

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE GSC - SOCIAL MEDIA

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

No.

At 2.15pm on Wednesday 31 August, when this question was asked, the Greater Sydney Commission had more than 5,000 followers on its social media channels including: Facebook 4,173, Instagram 124, LinkedIn 757, Twitter 316, YouTube 8 followers.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE GSC – COMMUNICATIONS STAFF

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

The Commission has one Acting Director of Communications and Engagement. This director heads up a team of 3 staff members seconded from other areas of the government. This team includes one media advisor.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE GSC - CONTRACTS

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

No, but all approvals were obtained in accordance with the Secretary's delegations.

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.

ANSWER

No.

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.

ANSWER

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

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.

ANSWER

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

The relevant process for a contract of this nature is that a single quotation is obtained, refer <https://www.procurepoint.nsw.gov.au/scm0005>

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.

ANSWER

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

The relevant process for a contract of this nature is that a single quotation is obtained, refer <https://www.procurepoint.nsw.gov.au/scm0005>

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.

ANSWER

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

The relevant process for a contract of this nature is that a single quotation is obtained, refer <https://www.procurepoint.nsw.gov.au/scm0005>

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.

ANSWER

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

The Agency Guidelines for the Performance and Management Services Scheme states that "A service provider's engagement may result in the need for related 'flow-on' work. And states further that:

The total value of the first and related flow-on engagements for fully prequalified service providers is not to exceed the lesser of:

- three times the value of the first engagement; or
- \$500,000 (including GST).

The flow-on variation for this engagement was approved by the Chief Financial and Operating Officer of the Department.

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.

ANSWER

Engagement up to the value of \$150,000 including GST is permitted by seeking a single Request for Quotation from an approved supplier included in the Performance and Management Services pre-qualification Scheme managed by NSW Procurement refer <https://www.procurepoint.nsw.gov.au/scm0005>.

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.

ANSWER

Engagement up to the value of \$150,000 including GST is permitted by seeking a single Request for Quotation from an approved supplier included in the Performance and Management Services pre-qualification Scheme managed by NSW Procurement refer www.procurepoint.nsw.gov.au/scm0005.

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.

ANSWER

A limited tender within the meaning of the market approaches guide, refer http://www.procurepoint.nsw.gov.au/system/files/documents/market_approaches_guide_v2_0-apr_2015_2.pdf.

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.

ANSWER

The pre contract estimate was \$300,000.00 and the contract was assessed as low value, low risk.

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.

ANSWER

No

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.

ANSWER

No

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.

ANSWER

No

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

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

ANSWER

Yes.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE E ZONE S.117 DIRECTION AND BALLINA COUNCIL

On 31 August 2016, during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

The Hon. ROBERT BORSAK (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.

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.

ANSWER

The section 117 Direction applies when a relevant planning authority prepares a planning proposal. The Department of Planning and Environment has not yet received a planning proposal prepared by Ballina Shire for the implementation of E zones.

The section 117 Direction does not impose a time frame to allow relevant council's adequate time to prepare the necessary technical studies and information required to submit planning proposal. I have requested that the Department of Planning and Environment continue to monitor this situation and advise me accordingly.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE OPERATION SPICER AND BART BASSETT

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

Mr DAVID SHOEBRIDGE: In the Hawkesbury former Liberal Mayor Bart Bassett took \$18,000 in an illegal property developer donation from Buildev, 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.

ANSWER

I am advised that:

The Independent Commission Against Corruption did not make any findings of corruption in relation to Mr Bart Bassett in Operation Spicer.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE CORRESPONDENCE BETWEEN DAVID SHOEBRIDGE AND PRU GOWARD

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

I am advised that:

Mr David Shoebridge MLC wrote to the then Minister for Planning on 26 November 2014 seeking amendments to s 124A of the *Environmental Planning and Assessment Act 1979*.

At the time of writing, the Independent Commission Against Corruption (ICAC) was undertaking Operation Spicer.

In her reply, the then Minister for Planning committed to:

- consider the findings in the ICAC's report on Operation Spicer, when released, in relation to specific proposals and recommendations to further improve corruption safeguards in the planning system, and
- consider Mr Shoebridge's suggestions for reform at the time the ICAC's report on Operation Spicer is released.

These commitments are addressed separately below.

Operation Spicer

ICAC's report on Operation Spicer was released on 30 August 2016.

In its report on Operation Spicer, the ICAC made no findings or recommendations in relation to specific planning decisions, or corruption safeguards in the planning system.

Suggestions for reform

Mr Shoebridge's suggestion is under consideration.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE GSC – WEBER SHANDWICK

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

The contract in question was between the Department of Planning and Environment and a company called CMGRP Pty Limited ACN 004 928 652. This company operates under a number of business names, including Jack Morton Worldwide 96 004 928 652. This is the business name that the company used in relation to this agreement.

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

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?

ANSWER

Commensurate with the NSW Procurement Board Directions (refer to PBD-2013-03, <https://arp.nsw.gov.au/pbd-2013-03-approved-procurement-arrangements-1-july-2013-revised-1-october-2014>) and in terms of DFSI's Market Approaches Guide, section 3.1.6 Limited Tendering, responses were sought from four providers: AgB Events, CMGRP Pty Limited ACN 004 928 652, DC Conferences and Forum Group Events. CMGRP Pty Limited ACN 004 928 652 and AgB Events tendered responses. CMGRP Pty Limited ACN 004 928 652 was selected as the preferred tenderer following an evaluation process conducted in accordance with NSW Government procurement guidelines.

The contract in question was entered into between the Department of Planning and Environment and CMGRP Pty Limited ACN 004 928 652. This company operates under a number of business names, including Jack Morton Worldwide 96 004 928 652. This is the business name that this company used in relation to this agreement.

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.

ANSWER

The contracts in question were with CMGRP Pty Limited ACN 004 928 652. Both contracts were awarded in accordance with the relevant policies and procedures as discussed above.

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

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?

ANSWER

The contracts in question were awarded to CMGRP Pty Limited ACN 004 928 652. Companies which have nominated to be placed on the lobbyist register are not excluded from providing services under NSW Government pre-qualification schemes.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE GSC – WEBER SHANDWICK RISK MITIGATION

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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?

ANSWER

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

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

ANSWER

No.

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

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?

ANSWER

No.

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

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.

ANSWER

The terms and conditions used did not include an anti-poaching clause.

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

ANSWER

No. The Commission did not appoint an external agent to assist with the procurement process.

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?

ANSWER

No. The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

Where the estimated cost of a project is less than or equal to \$150,000 (Incl. GST), an engagement can be made directly from the Scheme by inviting one (1) written quotation from a service provider prequalified under the Scheme.

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?

ANSWER

No.

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

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?

ANSWER

No.

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

The total value of the first and related flow-on engagements for fully prequalified service providers is not to exceed the lesser of:

- three times the value of the first engagement; or
- \$500,000 (including GST).

The flow-on variation for this engagement was approved by the Chief Financial and Operating Officer of the Department.

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?

ANSWER

No.

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

ANSWER

No.

The procurement was performed in accordance with the NSW Department of Finance and Services' Performance and Management Services Scheme (SCM0005), refer <https://www.procurepoint.nsw.gov.au/scm0005>

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?

ANSWER

1. A Service Provider included in any NSW Government Prequalification Scheme must comply with the scheme conditions including clauses dealing with confidentiality and conflict of interest.
2. The Professional Services Contractor Agreement, refer to Scheme Conditions, <https://www.procurepoint.nsw.gov.au/scm0005> also contains clauses relating to confidentiality and conflict of interest.

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?

ANSWER

The Service Provider was engaged in terms of the Performance and Management Services Scheme, and the applicable Professional Services Contractor Agreement.

1. A Service Provider included in any NSW Government Prequalification Scheme must comply with the scheme conditions including clauses dealing with confidentiality and conflict of interest.
2. The Professional Services Contractor Agreement, refer to Scheme Conditions, <https://www.procurepoint.nsw.gov.au/scm0005> also contains clauses relating to confidentiality and conflict of interest.

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

ANSWER

1. A Service Provider included in any NSW Government Prequalification Scheme must comply with the scheme conditions including clauses dealing with confidentiality and conflict of interest.
2. The Professional Services Contractor Agreement, refer to Scheme Conditions, <https://www.procurepoint.nsw.gov.au/scm0005> also contains clauses relating to confidentiality and conflict of interest.
3. In addition to the above a Confidentiality and Conflict of Interest deed Poll was also executed by the Service Provider.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE GSC – FACEBOOK

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

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?

ANSWER

The contract was with CMGRP Pty Limited ACN 004928652, trading as Jack Morton Worldwide.

1. A Service Provider included in any NSW Government Prequalification Scheme must comply with the scheme conditions including clauses dealing with confidentiality and conflict of interest.
2. The Professional Services Contractor Agreement, refer to Scheme Conditions, <https://www.procurepoint.nsw.gov.au/scm0005> also contains clauses relating to confidentiality and conflict of interest.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE DETAILS OF THE DEPARTMENTS MEETINGS WITH THE PROPERTY COUNCIL

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

23 October 2015

Staff from the Department's Planning Services division met with the Property Council of Australia (PCA) to discuss their comments on the pre-Gateway review process.

4 November 2015

Staff from the Department's Planning Services division attended the Illawarra-Shoalhaven Urban Development Program Committee meeting and the Annual Developer Forum.

5 November 2015

Staff from the Department's Policy & Strategy division met with the PCA to discuss a report regarding complying development.

1 December 2015

Staff from the Department's Planning Services division attended the PCA Hunter Chapter's session about the Newcastle urban renewal.

10 December 2015

Staff from the Department's Planning Services division attended the Illawarra-Shoalhaven Regional Plan Industry Briefing.

11 March 2016

Staff from the Department's Planning Services division gave a presentation at the PCA Hunter Chapter's session about Hunter Regional Plan.

23 March 2016

Staff from the Department's Planning Services division held induction meeting with new PCA Regional Coordinator.

28 April 2016

Staff from the Department's Planning Services division attended the Illawarra-Shoalhaven Urban Development Program Committee.

3 May 2016

The Secretary and staff from the Department's Growth Designs and Programs and Policy & Strategy divisions met with the PCA. PCA provided an update on leadership changes within its organisation. The Department provided an overview of the GSC governance model and an update on complying development and developer contributions.

15 July 2016

Staff from the Department's Planning Services division attended the PCA Hunter Chapter's session on aged housing.

21 July 2016

Staff from Department's Policy and Strategy division met with the PCA, UDIA, UTF and HIA to discuss infrastructure contributions

August 2016

Staff from the Department's Planning Services division met with the PCA to discuss consultation and feedback on the Illawarra-Shoalhaven Urban Development Program annual update report.

10 August 2016

Staff from the Department's Planning Services division attended the Illawarra-Shoalhaven Urban Development Program Committee.

12 August 2016

Staff from Department's Policy and Strategy division met with the PCA, UDIA, UTF and HIA to discuss infrastructure contributions

18 August 2016

Staff from the Demography and Economics Branch provided a presentation to the PCA in relation to the Department's draft 2016 housing supply forecast for Sydney. This was part of a broader stakeholder engagement strategy with regard to the finalisation of the forecasts.

23 August 2016

Staff from the Department's Planning Services division attended the PCA Southern Committee meeting to provide an update on the implementation of the regional plan.

7 September 2016

Staff from the Department's Planning Services Division attended a preparation meeting for the Urban Development Program's annual development forum.

7 September 2016

Staff from the Department's Planning Services division attended an introductory meeting with the new Executive Director of the PCA.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE SEPP 44 AND THE KOALA RECOVERY CODE

On 31 August 2016, during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

Yes. Updating SEPP 44 as recommended in the Koala Recovery Plan will ensure the planning system is better able to protect koala habitat.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE EMISSIONS FROM COAL

On 31 August 2016, during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

I am advised that the Department considers scope 1 (direct emissions), scope 2 (indirect emissions) and scope 3 emissions (upstream and downstream emissions, including offshore) in its assessment of any development application for a coal mine in NSW.

This requirement is identified in the Department's Indicative Secretary's Environmental Assessment Requirements for State significant mining projects, which are available on the Department's website.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE AFFORDABLE HOUSING AT BARANGAROO

On 31 August 2016, during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

I am advised that key worker housing for Barangaroo South comprises:

- a. 2.3 per cent of residential gross floor area on site, within Barangaroo South
- b. At least an additional 0.7 per cent of the residential gross floor area on Barangaroo South, or its equivalent development value (but comprising at least a minimum of 1,740 sqm of residential gross floor area) to be provided:
 - i. offsite, but within 5 km of the site, or elsewhere within the City of Sydney LGA
 - ii. as a mix of unit sizes, including at least 40 per cent of the gross floor area allocated to dwellings comprising 2 or more bedrooms
 - iii. prior to the issue of any occupation certificate for Blocks 4A, 4B or Y.

BUDGET ESTIMATES 2016 PLANNING

QUESTION TAKEN ON NOTICE AFFORDABLE HOUSING STATEMENT OF PRIORITIES

On 31 August 2016 during the Budget Estimates Hearing, the following Question was taken on notice.

QUESTION

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.

ANSWER

Attached is the 2014 Statement of Priorities from former planning minister The Hon Brad Hazzard MP.

A revised Statement of Priorities to UrbanGrowth NSW is currently under development, and will include priorities relating to sustainable urban development, affordable housing, design leadership and the continuing role of UrbanGrowth NSW in Western Sydney.



The Hon Brad Hazzard MP
Minister for Planning and Infrastructure
Minister Assisting the Premier on Infrastructure NSW

Mr John Brogden AM
Chair
UrbanGrowth NSW
Level 16, 227 Elizabeth St
Sydney NSW 2000

Dear Mr Brogden

UrbanGrowth NSW – Ministerial Statement of Priorities

I am writing to confirm the Decision of Cabinet on 12 February 2014 to establish the Major Urban Renewal Portfolio to be led by UrbanGrowth NSW.

Actions and investments across the Major Urban Renewal Portfolio will be guided by the following agreed objectives:

- i. Drive increases in the supply of housing and jobs;
- ii. Strengthen the NSW economy by delivering world class centres that attract investment and boost productivity;
- iii. Optimise public investment in infrastructure through integrating land use and transport planning;
- iv. Operate on a commercially astute basis, seeking a fair return for taxpayers; and,
- v. Promote public sector innovation through collaborating across government, the private sector and the community in the delivery of the Portfolio.

As per Decision CM2014-[123], Cabinet have approved an initial eight projects for which UrbanGrowth NSW is authorised to lead and coordinate across Government, to plan and deliver urban renewal. These are:

1. Newcastle City Renewal
2. WestConnex Revitalisation
3. The Bays Precinct
4. Central to Eveleigh Rail Corridor
5. Green Square Town Centre
6. Parramatta North
7. North West Rail Link Urban Renewal
8. Anzac Parade South / Sydney Light Rail

Cabinet has agreed that for each of these projects, UrbanGrowth NSW will enter into Project Collaboration Agreements with relevant Government agencies with assets, interests and responsibilities relating to these projects.

The immediate focus for the development of the Project Collaboration Agreements is:

- Bays Precinct
- Newcastle City Renewal
- WestConnex Revitalisation, and
- Central to Eveleigh Rail Corridor.

Cabinet will determine future project priorities.

However the public announcement will be staged, with the Government soon to announce the establishment of the Major Urban Renewal Portfolio and UrbanGrowth NSW's lead role.

I ask you to expedite the Project Collaboration Agreement for the Bays Precinct and clearly identify key deliverables over the next 12 months. It is expected that the Government will make a public announcement on the Bays Precinct project following Cabinet Infrastructure Committee consideration of this work in April 2014. To this end, I have asked for, by April 2014, a specific communications and media management plan for the Bays Precinct announcement.

I confirm that Anzac Parade South and CBD Sydney Light Rail is not an immediate priority for the Government under the Major Urban Renewal Portfolio.

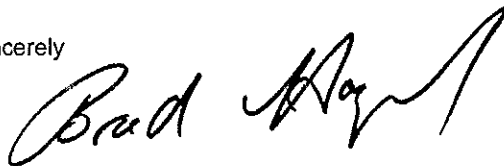
At the Portfolio level, I ask that UrbanGrowth NSW provide me by June 2014, a detailed Portfolio Implementation Plan that addresses:

- the prioritised pipeline of deliverables
- UrbanGrowth NSW agency partners
- Portfolio project status and milestones
- Portfolio resourcing requirements
- Infrastructure interdependencies across Government, and
- proposed Portfolio outcomes, including housing supply and economic benefits.

The Implementation Plan will need to demonstrate the strategic alignment of the Major Urban Renewal Portfolio with Government priorities, including *NSW 2021*, the *Draft Sydney Metropolitan Strategy*, the *NSW Long Term Transport Masterplan* and the *NSW Government State Infrastructure Strategy*.

The role of UrbanGrowth NSW in greenfield land retail development and delivery of associated infrastructure will now be phased out and a new approach established to enable access to government land available for development by the private sector, which is best placed to deliver these services.

Yours sincerely



HON BRAD HAZZARD MP
Minister

25.2.14