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The Director
Budget Estimates
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000

Dear Mr Frappell

**BUDGET ESTIMATES 2005-2006 – SUPPLEMENTARY HEARING 22 FEBRUARY
2006, QUESTIONS ON NOTICE**

Please find attached our responses to the questions raised at the supplementary hearing on 22 February 2006.

Should you have any queries please do not hesitate to contact me on 9873 8553.

Please note that the NSW Heritage Office was incorporated into the Department of Planning on 5 March 2006.

Yours sincerely

Susan Macdonald
Assistant Director

9 March 2006

SUBJECT (Heritage)

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director of the Heritage Office during Budget Estimates Supplementary Hearing which were taken on notice—

Question:

Are you aware of any other New South Wales Government-owned and heritage-listed buildings that the government intends to sell off?

Answer:

We have no current notifications under Section 170A(1)(b) of the Heritage Act 1977 of transfer of ownership of an item included on any State government Heritage and Conservation Register.

Question:

Could you tell the Committee how many heritage-listed properties the government currently owns.

Answer:

There are currently 775 State government owned places listed on the State Heritage Register's total of 1504 State heritage listed items. There are currently an additional 6 014 State owned heritage items included on government agency Section 170 Heritage and Conservation Registers.



NSW GOVERNMENT
Department of Planning

Office of the Director General

Mr Stephen Frappell
Director, Budget Estimates
Legislative Council
Parliament of NSW
Macquarie Street
Sydney NSW 2000


Q06/3

Dear Mr Frappell

I refer to your correspondence of 23 February 2006, concerning questions taken on notice during the Budget Estimates Supplementary Hearing of General Purpose Standing Committee No. 4 on 22 February 2006.

Please find enclosed responses to the questions taken on notice during the Hearing.

Yours sincerely


Sam Haddad
Director General

8.3.2006

SYDNEY REGION DEVELOPMENT FUND –FINANCIAL PROJECTIONS

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

CHAIR: Could you advise in respect to the metropolitan strategy and the funding for land purchases, the current financial status of the Sydney Regional Development Fund?

Mr HADDAD: The Sydney Regional Development Fund—and I will ask Peter to help me—currently has a total contingent liability of approximately \$900 million-plus, comprising land that has been earmarked for acquisition for open space and corridor purposes over the years. The funds had been the subject of a broad review internally within the department to make sure that we have the money allocated and the assets located and efficiently managed. As I said, the contingent liability is \$900 million-plus and I am not sure about the details in terms of asset disposal program and the rest of it so Peter can say a bit more about that.

Mr LUCAS: There is an asset disposal program designed to realise what was originally acquired for planning purposes but is no longer required for that, and that money will be able to be used to extinguish some of the contingent liabilities that the director general has mentioned. There is a review of those contingent liabilities to determine if some of the planning instruments that create that contingent liability are still required.

CHAIR: Are you able to give the Committee an outline of the fund's financial projections for each of the next three to six years?

Mr LUCAS: I will take that question on notice. However, I will say that the Sydney Regional Development Fund is a separate entity and only draws from the Consolidated Fund to the amount of about \$5 million, and that is scheduled to go out through the next three financial years, as you have requested. The remaining amount is funded internally from asset sales and collections from councils which it is entitled to levy for operational costs.

CHAIR: Are you happy to provide that to the Committee on notice?

Mr HADDAD: That is correct.

Answer:

The financial projections for the Sydney Region Development Fund are provided in the Treasury Budget Papers each year.

FUNDING OF NEW RAIL CORRIDORS AND RELATIONSHIP WITH SYDNEY REGION DEVELOPMENT FUND

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

Mr HADDAD: Yes, the details of alignment designs are being undertaken now by the Transport Infrastructure Development Corporation [TIDC] that is looking after the implementation of the rail corridor. The estimated costs in terms of capital costs, and acquisition of lands that has been published previously, was in the order of \$460 million for the entire corridors. My understanding is that TIDC will be submitting formal applications for the development of the corridor shortly—I am not able to say exactly when—by way of planning approvals. We will be looking at amending the relevant State planning instruments to be able to reserve the corridor. My advice is that this should happen shortly.

CHAIR: Is there any relationship between the funding of the new rail corridors and the Sydney Regional Development Fund?

Mr HADDAD: Yes, there were actually announcements made—I would have to double check to be factual—that the funding would come from a variety of funding, including the Sydney Regional Development Funds and other funding mechanisms. That is the latest published information, which included a number of funding sources, including the Sydney Regional Development Fund. I must say that the funding is being worked out at this stage in terms of the sources of funding and the exact magnitude of the funding that is required, and the sequencing of that funding, in line with the development of the release areas through a business case that has been developed by the Growth Centres Commission. When it completes its business case it will be able to say the sequencing of infrastructure supports that are needed to support the development of the release areas. That will inform the precise funding magnitude and the sequencing and timing of funding that is required.

CHAIR: When do you expect that to be finalised?

Mr HADDAD: My understanding is within the next couple of months. I will have to double check with the Growth Centres Commission, if possible. I am happy to get back to you on that.

CHAIR: That would be appreciated.

Answer:

The Minister for Planning, together with the Minister for Finance, have been asked to report to Government on how the Sydney Region Development Fund's financial liabilities will be managed, including with respect to the acquisition of rail corridors. It is anticipated that this report will be submitted to the Budget Committee of Cabinet for consideration.

SYDNEY REGION DEVELOPMENT FUND – REVIEW OF FINANCIAL STATUS

On 22 February 2006, Mr David Clarke MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

The Hon. DAVID CLARKE: You said that a review was carried out on the financial status of the Sydney Regional Development Fund?

Mr HADDAD: Yes.

The Hon. DAVID CLARKE: Was there a written report?

Mr HADDAD: No, there was an internal report. The purpose of the review was basically I wanted to make sure that we have the up-to-date information on the status of the fund and that it is being used efficiently and appropriately.

The Hon. DAVID CLARKE: Is that information codified in a written document?

Mr HADDAD: Yes, there is a broad document in draft form—it is not a policy document, it is not the completed document but it is still a work-in-progress document.

The Hon. DAVID CLARKE: Will you provide the Committee with a copy of it?

Mr HADDAD: I would have to take advice on that to see what is the status of the document, if you do not mind. I am happy to support the verbal advice that I have given with further information. I just want to make sure that any documented information is factual and up-to-date. As I said, once it is up-to-date there is no problem in having all this information available.

The Hon. DAVID CLARKE: The review is actually still being carried out?

Mr HADDAD: The review is still being carried out and refined and there is still questioning happening. As I said, the main purpose of this review is to make sure that we have an efficient mechanism, appropriate at the time, and that is what we are doing now.

The Hon. DAVID CLARKE: For how long has the review been under way?

Mr HADDAD: A couple of months now. It is not very advanced and extensive but this is an ongoing thing. I am more than happy to make it available when it is completed and there is nothing in it that is inappropriate in terms of addressing the relevant issues.

The Hon. DAVID CLARKE: When was the last review before that one carried out?

Mr HADDAD: Peter, would you know exactly that? Would that be five, six years ago, maybe?

Mr LUCAS: I would have to take that on notice.

Answer:

The current review of the Sydney Region Development Fund (2006) has addressed the outstanding liability of the Fund and was submitted to the Budget Committee of Cabinet in early 2006.

A previous major review of SRDF had been completed in 2003/2004.

POSSIBLE LAND ASSET DISPOSALS

On 22 February 2006, Mr David Clarke MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

The Hon. DAVID CLARKE: Mr Lucas, you said there is a review either being conducted or has been conducted in regard to land asset disposals?

Mr LUCAS: That is correct.

The Hon. DAVID CLARKE: Is there a written report?

Mr LUCAS: It is the same report that the director general is referring to. The overall objective of the report, aside from the items that the director general has mentioned, is to assess that contingent liability, and to see whether there are ways that that can be reduced either by purchasing, and that is an asset purchase, disposal of properties that we currently hold that were formerly purchased for planning purposes and no longer required, and appreciating that those properties are fragments so that there is a lot of work needs to be taken to combine a number of fragments together to get to a particular thing, and then also look at whether there is land reserved under a planning instrument that is no longer required. I am not qualified as a planner to comment about that.

The Hon. DAVID CLARKE: Do you have a list of land holdings that you are proposing to dispose of or you have decided to dispose of?

Mr LUCAS: Within the report it goes through the land holdings and identifies broad groups of properties that may be able to be disposed of, yes.

The Hon. DAVID CLARKE: That part of the review is already in written form?

Mr HADDAD: Part of the review obviously is to identify those lands, as Peter said, where there is a potential to dispose of the land, or otherwise, and other lands where there is justification to acquire that lands. This is work in progress, as I said. It is going through that progress of identifying lands, of looking at the planning objectives, looking at whether we still require the land in terms of the applicability of those planning objectives or otherwise. When the final report comes out it will have to say something about the location and otherwise, but it will have to provide justification for what we are proposing to do. This is work in progress and in due course it will have to contain all the relevant information.

The Hon. DAVID CLARKE: It is work in progress but is what has already been produced publicly available?

Mr HADDAD: No, it is not publicly available because it is work still going on. The information is still being gathered and looked at.

The Hon. DAVID CLARKE: You have not made any final decision on any land disposals?

Mr HADDAD: No, we have not.

The Hon. DAVID CLARKE: Everything is still a work in progress in regard to those lands?

Mr HADDAD: That is correct, yes. That is correct with the exception that—and I will have to double-check—that the land management program is ongoing with annual plans to acquire and dispose of land, so that is an ongoing program irrespective of the review. Just to be factual in terms of the response, the review is looking beyond that, as applicable, but there will be still a program of disposal and/or acquisition as part of the ongoing program.

Answer:

The review of SRDF identifies a strategy for ongoing land acquisition and surplus disposals. The surplus disposal program is reported annually through the Government Asset Management Committee.

ACQUISITION COSTS FOR NEW RAIL CORRIDORS

On 22 February 2006, Mr David Clarke MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

The Hon. DAVID CLARKE: You said that the cost of the new rail corridors south-west, north-west, was previously set at about \$460 million.

Mr HADDAD: Thereabouts, yes. That is the figure for acquisition, yes, that is correct.

The Hon. DAVID CLARKE: When did you come to that figure?

Mr HADDAD: I did not come up with it. That is the advice that we received as part of the strategy itself and that would have been about a year ago or so, and this figure is being verified and checked as a result of more detailed investigation into the alignments of the corridor and it has been published and that is the figure that has been quoted on the basis of very preliminary investigations.

The Hon. DAVID CLARKE: You say "preliminary investigations". Was it a detailed investigation?

Mr HADDAD: No. The alignment itself aligning the corridor is shown on maps and published. There was an estimate of the cost of the acquisition of the corridor and this cost is in the vicinity of the figure that I have quoted. The next step is to look into the detail: the corridor adjustments, the alignments, the exact nature of the lands, the engineering requirements and all the rest of it, and that is what is happening now. As to what would happen to the final cost estimates, I have not got this information yet.

The Hon. DAVID CLARKE: So it is just a general assessment made about a year ago?

Mr HADDAD: Yes.

The Hon. DAVID CLARKE: And it could vary either way to a reasonable extent?

Mr HADDAD: With any project it could vary either way, but at this stage I am not expecting it to vary substantially and significantly. But I am just saying that within the next few months there will be an update of this cost in light of the detailed alignment investigation.

The Hon. DAVID CLARKE: So you would be fairly confident that there is not going to be a significant blow out on that figure of \$460 million?

Mr HADDAD: To be honest, I am not the expert on this and I do not want to mislead the Committee, but to the best of my knowledge that is the figure that has been looked at. My advice is that that is the cost. The experts there are the TICD people; the transport corporation has been charged with looking into all these details. I am more than happy to come back with further clarification.

The Hon. DAVID CLARKE: Could you get some specific clarification on that and come back to us?

Answer:

Preliminary investigations indicated approximate land acquisition costs for the South West Rail Link and North West Rail Link to be in the order of \$460M. However, these preliminary figures are subject to more detailed investigations and may be subject to change.

Technical studies being undertaken by Transport Infrastructure Development Corporation will identify the temporary and permanent land acquisition requirements for both the construction and operation of these projects. The completion of these studies will enable detailed estimates for land acquisition costs to be prepared for each project.

**ANNOUNCEMENT ABOUT THE DISSOLUTION OF
THE METROPOLITAN STRATEGY REFERENCE PANEL**

On 22 February 2006, Ms Sylvia Hale MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

Ms SYLVIA HALE: According to this morning's *Sydney Morning Herald*, the metropolitan strategy reference panel was dissolved in October, six months ago. Was any announcement made at the time that the panel was being dissolved?

Mr HADDAD: I am not sure. I will have to check. I am not sure whether an announcement has been made. I am happy to get back to you on this.

Answer:

The Metropolitan Strategy Reference Panel was dissolved prior to the release of the Metropolitan Strategy in 2005, following fulfilment of the role of the Panel to provide input on the preparation of the Strategy. There was no formal announcement of the dissolution of the Panel.

COMPLIANCE OF LEPs WITH STATE/REGIONAL PLANNING OBJECTIVES

On 22 February 2006, Ms Sylvia Hale MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

Ms SYLVIA HALE: On 20 February, two days ago, the Minister released a media release about a new panel to streamline local planning processes. In that media release he says that every year the New South Wales Government's Parliamentary Counsel prepares 5,500 pages of draft local environment plans but only 20 per cent of this work ever becomes law because so many draft LEPs do not comply with State or regional planning objectives. That suggests that 80 per cent of LEPs that are submitted to the department fail the test. Is that figure correct?

Mr HADDAD: I am not sure whether that is referring to the LEPs referred to the department or to the Parliamentary Counsel. Certainly a lot of LEPs travel directly to the Parliamentary Counsel early on and there is work being done on it and they end up with the Minister or with the department and a recommendation is made not to adopt them. The reason for all this, essentially, is that we have a lot of LEPs in the system, quite a lot, particularly in relation to spot rezonings, which are not consistent, they do not make sense, if I can be blunt with you. So, basically, they can travel through the system either via the department or from councils under delegation directly to the Minister. The Minister, rightly so, will examine those documents and he will say, "Well, they do not make sense to me." And he will not make them because they do not comply with an analytical reasoning of why they have to be made or, in particular, they do not comply with established policy. There is no point in us working hard on policies and then having hazard rezoning happening, particularly in relation to spot rezones. We are trying, basically, to bring all these LEPs, particularly the spot rezoning and others, very early on. We are telling councils to bring them in and we will put them to an independent—in this case a panel—within the department that will involve local governments and, as applicable, other experts. They will say that it is consistent or not consistent and we will give an upfront, early advice to councils and everybody as to our views in progressing this LEP. We cannot legally stop the LEP from progressing the, but at least we will be advising early on as to whether this LEP is consistent or otherwise.

Ms SYLVIA HALE: I am sorry to interrupt, but my understanding is that most councils engaging in a lot of informal communication with the department precisely because they do not wish their LEPs to be contrary to any legal requirements.

Mr HADDAD: Yes.

Ms SYLVIA HALE: Has the suggestion that 80 per cent of them do not conform been analysed in any way? Could you provide the Committee with the supporting documentation, the breakdown, that enabled the Minister to make such a statement?

Mr HADDAD: Yes, I can. Well, I just want to go back and confirm the applicability of the 80 per cent, as I have said—as to whether they apply to LEPs that went to the Parliamentary Counsel and not me. I will provide you with the statistics that we have.

The Hon. JAN BURNSWOODS: The story in the *Sydney Morning Herald* referred to 80 per cent that went to the Parliamentary Counsel.

Mr HADDAD: Yes, to Parliamentary Counsel. That is why I am saying that I need to go back and check. I can provide the information to back up all this. The fact is that there is a jamming in the system that we are trying to address. I think that will improve the system operationally.

Ms SYLVIA HALE: The Minister's media release also said that the panel that will assess these LEPs will include representatives from the department and from local government.

Mr HADDAD: Yes.

Ms SYLVIA HALE: Will they be permanent local government representatives, or will they be representatives from the Counsel that is submitting the LEP?

Mr HADDAD: No. There will be independence. I have met with the President of the Local Government and Shires Associations. They are going to nominate four people from across State and

we will be using one of them on each panel on a rotating basis. I am not sure but I expect that if it is within their own localities they may not want to be involved, so that we can have a fresh view. We will be doing that within our own department. I will be getting people from different regions to look at different localities.

Ms SYLVIA HALE: When you say that councils will be advised whether they should proceed to exhibition within a targeted response time of 15 days, does that mean that it will take 15 days for the panel to assess the LEP's compliance?

Mr HADDAD: It will take 15 days—that is our benchmark targeting figure—from the time we receive what we call the section 54 notification to the time we advise the council as to the views of the department, of the panel.

Ms SYLVIA HALE: It says it will examine proposed land zoning and key development controls for consistency with State environmental planning policy criteria, including regional strategies and compatibility with nearby land. Will those criteria be spelled out publicly?

Mr HADDAD: Yes, they have been sent to all councils and I am more than happy to make them available to the Committee. The criteria have been made available to, I think, five or six different categories of zoning and for each one we have set criteria and they have to do the evaluation against those criteria.

Answers:

Over the past three years, the Parliamentary Counsel (PC) has provided an average of approximately 5,500 pages of drafting per annum for environmental planning instruments (EPIs), including Local Environmental Plans (LEPs). In contrast to drafting for other purposes, draft EPIs are revised to a greater extent, and the final pages which become law represent between 20-30% of the total drafted.

A major contributory factor to the number of revisions has been the high number of LEPs which have been processed by councils under delegation, and which have been sent directly to the Parliamentary Counsel for drafting without any policy input from the Department of Planning. This means that Departmental review of the instrument often follows the first referral of a plan to the PC.

In addition, the Department may refer a LEP to the PC more than once when the drafting of the instrument raises issues which need to be addressed, or when final scrutiny of a draft plan indicates that changes are needed. There are many reasons for returning a draft LEP to the PC, including inconsistency with state and regional planning objectives.

The Review Panel will ensure that draft LEPs which go to the Parliamentary Counsel have been evaluated thoroughly against state and regional planning objectives by the Department. The evaluation criteria are publicly available. The Department of Planning has published a Circular (PS 06-005) which explains the role of the Department's new LEP Review Panel. This information was issued on 16 February 2006 and can be found at:
www.planning.nsw.gov.au/planningsystem/practicenotes.asp

M5 East Tunnel Emissions

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

CHAIR: Will you tell the Committee how many times to date emissions have been vented from the entry and exit portals of the M5 tunnel?

Mr HADDAD: I do not have the figures with me. May we take that question on notice and get back to the Committee? We have published some information in our audit report, which is on the web site, but I will double check and get back to the Committee.

Answer:

The Department has published a compliance report of the M5 East Motorway and it is available at www.planning.nsw.gov.au

STATUS OF CENTRAL COAST TRANSPORT ACTION PLAN

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

CHAIR: In relation to the Transport Action Plan in the same area, the Central Coast, what has happened to progress at particular action plan?

Mr HADDAD: We have not progressed any implementation of this action plan. I would like, if you do not mind, to take this question on notice. What we are doing is looking at integrating the transport elements of that plan into the strategy that I have just mentioned. We have not really in practice, other than existing actions that have been ongoing through existing committees, gone beyond that for the time being, pending completion of the strategy.

Answer:

The Central Coast Transport Action Plan (CCTAP) was released in July 2002. Since its release, substantial progress has been made in implementing or further investigating a number of projects in the Action Plan, including the North Warnervale transport interchange and the TravelSmart Voluntary Travel Behaviour Change program. Implementation is the responsibility of a number of different agencies, including the Roads and Traffic Authority and the Ministry of Transport.

The Central Coast Transport Action Plan has been superseded by the Department of Planning's Central Coast Strategy, which is under development as part of the Metropolitan Strategy process. Transport needs for the area will be integrated into the broader strategic planning framework for the Central Coast.

**FLOOD MITIGATION WORKS FOR
WARNERVALE TRAIN STATION DEVELOPMENT**

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

CHAIR: Can you advise the Committee what amount of hydraulic work will be needed to mitigate any existing flood problems from upstream developments in relation to that particular train station development site?

Mr HADDAD: I can come back to the Committee with the details but I am not up to date with all the studies. As I said, the main planning issue of interest was the threatened species. I am more than happy to come back with other issues.

CHAIR: Can you confirm that basically it is about a \$19 million project?

Mr HADDAD: May I just take that on notice as well? I think it is in that range but I just have to get back if possible.

Answers:

This issue should be directed to RailCorp to respond.

GOSFORD CITY LINK –PROJECT COSTS AND COMMUNITY INVOLVEMENT

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

CHAIR: In the same Central Coast area, specifically the CityLink project for Gosford—

Mr HADDAD: Yes.

CHAIR: —can you provide the Committee with information as to the current status of that project?

Mr HADDAD: The current status, to the best of my recollection, is that preliminary planning work is being done in terms of master planning development action on it with, I think, Landcom and councils. Again, this has not yet come to the department, and I am not sure whether it will come. Essentially, we are trying to understand that project and if possible to facilitate it. It is something that Landcom is progressing with the council directly.

CHAIR: Do you know what the total cost of the project is expected to be?

Mr HADDAD: No, I am not sure about the total cost. I can come back with that figure.

CHAIR: You will take that on notice?

Mr HADDAD: Yes, sure.

CHAIR: What sort of community involvement is there in terms of information to local residents?

Mr HADDAD: I will update the Committee on that when I go back and get more information from Landcom, but I know as a minimum any master planning will be the subject of public exhibition and comments. I am aware that a community group has been submitting information directly to the proponents in this case and to the councils. I am also aware that there have been a number of council meetings where people were making submissions or voicing their interest in it.

Answer:

This issue should be directed to Landcom to respond.

CONSULTANCIES FOR ORGANISATIONAL REVIEWS

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

CHAIR: In relation to the operations of the department itself—

Mr HADDAD: Yes.

CHAIR: —and reviews of its organisation, the department's 2004 annual report states that it spent nearly \$600,000 on four separate consultancies for organisational reviews. Can you tell the Committee what services were provided by the consultancies?

Mr HADDAD: That is in relation to the Department of Infrastructure, Planning and Natural Resources.

Mr LUCAS: I do not have the details with me. As the Director General said, that is the former Department of Infrastructure, Planning and Natural Resources. We would need to have a look at the detail that has been published in the annual reports.

CHAIR: Can you provide us with information as to what services were provided by those consultancies?

Mr HADDAD: Yes.

Mr LUCAS: Yes, take that on notice.

CHAIR: And the costs for the consultancies that did those reviews before and after the merging of the two departments. Can you tell us also what costs were involved with separating the two departments last year?

Mr LUCAS: Take that on notice, yes.

Answer:

As reported in the 2003-04 Annual Report for the Department of Infrastructure, Planning and Natural Resources, that Department spent \$619,038 on organisational review consultancies. The services provided by these consultancies were:

- The Nous Group (\$496,102) – conducted a review of the services provided by the just formed Department (Service Delivery Project) to make recommendations to streamline those services in line with the priorities of the Department and identify the financial implications of rationalising the Department's services.
- Pricewaterhousecoopers Security (\$82,111) – provided advice on the establishment of a governance and executive structure for the Department.
- The Ryder Self Group (\$40,825) – conducted a review of the Corporate Services business areas of the Department.

In relation to the question on the cost of separating the two Departments last year, the work was managed internally using existing staff resources. External consultants were not utilised.

MEDIA AND ADVERTISING COSTS

On 22 February 2006, Ms Jenny Gardiner MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

CHAIR: You will probably need to take this on notice as well. Can you provide the Committee with the costs of the media and the advertising buying before and after the merger of the two departments?

Mr HADDAD: Yes.

Answer:

Media and advertising costs for the former Department of Planning in 2002/03 was \$726,409.

Current costs for media and statutory advertising costs in the new Department of Planning in 2005/06 year to date is \$343,814.

**PLANNING GUIDELINES – SEX SERVICES PREMISES
PLANNING ADVISORY GROUP**

On 22 February 2006, Ms Sylvia Hale MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing 3 which were taken on notice—

Ms SYLVIA HALE: In 2004 DIPNR provided funding to the Local Government and Shires Association to establish a sex services premises planning advisory group.

Mr HADDAD: Yes.

Ms SYLVIA HALE: I understand that that group produced guidelines in December 2004.

Mr HADDAD: Yes.

Ms SYLVIA HALE: When will those guidelines be made public?

Mr HADDAD: My understanding is that they are not public so we will look at them and see whether we can make them available through at least our library so that people can access them.

Ms SYLVIA HALE: Presumably this is a matter of considerable interest to workers in the industry as well as to councils. It is now 18 months since those guidelines were prepared.

Mr HADDAD: Yes. As I said, if you do not mind I will take it on notice, update where it is exactly and then come back to the Committee.

Answer:

As the Guidelines prepared by the Sex Services Premises Planning Advisory Panel are not Government policy, the Minister for Planning is presently considering how they will be made available to interested parties.

BUNGONIA BUFFER ZONES

On 22 February 2006, Ms Sylvia Hale MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice -

Ms SYLVIA HALE: Thank you. I have a brief question about Bungonia. You may be aware that a number of residents living near a property called Ardmore Park on Oallen Ford Road, Bungonia, have had their properties placed partially or a wholly within a buffer zone for a proposed hard rock and sand quarry. As a result of those properties being placed within the buffer zone, the value of those properties have dropped significantly so they are negative equity for some owners. Will the Government consider purchasing those properties at the market value that pertained prior to the rezoning and imposition of the buffer zones?

Mr HADDAD: These properties are in a buffer zone because of what? Is it because of the conditions that was imposed?

Mr WILSON: The Minister for Planning refused the application for a quarry at the Ardmore property last year. There is no proposal on foot at this stage before the department. I am unaware of any formal buffer zones that have been imposed by any instrument. I can take that on notice.

Ms SYLVIA HALE: If you would.

Mr WILSON: As far as I am aware, no buffer zones have been imposed by any statutory instrument.

Answer:

Under Section 117 of the *Environmental Planning & Assessment Act 1979*, the Minister for Planning may direct Councils to consider certain matters when they are preparing local environmental plans (LEPs). This is to ensure that Councils consider matters that are of State or regional planning significance when they prepare such plans.

On 6 December 1994, the Minister issued Direction G28, which requires: Councils to consult with the Department of Primary Industries (Mineral Resources) when they are preparing LEPs that are likely to prohibit or restrict the mining of mineral resources; and DPI to notify Councils of the locations of known and potential mineral resources.

On 10 May 2004, the DPI advised the former Greater Argyle Shire Council (now Goulburn Mulwaree Council) of the known and potential mineral resources of State or regional significance in the Goulburn Mulwaree LGA.

This advice identified a known mineral resource at Ardmore Park near Bungonia, and identified an area around this resource (called the "buffer zone") that could be adversely affected by any future extraction of the resource.

This "buffer zone" has no statutory status, it is advice that Council must take into consideration, when it prepares LEPs for the area, to ensure that a resource of State and regional significance is not sterilised, and to minimise any potential land use conflicts that may be associated with the extraction of the resource.

At this stage, the properties in the so called "buffer zone" have the same development rights that they always had in the rural zone under Council's LEP.

**COUNCILS SEEKING TO LEVY DEVELOPERS
FOR AFFORDABLE HOUSING**

On 22 February 2006, Ms Sylvia Hale MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

Ms SYLVIA HALE: How many councils have approached the Government seeking permission to levy developers for affordable housing, either via inclusion in SEPP 70 or through some other mechanism?

Mr HADDAD: Can I take it on notice, unless Ms Connelly knows?

Ms CONNELLY: My understanding is that at this point in time it is only two, but I would have to take that on notice to see if that is still the current situation.

Ms SYLVIA HALE: Which councils are they?

Ms CONNELLY: I think it is Willoughby and Woollahra, but, once again, I would have to take it on notice, but it is very few.

Ms SYLVIA HALE: It is my understanding that Parramatta council requested in writing that the Parramatta LGA be included in SEPP 70. Did the department responds to that request and, if so, will the department make available to the Committee a copy of its response?

Mr HADDAD: We will take this on notice and come back to the Committee on it.

Answer:

Since the Environmental Planning and Assessment Act 1979 was amended in 2000 to enable State and local planning instruments to address affordable housing, five (5) local councils have officially approached the Government. The five Councils are Parramatta, Newcastle, Randwick, Gosford and Byron Bay. Willoughby Council and the City of Sydney Council already have operating schemes.

In 2004, Parramatta Council wrote to the Minister for Planning requesting a local planning instrument be included in SEPP 70 to enable the implementation of the Council's Draft Affordable Housing Scheme and the levying of contributions.

The Department requested Parramatta Council to first take steps to demonstrate the level and type of affordable housing need, in addition to furnishing a local statutory planning mechanism that can appropriately address this need. This request was outlined in some detail to Council by Departmental officers throughout 2004. Parramatta Council is yet to respond to this request.

**3 PER CENT AFFORDABLE HOUSING TARGET FOR
673-UNIT DEVELOPMENT AT SYDNEY OLYMPIC PARK**

On 22 February 2006, Ms Sylvia Hale MLC asked a number of questions of the Director General, Department of Planning during Budget Estimates Supplementary Hearing which were taken on notice—

Ms SYLVIA HALE: Recently the Minister announced a 3 per cent designated affordable housing target for a development of 673 units at Sydney Olympic Park in Homebush Bay, which represents 21 units out of a development worth \$190 million. What is the justification for setting the target for affordable housing so low?

Mr HADDAD: Can I get back to you when I look at the details of it?

Ms SYLVIA HALE: What statistics and figures did the Government use to decide upon a 3 per cent target? Were income profiles and average wage rates part of that equation? Was the percentage of income spent on housing included in the calculation? Was social hardship in different LGAs considered, or was the 3 per cent figure simply negotiated with the development industry as something they said that they could live with?

Mr HADDAD: Whatever figure was set would have been on the basis of the merit assessment of the case. We publish all our assessment reports and justification on our web site, but nevertheless I will go back and check the justification in this particular case. I am not sure that there are uniform targets across the board, but there are differences. There must be a merit assessment and full justification. It is not simply just by negotiations.

Answer:

Sydney Olympic Park Authority carries out the role of Local Government in regard to strategic plan making at Olympic Park.

A Masterplan was prepared in 2002 by the Authority to guide development at Olympic Park. It sets an affordable housing requirement of 3%. The basis for setting the 3% target was established by SOPA at the time of making the 2002 masterplan and, I understand, done in consultation with other relevant Government Agencies.

I am advised by the Sydney Olympic Park Authority that they are currently preparing a new masterplan, and that as part of that process, the target for affordable housing is being reviewed. The Authority advises the Department that the new masterplan is targeted for completion later this year.