEPP 70 and that is great, but that applies only to the City of Sydney and the Willoughby City Council areas. Are you looking at expanding that across the entire State?

Mr ROB STOKES: One of the things we are looking at is the expansion of SEPP 70, but we are also looking more broadly at that as well. For example, SEPP 70 may work well in particular areas but there may be other interventions that work better elsewhere. I have mentioned, for example, special infrastructure contributions. Special infrastructure contributions can be particularly useful in places like priority precincts, for example. If we were to use the lever of SEPP 70 in those areas it would negate the capacity to charge special infrastructure contributions which can also pay for other types of social infrastructure—not just affordable housing but recognising there may be a whole range of social infrastructure needed to support a new community. When you read out the abstract of that article there was nothing in it that I disagreed with. I would broadly agree that supply itself is necessary but by itself not sufficient. We also need a number of other policy interventions and that is what we are doing.

The Hon. COURTNEY HOUSSOS: So you are obviously aware of the South Australian target and London's target. You have talked about the fact that we are operating in a global context. Are you considering any of these measures?

Mr ROB STOKES: Yes, and I would say a couple of things—but can you ask that question again?

The Hon. COURTNEY HOUSSOS: I said that South Australia has set a target, that London has set a target, that we are in a global world and that there are a lot of different options out there. What are the things you are considering implementing? I am going to keep you really short on this one because I only have a couple of minutes to go.

Mr ROB STOKES: I will do the best I can. This is an area of real interest for me, so it is difficult to contain my answer. I have talked about the policy levers we already have out there. One of the other levers that is not actually in my portfolio, but which is something I can advocate for—and I am doing this actively—is in relation to the expansion of what is called "multifamily housing" as an asset class for institutional investors. That is an approach used in overseas cities—throughout the United States, the UK and other parts of Europe—where the investors are property trusts. In this State, property trusts invest in things like commercial and retail

property, but we can also make it attractive for them to invest in owning affordable housing over a longer period. They would not be getting a quick capital gain, but they would be getting a yield over time—and, in so doing, providing a great rental opportunity for affordable housing.

The Hon. COURTNEY HOUSSOS: I only have one minute to go, so I am going to stop you right there. Does the Government have a specific measurable target on housing affordability?

Mr ROB STOKES: Housing affordability is a relative term. Housing affordability will mean different things to different people. What we can measure more clearly is affordable housing. I have indicated the provision of affordable housing so far. In terms of discrete targets for different communities, that is something I have asked the Greater Sydney Commission to look at. That will be a focus of their district planning. However, when you look at cities around the world which have targets, you can see that that has not stopped them having housing affordability and affordable housing challenges. So I think we need to be careful to recognise that having a target based on a single instrument, or even a couple of instruments, will not by itself be sufficient to resolve this problem. We are doing everything we can, and there is more that we can do. But I would also suggest, respectfully, that you are on difficult ground if you are suggesting that somehow supply is not part of the solution.

The Hon. COURTNEY HOUSSOS: I am not saying supply is not part of the solution; I am saying supply is not the only part of the solution.

Mr ROB STOKES: And I would agree.

The Hon. COURTNEY HOUSSOS: I am also saying that supply is being billed as the only solution by parts of your Government—and it is—which is incredibly troublesome. I know I have very limited time, so I am going to ask you one final question. There are 21 projects listed on UrbanGrowth's website. What instructions have you given to UrbanGrowth to incorporate affordable housing provisions of one sort or another—whatever you like—into these developments?

Mr ROB STOKES: I have made it very clear, in fact I met with the board the other day, that affordable housing is one of the key reasons a government would have a property developer—to look into these options. They are going to be different on different sites, but that is exactly what UrbanGrowth is charged with doing. There are some great examples: Thornton, Potts Hill, Binya, Lachlan's Line—there are provisions for affordable housing as part of all of those developments. We will see more affordable housing as more projects are developed.

The Hon. COURTNEY HOUSSOS: I would like to ask you some more questions, but I think my time has run out.

Mr DAVID SHOEBRIDGE: I will try to put my partisan questions to one side for a bit. Minister, do you think Sydney property prices are too high?

Mr ROB STOKES: That is a really difficult question to answer. When you look at other cities around the globe, I think they are very high. We are in a situation where property prices are likely to increase, and we need to look at every lever we can—affordable housing and housing affordability through housing supply—to address these challenges.

Mr DAVID SHOEBRIDGE: Minister, you would be aware that someone on, say, a median income in Sydney—particularly if there is only one person bringing home that income in a household—would be finding it essentially impossible to get a mortgage to buy a new property. That is not right, is it?

Mr ROB STOKES: The increasing unaffordability of the Sydney housing market is a real concern for me, as it is for the Government.

Mr DAVID SHOEBRIDGE: It must be difficult sitting there with your other Cabinet members when you are discussing issues about housing affordability, because Treasury largely relies upon large income from stamp duty and so benefits from high housing prices—whereas other parts of government want to lower housing prices to make it more affordable. That is a real tension in a state government, is it not? I am not asking you to disclose what happens in Cabinet, but it is a tension. Treasury likes high prices because they get stamp duty, and there are other big chunks of the State Government that would like them to be lower so people could have readier access to housing. It is a tension.

Mr ROB STOKES: I imagine Treasury officials have mortgages too and are concerned about—

Mr DAVID SHOEBRIDGE: Not with what you pay them.

Mr ROB STOKES: —these matters. I do not necessarily accept your characterisation. I do note that taxes based on property are an important revenue source for the Government to pay for public services—and they always have been in this State.

Mr DAVID SHOEBRIDGE: It is a fact, is it not, that the New South Wales budget is extraordinarily reliant on stamp duty—and, therefore, the higher property prices are, the more income comes into the budget through stamp duty. It is just a fact of nature in New South Wales, is it not?

Mr ROB STOKES: I cannot really answer questions about stamp duty. I suggest you direct them to the Treasurer.

Mr DAVID SHOEBRIDGE: Minister, is it a difficulty for you in your day-to-day work as the Minister for Planning, if you want to lower property prices and deliver more affordable housing, that there is pressure from Treasury that is going in the opposite direction—that in fact they like higher prices and stamp duty? Is that just a day-to-day problem for a planning minister?

Mr ROB STOKES: There are all sorts of challenges and constraints, and all sorts of pressures on—

Mr DAVID SHOEBRIDGE: I am only asking you about this one.

Mr ROB STOKES: My answer to that is: if we were to abolish stamp duty tomorrow, I suspect that, two days later, property prices would be back where they were. I think the drivers of property prices are there notwithstanding—

Mr DAVID SHOEBRIDGE: I will stop you there, Minister, because I think you have misunderstood the question. I am not suggesting that stamp duty is what is driving property prices up. I am saying that, because the New South Wales Government is so reliant on stamp duty, there are institutional pressures within the Government supporting high prices, particularly in Sydney. You understand the difference, do you not?

Mr ROB STOKES: Again, I am not seeking to avoid the questions; I am just saying that you will get more specific answers from the Treasurer. What I can say is that Treasury projections of stamp duty are generally very conservative. What I am also conscious of is that much of the unbudgeted revenue from stamp duty is being directed into housing acceleration, so it is being hypothecated into the very projects that will support a greater supply of housing—which can itself address some of those affordability pressures that all these questions are going to.

Mr DAVID SHOEBRIDGE: Barangaroo would be one of the largest housing projects—it is a casino project, but it includes one of the largest residential housing projects that is being built at the moment. But only 2.3 per cent of the housing on Barangaroo is going to be affordable. That is not an example of investment producing affordability, is it? It is quite the opposite.

Mr ROB STOKES: From memory, in relation to Barangaroo, it is 2.3 per cent but a further 0.7 per cent in the vicinity. That is my memory, but I am happy to take that on notice. I am sorry; what is your question?

Mr DAVID SHOEBRIDGE: That is not adequate—2.3 per cent of affordable housing on a prime site on public land is grossly inadequate. Let us be frank: it is grossly inadequate, is it not?

Mr ROB STOKES: What I will say is that each project will have different feasibility and will have different capacity. We have to be careful here, David. I am not going to single out Barangaroo; I am going to make my comments broad. But one of the challenges and constraints in talking about affordable housing is that what we are talking about is subsidised rental accommodation. It is very important. I am not suggesting it is not. However, the question is: where does that subsidy come from? On government owned sites, we have capacity to absorb some of that as part of the public interest in providing for affordable housing. But, on a range of sites, the more affordable housing you provide, the more impact that can have on house prices in other parts of the same precinct.

Mr DAVID SHOEBRIDGE: With due respect, Minister, it is not just subsidised rental accommodation. There is community housing, there is public housing, there are a range of options.

Mr ROB STOKES: But community housing is subsidised rental accommodation, generally.

Mr DAVID SHOEBRIDGE: You lump them altogether, community housing—

Mr ROB STOKES: No, as I have indicated, there are all sorts—

Mr DAVID SHOEBRIDGE: There are those trust structures that you see in the United States.

Mr ROB STOKES: There is a whole diversity of tenure and types of providing for housing, as long it is different housing styles, because different styles have different levels of affordability.

Mr DAVID SHOEBRIDGE: You are not suggesting that simply because you have a mixed neighbourhood with people on low, medium and high incomes that you are inevitably going to have a negative outcome on property prices, are you?

Mr ROB STOKES: No, that is not what I am suggesting.

Mr DAVID SHOEBRIDGE: It sounded like you were saying that if you provide affordable housing on a site you will have a negative impact on property prices. That is what I thought I heard you say. I am happy for you to clarify if that was not the case.

Mr ROB STOKES: No. It is not my role to canvass decisions of the independent Planning and Assessment Commission. That is why I keep my comments broad, not about the Barangaroo example.

Mr DAVID SHOEBRIDGE: This is a broad question.

Mr ROB STOKES: Subsidised rental accommodation, as I mentioned, is a very important part of meeting housing supply. In the nature of being subsidised rental accommodation, that subsidy has to come from somewhere, and it comes from elsewhere. So if, for example, on a particular site, say, there is to be X per cent or X number of units that are to be provided as affordable housing to be managed by a community housing provider, that subsidy is going to have to come from elsewhere within the footprint of that development. You do have to calibrate it carefully.

Mr DAVID SHOEBRIDGE: When we are talking about public land—

Mr ROB STOKES: Granted, when we are talking about public land then it is capacity.

Mr DAVID SHOEBRIDGE: We were talking about Barangaroo and we are getting 2.3 per cent.

Mr ROB STOKES: No, as I said, I am not going to canvass a decision made by the independent Planning and Assessment Commission. There is a clear direction of plan for growing Sydney that relates to the use of Government-owned land to generate a supply of affordable housing.

Mr DAVID SHOEBRIDGE: What are the words you gave to UrbanGrowth when you said, "I want more affordable housing?" Did you give them a target? Did you give them a paper? Did you give them a lecture, or did you deliver a homily and walk away because you have no power? I want to know what happened.

Mr ROB STOKES: UrbanGrowth has an independent board, so it is important to make that clear. Under the legislation, I have the capacity to provide a statement of priorities, and I indicated in that statement of priorities that affordable housing was one of the things that I was particularly keen to see them continue to engage on and look for more opportunities. This has been a familiar refrain that the staff of UrbanGrowth will have heard me say, and it is something they are working on on a variety of projects that they are engaged with.

Mr DAVID SHOEBRIDGE: Can you table the statement of priorities that identifies how you want to prioritise affordable housing?

Mr ROB STOKES: I indicated in my conversations with the board that I was preparing a statement of priorities. There is an existing statement of priorities. I am happy to table that.

Mr DAVID SHOEBRIDGE: Which does not include affordable housing, does it?

Mr ROB STOKES: I will have to take that one on notice. There was a statement of priorities—

Mr DAVID SHOEBRIDGE: If you could table the existing one and give some further details on the future one, I would appreciate that.

Mr ROB STOKES: Sure.

Document tabled.

Mr DAVID SHOEBRIDGE: Minister, when you say that affordable housing is basically subsidised housing, do you believe that we should be viewing all housing through that market model? How much are you paying for it, who is paying for it? Do you not believe that housing is a fundamental human need and we should be providing it, regardless of some view of microeconomics? It should not be seen only as this is a giveaway to you.

Mr ROB STOKES: I agree. When you look at the millennium development goals, the sustainable development goals, it is a fundamental human right to have access to somewhere safe to live. But to suggest that

the provision of housing does not have a cost would be naive. Of course it has a cost. We have to find the most effective and appropriate ways to meet that cost as a society.

The CHAIR: Thank you very much, Minister. I note that there have been several questions taken on notice. Please remember that you have 21 days to respond.

The Hon. DANIEL MOOKHEY: I had 41.

Mr DAVID SHOEBRIDGE: They had a certain theme to them, though.

The Hon. DANIEL MOOKHEY: The equivalent of taking the Fifth.

The CHAIR: That concludes our hearing today. Thank you very much for coming.

(The witnesses withdrew)

The Committee proceeded to deliberate.