

GENERAL PURPOSE STANDING COMMITTEE No. 4

Tuesday 19 April 2004

Examination of proposed expenditure for the portfolio area

INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

The Committee met at 2.00 p.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. A. R. Fazio
The Hon. K. F. Griffin
Ms S. P. Hale

The Hon. D. E. Oldfield
The Hon. E. M. Roozendaal
The Hon. J. F. Ryan

PRESENT

Department of Infrastructure, Planning and Natural Resources
J. Westacott *Director-General*

Mr S. Haddad, *Deputy Director-General*
Mr P. Lucas, *Chief Financial Officer*
Mr G. Smith, *Executive Director, Corporate Services*

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**

CHAIR: I declare open the meeting of General Purpose Standing Committee No. 4 and the continuation of the examination of budget estimates for 2004-05. I advise that the Government Whip has advised that the Hon. Amanda Fazio is replacing the Hon. Jan Burnswoods today, and I am also advised that the Hon. John Ryan is substituting for the Hon. David Clarke today. I propose that the standard procedures for budget estimates apply to this hearing. I declare the hearing open and that the public and the media are to be admitted. I welcome everyone to the supplementary public hearing of General Purpose Standing Committee No. 4. I firstly wish to thank the Director-General of the Department of Infrastructure, Planning and Natural Resources [DIPNR], Ms Westacott, and other officers for attending today. At this meeting the Committee will examine the proposed expenditure for the portfolio area of Infrastructure, Planning and Natural Resources. Before we begin with questions, I will run through the usual procedural matters.

Firstly, in relation to the broadcasting of proceedings, I point out that in accordance with the Legislative Council's *Guidelines for Broadcast of Proceedings*, which is available from the attendants and clerks, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, you must take responsibility for what you publish or for what interpretation is placed on anything that is said before the Committee. The usual procedure applies to the delivery of messages: Messages from staffers to members should be made through the attendants or the clerks. I declare the proposed expenditure areas open for examination. Does the director-general have an opening statement?

Ms WESTACOTT: I do, Madam Chair, but it is possibly appropriate to wait for the Hon. David Oldfield to arrive before I read that statement.

The Hon. ERIC ROOZENDAAL: That could be a long wait.

CHAIR: No, he is on his way. He will be here shortly. Are you happy if we proceed straight questions?

Ms WESTACOTT: I will take questions now.

The Hon. KAYEE GRIFFIN: Madam Chair, may I ask if it is going to be the usual 20, 20, 20?

CHAIR: It is. It will be just the usual procedure. Are there any questions?

The Hon. JOHN RYAN: Yes. Mr Smith might be able to help us out with this. At the last estimates hearing there was some discussion about a cab fare for \$312 that had been raised by Mr Peter Sutherland. You told us that Mr Sutherland had reimbursed the department. Do you know when he reimbursed the department for that cab fare?

Mr SMITH: No, I am afraid I do not know the exact date that Mr Sutherland reimbursed the department. I know he did.

The Hon. ERIC ROOZENDAAL: Take that on notice.

Mr SMITH: I will take that on notice.

The Hon. JOHN RYAN: Is it a fact that Mr Sutherland reimbursed the department on Friday 18 March, just before he was due to appear before this Committee on Monday 21 March?

Mr SMITH: I am not aware of when Mr Sutherland actually paid that amount to the department. I know that Mr Sutherland did make that payment to the department before the last estimates committee, but I am not sure when.

The Hon. JOHN RYAN: Are you aware that the trip under consideration took place in August 2004? Did Mr Sutherland reimburse the cab fare in 2005, around March, or was it closer to the time that the cab fare was raised in 2004?

Mr SMITH: My understanding is that Mr Sutherland repaid that amount in 2005.

The Hon. JOHN RYAN: Shortly before he was due to appear before the Committee?

Mr SMITH: At some stage during 2005. I know that he did make that payment but I am not sure when.

The Hon. JOHN RYAN: But you will be able to provide that detail to the Committee?

Mr SMITH: Yes.

The Hon. JOHN RYAN: Did the Metropolitan Strategy area of the department hold a meeting in conference facilities at the Sydney Cricket Ground?

Mr SMITH: Not that I am aware of.

Ms WESTACOTT: I can answer that question. Yes, we did. We held one of our community forums in the Sydney Cricket Ground.

The Hon. JOHN RYAN: Can you supply the Committee with the details of what that use of the cricket ground cost?

Ms WESTACOTT: Yes.

The Hon. JOHN RYAN: Ms Westacott might have to deal with these questions, I think. Ms Westacott, can you tell the Committee what the telecommunications review project is?

Ms WESTACOTT: That is something that I probably will give back to Mr Smith to answer in detail.

CHAIR: Mr Smith?

Mr SMITH: The telecommunications review project has been a project to review the future needs of the organisation in terms of voice and data infrastructure and to look at the opportunity for the department to engage expert service providers in the industry to improve both the voice and data communications network. What it actually means is the sort of information technology [IT] pipes, if you like, that supply data to remote offices and to individual officers through their computer. It is also looking at the use of the rationalisation of telecommunications providers both in terms of data communications and also mobile and other voice communications.

The Hon. JOHN RYAN: Can you tell the Committee the cost of that review?

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

The Hon. JOHN RYAN: Is there any chance of the review costing approximately \$170,000?

Mr SMITH: I would have to take that on notice, I am afraid.

The Hon. JOHN RYAN: Is it true that a company called Housley's was appointed to this contract, despite the fact that they were not listed under the current government contract ITS 2069?

Mr SMITH: It is true that Housley were appointed to undertake work for the department following a competitive process. From the process, Housley was selected by the department to do the work.

The Hon. JOHN RYAN: Was your attention ever directed to the internal memorandum that stated that there was no competitive process which occurred?

Mr SMITH: I have not seen any memo of that sort but I do know that there was a competitive process where certainly more companies than Housley were invited to compete for the work. From what I can remember, the actual work that we required to be undertaken was specialist and detailed in nature, and there were only a few companies in the marketplace that were capable of doing that work.

The Hon. JOHN RYAN: Were you aware of an internal memo that states, "There appears to be no significant assessment of the level of capability and associated cost comparisons"? Are you aware of whether there was any assessment of the level of capability and cost comparison between the companies before Housley was selected?

Mr SMITH: Yes, there was. There was an assessment of Housley's capability to undertake the work. I also understand Housley's appointment was reviewed independently by the Contracts Review Committee, which is a subcommittee of the Independent Audit Committee.

The Hon. JOHN RYAN: What role did Mr Tomlinson play in the evaluation of this tender?

Mr SMITH: I am not aware that Mr Tomlinson played any role in the evaluation.

The Hon. JOHN RYAN: So you are not aware of the memo that states, "The evaluation of the tender was undertaken by an external contractor Mr Tomlinson of BSR rather than the proposed and approved Tender Selection Committee".

Mr SMITH: I was not aware of that.

The Hon. JOHN RYAN: Was a tender selection committee used to select this tender?

Mr SMITH: My recollection was that there was a review committee established in the department.

The Hon. JOHN RYAN: Is that different from a tender selection committee?

Mr SMITH: I think it is similar in terms of its scope and purpose.

The Hon. JOHN RYAN: Is it similar in terms of its composition?

Mr SMITH: I would have to take that on notice. I am not sure when—and, given this process and that that particular project was undertaken sometime ago, I cannot recall the exact composition of the review process.

The Hon. JOHN RYAN: Is it a fact that Mr Tony Kafer, another BSR contractor, provided an endorsement based on his previous work with Housley's as part of that process?

Mr SMITH: I am not aware of that.

The Hon. JOHN RYAN: Do you think it is appropriate for one BSR contractor to evaluate a tender where another BSR contractor is endorsing the company that is tendering? Would that be an appropriate process?

Mr SMITH: I do not understand that that process was undertaken within the department.

The Hon. JOHN RYAN: Are you familiar with this internal memo that gives you the advice to your department that it was "inappropriate to proceed with this engagement"?

Mr SMITH: No, I have not seen that. I would have to respond on notice.

The Hon. JOHN RYAN: What is the current status of the telecommunications review project?

Mr SMITH: The telecommunications review project status has presently moved to the stage of the engagement of Soul Pattinson Telecommunications as the service provider to undertake the work in terms of rationalisation of the voice and data communications network. The appointment of that company was undertaken through a competitive process.

The Hon. JOHN RYAN: How much has DIPNR spent on contracts with BSR Consulting this financial year?

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

The Hon. JOHN RYAN: How much in total has DIPNR spent on contracts to BSR Consulting since you started using it?

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

The Hon. JOHN RYAN: Ms Westacott, what is the exact status of the Metropolitan Strategy?

Ms WESTACOTT: The Metropolitan Strategy is work that began in 2004 and is continuing in 2005 and beyond. As I said the last time I appeared before this Committee, it is not a one-off plan or a single document. It is a rolling series of actions and plans to manage growth and change in Sydney over the next 30 years. It is a major planning exercise to ensure that Sydney's growth is sustainable and to ensure that our environment, transport and competitive economy remain in balance. Unlike plans before it, the strategy is an urban management process focused on implementation and will be subject to ongoing monitoring and review. It will inform and influence the Government's budget process, including infrastructure and services, and it will of course utilise the Government's arrangements for particular projects designed to achieve the best outcomes.

A good deal of work has already been released and a number of critical parts of the strategy have begun. These include the urban land releases in the south-west and north-west sectors, the growth centre commission that is currently being set up for that, and the structure plan for the north-west and south-west sector which will shortly go on exhibition. But as I said, we are currently in the process of finalising board appointments to the new growth centre commission. We announced last year the establishment of the Western Sydney parklands which will be the largest urban park in Australia but also links the two major land releases. We have announced major changes to the East Darling Harbour Precinct which will see the creation of 14 kilometres of unbroken foreshore access, 50 per cent of that land minimum being set aside for the open space. A site at the end of Millers Point we will preserve for future generations for their use and a concentration of commercial development will be on the southern part of the site.

We are finalising the design brief for the international design competition for that project in conjunction with the Institute of Architects. We have announced our broad directions for the freight strategy for Sydney which is intended to see 40 per cent of freight switch from road to rail. We have appointed a freight advisory board chaired by Laurie Brereton and that board is well into the detail of developing the freight strategy for Sydney. We are progressing our planning for the renewal of the Parramatta Road corridor and councils are finalising their structure plans for the four precincts on Parramatta Road. We have, as you know, announced funding for major centres work across Sydney for the major centres such as Parramatta and Liverpool. Councils are in discussion with us now on the finalisation of those proposals.

The Hon. JOHN RYAN: That is about \$2 million, is it not?

Ms WESTACOTT: That is correct. We have begun our investigations into the CBD to airport corridor. We have released a metropolitan water plan. We have begun the implementation of the building sustainability index, which will be a foundation for the metropolitan strategy, which is one of the key strategies we will use to manage growth in Sydney and ensure we can live within our energy and water capabilities. We have announced the setting aside of major employment lands in Western Sydney and we have begun the development of a land use proposal and a land use study around the M7 orbital, which will transform travel patterns in Sydney. We have had extensive consultation, as you know, with a number of community groups. We are finalising work with regional

organisations of councils about the distribution of population and employment targets, which we outlined to them at our Sydney Futures Forum on 13 December. Then there will be, as I said last time I was here, a range of complementary initiatives to support the land release and population settlements such as transport, employment, energy, et cetera. It is important that I re-emphasise that we have tried to give a lot of attention to implementation and projects.

If you look at some of the work coming out of Victoria about the Melbourne 2030 plan, there is a lot of concern in industry that that has not been linked to planning reform, and it is critical that we link the implementation of the metropolitan strategy to the reform of planning instruments and to modernise the local environmental plans of the relevant local authorities in Sydney impacted by the Sydney metropolitan plan. Professor Ed Blakeley, who is one of our key advisers on the metropolitan strategy, has re-emphasised that he does not see the strategy as a document, that it must be an ongoing process, and we must get the financial and institutional arrangements right in perpetuity to ensure that we can implement major directions for growth and change in Sydney. A key part of the strategy will be keeping Sydney competitive and ensuring that there is jobs growth across the whole region. We have recently engaged, as was reported in the *Sydney Morning Herald* on Saturday, Mr Bob Meyer to assist us with finalising work, particularly around centres and corridors, which will be a key feature of the strategy, as we said, to ensure that people are located around major transport services and major shopping centres.

The Hon. JOHN RYAN: Can I make the comment that from what you have described, an awful lot of the strategy deals with greenfield sites in Western Sydney, a patch of work is being done in the city area around Darling Harbour east, a bit of work on Parramatta Road and very small amounts of money being delivered to a few existing centres. The vast amount of Sydney is largely untouched by that strategy. It would appear there is no strategy for the very controversial and difficult issues such as urban consolidation and change in the existing parts of Sydney where there is quite active development now and there was an expectation that at some stage or other people would be able to see—

The Hon. ERIC ROOZENDAAL: Point of order: The Hon. John Ryan is making a speech. There is no question here at all. What is the relevance of this?

CHAIR: The Hon. John Ryan is asking a question where—

The Hon. ERIC ROOZENDAAL: He prefaced his comments by saying he wanted to make a comment. He did not indicate he was asking a question at all.

CHAIR: He is trying to assess Ms Westacott's answer to date so he can ask a specific question.

The Hon. JOHN RYAN: The question I was getting to, an expectation was given when the metropolitan strategy was announced that at some stage or other people would be able to look at, if not one document a collection of documents, that would address the issue of growth, development and change right across Sydney so that important infrastructure decisions that you were referring to were going to be informed. It seems impossible to deal with a document that deals exclusively with north-western and south-western Sydney greenfield sites, areas around the M7 and east Darling Harbour. A great deal of Sydney is not covered.

Ms WESTACOTT: That is what I was referring to when I was talking about the population distribution. At the Sydney Futures Forum in December we put forward to local government and industry representatives our initial thinking about the distribution of population across the rest of greater metropolitan Sydney. As you know, a key part of the strategy, which organisations such as the Property Council have strongly advocated for, is that about 30 per cent to 40 per cent of Sydney's growth will be accommodated on the fringe and about 60 per cent to 70 per cent will be accommodated in existing areas.

The next major chunk of the metropolitan strategy we are currently finalising with local government and industry is the distribution of that 60 per cent to 70 per cent. We released in December how the indicative figures would work and we are currently working through that with the regional organisations of councils. But it was critical, and there is strong support for this in the

property industry, that we deal with the land release so we were clear about the size of the task for the 70 per cent.

As I said last time I was here, the introduction or the announcement about the land release means that we will be doing about 8,000 lots a year of housing on the release areas. That changes the equation for existing suburbs from about 22,000 new dwellings a year to about 14,000 or 16,000. We put this to local government in December. There was positive response to it and we are working through the detail with them about the distribution in those subregional centres and talking to them about how they will implement that through their local environmental plans. That will be a major chunk of the strategy.

The Hon. JOHN RYAN: Do you have a timetable for the release of the other various bits of the strategy?

Ms WESTACOTT: That will be a matter for the Minister and the Premier.

The Hon. JOHN RYAN: Is it a fact that some parts of the strategy might not be released until the year 2007?

Ms WESTACOTT: Can you give me an example of what that would be?

The Hon. JOHN RYAN: I do not know. I have put to you that there is a vast part of Sydney not covered by the strategy.

Ms WESTACOTT: Certainly in that particular—

The Hon. JOHN RYAN: Will there ever be a point at which people will have a document—even though it is not proposed to release it as one document—and they can say this is the plan. When will that be completed?

Ms WESTACOTT: Well, certainly the Government will make a decision about how it rolls out at various stages but certainly there is no proposition that it will take until 2007 to put that sort of information into the public arena at all.

The Hon. JOHN RYAN: So you would expect the strategy would have been released in large part well before 2007?

Ms WESTACOTT: Well before 2006.

The Hon. JOHN RYAN: What is Bob Meyer's role in relation to the metropolitan strategy?

Ms WESTACOTT: Mr Meyer is working with us on the work we are doing around the centres—Parramatta, Liverpool, Campbelltown, Blacktown—and assisting us to work with local government to ensure we revitalise those centres where they need revitalisation, and keep them competitive as a cornerstone of the metropolitan strategy.

The Hon. JOHN RYAN: When you say "centres", are you talking about commercial centres or the whole district of Liverpool, the whole district of Parramatta?

Ms WESTACOTT: No, it is principally the CBD locations of those centres, not the local government areas.

The Hon. JOHN RYAN: How much is he being paid?

Ms WESTACOTT: I do not know. I will have to take that on notice.

The Hon. JOHN RYAN: It is a reasonably discrete job for him to be doing, given the importance that he put to his appointment, is it not?

Ms WESTACOTT: The Government has always been clear that the revitalisation of the centres and the relationship between Parramatta and Liverpool and Blacktown and Campbelltown was going to be a cornerstone of the metropolitan strategy. It has been for some time. I do not think we are placing too fine a point on the importance of that work as well as the work we will be seeking his assistance on in respect of those major corridors—Parramatta Road, the Sydney to airport corridor. These are critical parts of the metropolitan strategy. If you speak to any commentators on land use planning, they will say the reactivation of those centres is critical to any successful planning for a city the size of Sydney. So, I think it is not at all diminishing the importance of that work. In fact, this work is critical to the metropolitan strategy because that centre's work is critical to the strategy.

CHAIR: Ms Westacott, would you now like to present your opening statement?

Ms WESTACOTT: Thank you, Madam Chair. I wish to make a statement to clarify certain matters this Committee has raised with me at previous estimates hearings. I make this statement knowing that the purpose of budget estimates is to report on expenditure performance or effectiveness of my department and any matter in my department's annual report. My departmental officers and I are more than happy to answer your questions in relation to those two responsibilities. However, I will not in this public forum detail information about my personal and private circumstances as I believe these are not relevant to the Committee's inquiry into the expenditure performance or effectiveness of my department.

It has become a matter of record that some members of this Committee believe I have not been accurate or have misled the Committee in some way about answering certain questions, and there is a suggestion I have obtained a benefit to which I am not entitled in respect of the assistance I was provided with driving. In this statement I intend to make it very clear to the Committee the nature of my business travel arrangements. These were approved by my employer, Dr Gellatly, the head of the Premier's Department, prior to my accepting my position of director-general.

From the very beginning of accepting this position I knew I had to effectively discharge the responsibilities of the position and I had to remain in regular contact with stakeholders and staff across country New South Wales. I knew this would require frequent long-distance travel and sometimes travel to remote and isolated centres. As the head of this department, it is critical that I see first hand the issues relating to water resources, land use, land clearing, land use planning and coastal development. As a result of these visits I have been able to drive significant reform in water, ground water, native vegetation and land use planning.

I have stated to this Committee on previous occasions that I have a medical condition relating to my eyesight. This impacts on my capacity to drive in certain circumstances, in particular at high speed over long distances, under freeway conditions and on open roads. It does not preclude me from driving on local suburban roads. I have never stated to this Committee that I did not have a drivers licence or that I did not drive. I have been consistent with the Committee at all times. I have consistently stated that I have a medical condition which impacts on my driving. I asked Dr Gellatly for assistance with my driving and I was provided with that.

Documentation certifying this condition was provided by my specialist physician to my employer. The Anti-Discrimination Act 1977 requires employers to provide the necessary services and facilities to enable a person with a physical impairment to carry out a job for which they are qualified. It is New South Wales public sector policy for government agencies to make reasonable adjustments to workplaces or jobs to ensure employees with a disability can use their skills effectively. Providing me with assistance in driving is a reasonable adjustment.

With the approval of Dr Gellatly it was determined that a departmental officer would assist me in driving on my many rural and regional trips. At all times these arrangements have been consistent with public sector regulations, employment practices and the guidelines laid down by the Premier's Department. These arrangements have enabled me to do my job without sitting behind a desk in Sydney. I have been able to make critical decisions about rural and regional matters by being on the ground and understanding the issues that my staff and the community are dealing with.

I turn now to the issues raised by the Committee previously about the employment of a temporary staff member who assisted me with my driving. This position performed administrative

office support as well as driving functions. It was created consistent with standard human resources practices under the Public Sector Employment and Management Act. This mix of functions is similar to arrangements in other agencies and its remuneration is at the usual scale for such work. The position undertakes a broad range of support duties within the office such as purchase orders and invoice payments, filing, photocopying, the purchase of minor stores and stationery, backup relief in reception areas when other staff are not available, driving support to me and other executive members within the CBD as well as on regional visits, delivering urgent documents and files to either me or the Minister's office or between our two CBD locations.

Until recently the position was filled by way of a temporary appointment under section 38—now section 27—of the Public Sector Employment and Management Act and regulations. When the contract with that temporary employee expired the contract was not extended. As part of the department's reform I gave an undertaking to unions and staff to shed temporary employees before losing permanent public servants. Consistent with this, the employment of the temporary position that was assisting me with my driving was not extended. Presently the position is vacant, so any displaced officer at the same level who is permanent and has the appropriate skills can be redeployed under the department's restructure.

Currently, my office is using the administrative support of other units to help carry out this workload. I use drivers from the Premier's Department pool. For regional trips I now ask other directors, who have always accompanied me, to do the driving. I do not drive any more now than I did when the position was filled. In relation to the car, senior public servants, similar to their private sector counterparts, have the opportunity to salary sacrifice to obtain a car as part of their salary package. I have chosen to sacrifice some of my salary to obtain a car. This is a standard provision that is available to all senior public servants.

I use the car for business and private trips and all private use and fringe benefits tax are paid for by me. When the position was required to deliver documents, to collect supplies, or to drive either myself or other executive members, this car was used and it continues to be used in that capacity by my office. As I said earlier, in respect of my regional trips, the visits I undertake enable me to understand the issues that are important to farmers, environmental groups, other stakeholders and staff. The trips enable me to contribute constructively to finding solutions to some of the problems that we are dealing with.

Our organisation has 66 offices located across country New South Wales, in addition to those offices for the recently established catchment management authorities. Since commencing my position in May 2003 I have done over 27 regional trips and travelled well over 30,000 kilometres on business use to visit stakeholders and staff in regional New South Wales. I have met hundreds of farmers on properties and visited dozens of departmental offices, some of which have never been visited by the director-general. A significant amount of this travel is carried out in my own time, at nights and on weekends. Last year I spent many weekends meeting staff and stakeholders. In fact, Mal Peters, President of the New South Wales Farmers Association, recently wrote to me congratulating me on my efforts to try to understand the issues facing farmers and to visit them on their properties. For the information of the Committee I will table a letter from Mr Peters.

Most of this travel is undertaken by car, which provides me with more flexibility in my arrangements and allows me to visit isolated and remote parts of the State. In conclusion, I believe that my stewardship of the department has been based on the principles of sound governance and financial probity. I believe the department's achievements in reforming the natural resources management and planning systems has surpassed anything previously achieved in New South Wales. Estimates committee hearings are an opportunity for the Legislative Council to examine the budget estimates and related papers in the interests of the New South Wales community. I believe that I have exercised my authority with care and financial responsibility. I am happy to take questions.

CHAIR: You have a letter to table?

Ms WESTACOTT: Yes.

Ms SYLVIA HALE: I understand that the department is about to make an announcement relating to infrastructure proposals in connection with the metropolitan strategy. Is that correct?

Ms WESTACOTT: You said the department is "about to" make an announcement. Could you be more specific?

Ms SYLVIA HALE: I am trying to find out the specifics from you.

Ms WESTACOTT: The infrastructure proposals that will arise out of the metropolitan strategy and the other strategic work of the department will be a matter for the budget committee and for the Government.

Ms SYLVIA HALE: So we should not anticipate any release within the next month or so?

Ms WESTACOTT: No, not in respect of infrastructure.

Ms SYLVIA HALE: So you expect that to be after the budget?

Ms WESTACOTT: It will be a matter for the Government how it determines the infrastructure priorities arising out of the metropolitan strategy.

Ms SYLVIA HALE: Could you advise the Committee what will be the functions of the Sydney Catchment Management Authority [CMA]?

Ms WESTACOTT: Its functions will be the same as other catchment management authorities, as prescribed under the Catchment Management Authority Act, which was introduced into Parliament in late 2003. It will be responsible for assessing clearing applications, for implementing environmental outcomes resulting from environmental flows, for implementing natural resource projects on behalf of the Government, for the expenditure of the national action plan on salinity and for the national heritage trust funds on behalf of the Government. The principle difference for the Sydney Catchment Management Authority will be its responsibilities in respect of Sydney Harbour and Botany Bay.

All the catchment management authorities have particular natural resources projects for which they will take responsibility. This catchment management authority will have responsibility for implementing the major natural resource projects for those two major sites in Sydney. It will probably have a slightly different function or different composition to other CMAs, given the importance of working with local government in the Sydney catchment particularly in respect of Botany Bay and Sydney Harbour.

Ms SYLVIA HALE: Mr Myers is contracted to the department. For how long is his contract?

Ms WESTACOTT: I am not sure. I will take that question on notice. It would normally be for about six months. That is the normal practice with contracting people.

Ms SYLVIA HALE: How long do you anticipate his work will take with regard to the moving of jobs to service centres?

Ms WESTACOTT: A lot of that work will need to be undertaken by local government. We have engaged him because of his longstanding history and experience with metropolitan planning. So it is probably not appropriate to say how long he will be employed. That will be a matter between the department and him. I imagine that his initial contract would be for six months. The work relating to the implementation of service centres will need to be ongoing. The point we are trying to make about the metropolitan strategy is that it must be an ongoing process of implementation. The history of people producing documents and leaving them on shelves has to be a matter of the past. We need to work with centres such as Parramatta and Liverpool to constantly ensure that they are competitive, sustainable and vibrant. Mr Myers will give us advice on the best way to do that.

Ms SYLVIA HALE: I refer to the promotion of employment opportunities within those centres. Will there be public consultation in relation to any proposals?

Ms WESTACOTT: With all our planning responsibilities and with all our strategic planning, yes, there will be consultation on when the councils have finished their work and what they propose for the revitalisation of their centres. Then, as per the normal arrangements, they would be required to consult with members of the public.

Ms SYLVIA HALE: That would be all stakeholders?

Ms WESTACOTT: Yes.

Ms SYLVIA HALE: I refer to the M5 East. On 13 January there was an exceedance in the air quality of the M5 East external stack. Under the conditions such an exceedance must be investigated within 20 working days and the consultative committee must be included in that process. Why is the report into the January exceedance more than 45 days overdue when the protocol requires it to be completed within 20 days?

Mr HADDAD: I will have to check on the exact dates. To the best of my knowledge a report has been prepared and it was looked at by the department and by the Department of Environment and Conservation. We made a judgment to refer the report for an independent panel examination by the Commonwealth Scientific and Industrial Research Organisation [CSIRO], given the complex nature of the modelling and other information presented to us by the Roads and Traffic Authority [RTA]. We thought it would be in the public interest and in the interest of providing a credible and accurate judgment to advise the director-general, in her administration of the conditions of consent, to refer the report for an independent review by the CSIRO. I suspect that is why it is taking longer than the deadline provides. My understanding is that the protocol provides for circumstances in which we can refer it for such an independent valuation.

Ms SYLVIA HALE: We are considerably over the 20-day maximum.

Mr HADDAD: Yes.

Ms SYLVIA HALE: The Roads and Traffic Authority claims that the exceedance was due to a regional pollution event and not to the M5 East stack. Does the Department of Infrastructure, Planning and Natural Resources accept that claim?

Mr HADDAD: That is the RTA's claim. As I have said, we referred the claim and the supporting information provided by the RTA to us to an independent arbiter—the CSIRO—which has specialist technical expertise in this area. It can independently advise us of the RTA's claims.

Ms SYLVIA HALE: Given the acute public interest in this topic—if there has been an exceedance and that exceedance is due to emissions from the stack the RTA is obliged to filter the tunnel—why has DIPNR not released the RTA's report to the community?

Mr HADDAD: The protocol provides for the RTA's report to be examined by the Environment Protection Authority and for that advice to be provided to the director-general. At the request of the director-general I have made arrangements to meet with community representatives so that we can listen to issues of concern to them, to their interpretation of the conditions and to the provisions of the report. I will take that opportunity to discuss with them the claims made by the RTA. They are entitled to put their position and they have done so in quite a thorough technical submission. As I said, we have sent that submission for an independent assessment.

Ms SYLVIA HALE: You realise that it was a condition of the protocols that that report must be made public. Why has DIPNR not instructed the RTA, even if it has subsequent problems with the RTA's assessment, to release it?

Mr HADDAD: I will take this question on notice and double check the exact provisions of the protocol. But there is nothing to hide. If the condition provides for it to be made public it will be made public. I thought it would be in the interests of time to call this meeting specifically with Mr Curran on behalf of the director-general. I think that meeting has been set for next week.

Ms SYLVIA HALE: In 2003 the department began an internal audit of the RTA's compliance with its approval conditions for the M5 East. I understand that the report has been finished since September but that it has not yet been released. On 9 February I asked you about the release of the internal audit of the RTA's compliance and you told me that the RTA was required to do further modelling as a result of verbal feedback relating to preliminary audit outcomes. The next day, on 10 February, I asked Paul Forward, chief executive officer of the RTA, and he assured me in the following words:

No further work was required of the RTA and it is totally up to DIPNR as to the public release of that report.

Why has that report not been publicly released? Exactly what is needed before it is finalised? When will it be released? Why did you not clarify your response as you promised to do in response to my questions in February?

Mr HADDAD: The exact situation with this report is as such. Let me just be very clear. We have received the RTA reports. We had legal advice in relation to the interpretation of certain conditions of approvals. We called a meeting at senior level, as I said before, with RTA's representatives, and we had that meeting with them. That is a fact.

Ms SYLVIA HALE: How long ago was that?

Mr HADDAD: I cannot recall the exact dates but that was consistent with my previous answer. I think I replied to that in writing. We have double-checked the dates. What I provided to the Committee is factually correct in that regard. We had the meeting with the RTA. We explained the outcome of the audits and the legal issues involved. The RTA said they were going to check the interpretation of the legal information. I want to confirm that we also requested some additional work. I am not sure in what context Mr Forward answered the questions, but that is factually correct. I had a look at it and, as I said before, the report is now ready for a credible discussion as per the protocol that applied to all those audits. The report will be given to the RTA. It will be given an opportunity to respond within a fortnight. Subsequent to that we will make the findings of the report publicly available after a recommendation to the Government on it.

Ms SYLVIA HALE: So are you saying that the report will go to the RTA shortly?

Mr HADDAD: Yes, that is correct.

Ms SYLVIA HALE: That is next week?

Mr HADDAD: That is correct.

Ms SYLVIA HALE: It will have a fortnight within which to respond.

Ms WESTACOTT: I said a fortnight or 21 days. There is a protocol.

Ms SYLVIA HALE: What is the maximum time that the public will have to wait for this report to be made available? I think in my previous advice I said that the report will be available around April-May, and I will double-check that, and it is going to be available, as I have indicated before.

Ms SYLVIA HALE: No later than May?

Mr HADDAD: No later than May.

Ms SYLVIA HALE: The documents released to Parliament under the call for papers show that on DIPNR's watch as the regulator the RTA has breached a number of serious conditions of approval such as repeated carbon monoxide exceedances, portal emissions, unapproved and unnotified changes to the environmental management plan, inaccurate and unreliable monitoring. What action is DIPNR intending to take to ensure that the strict conditions of approval that are supposedly stringently enforced, as promised repeatedly to the affected communities, are given some substance?

Mr HADDAD: If I may just clarify, what is the source of this information? I presume that is the audit report?

Ms SYLVIA HALE: Yes, the documents that were supplied to the Parliament.

Mr HADDAD: That is the audit report which is now in draft form and that is the one that we are going to put forward to the RTA for it to comment, and when there will be a breach established then we will take the appropriate action in response to that breach in terms of administering the condition.

Ms SYLVIA HALE: I am looking here at a compliance audit report that was from September 2004. It takes an awfully long time for any action to be followed upon any words.

Mr HADDAD: The issues that are involved are not easy in terms of establishing compliance or non-compliance in a legal sense. When there is a potential or an alleged breach of a condition the first immediate practical action that we take always is to call the RTA and to ask them what are they doing in terms of addressing those breaches. That is the most immediate action that we take, irrespective of the legal consequences of that breach. In all those occasions that is what we have done. We have also met with community representatives on a number of occasions whereby we have discussed their interpretation of those breaches, particularly in relation to emissions from portals, and we have had a number of meetings and discussions around measures that could be taken to address those. For example, the management of traffic through the tunnel is an issue that we have been pursuing through the RTA and it does happen in accordance with the conditions notwithstanding the broader implications of such actions. I cannot remember the exact date, but there have been circumstances where because of the conditions action was taken to stop traffic from using the tunnel.

Ms SYLVIA HALE: Specifically the recommendation of NSW Health was that warning signs be installed in the M5 East tunnel. Why has the department not instructed the RTA to install those signs?

Mr HADDAD: I am not sure that this is a condition of consent; this is a study that was done by NSW Health and it was a recommendation from NSW Health to the RTA. The RTA had engaged other consultants to discuss with NSW Health the situation, but, in essence, this is a matter eventually for the RTA. We have written to the RTA, and the papers I presume are with the committee, in terms of their reporting mechanisms as a result of this health study.

Ms SYLVIA HALE: The picture that I get is that the RTA not only was the proponent for the proposal for the tunnel in terms of the supposedly stringently conditions that were going to be applied to the tunnel's operation, but it is the RTA's responsibility to see whether they are complied with and as to whether any health warnings or whatever are installed in the tunnel. That is up to the RTA?

Mr HADDAD: Where there are specific conditions of consent granted by the Minister to the RTA those are the conditions of consent that we monitor, and we implement them. Where there are breaches that is where the action is taken.

Ms SYLVIA HALE: But there has not been much action to date, has there? What action has occurred? A series of meetings, a draft report, an audit report in September, but very, very little action.

The Hon. AMANDA FAZIO: Point of order: The Hon. Sylvia Hale is asking questions of Mr Haddad and then chooses to answer them herself. That is not really the process that we are supposed to be involved in here today. The member is asking questions and then answering them, talking over the witness, and I would ask you, Madam Chair, to ask the member to cease doing that.

CHAIR: There is no point of order.

The Hon. DAVID OLDFIELD: Ms Westacott, when did you approach Mr Peters to write this letter of thank you to you that we have got in front of us?

Ms WESTACOTT: I did not approach him; he and I were discussing my reappearance at the estimates committee last week and he offered to write that on my behalf.

The Hon. DAVID OLDFIELD: Did you write to him at all to explain all these things that you have done?

Ms WESTACOTT: He asked us for some information about how many trips I had done. He was very concerned that the people understand that it is critical to his constituency that people actually get out and talk to people. So he was very grateful for me going to Deniliquin and going to their conference in Wagga and explaining the native vegetation regulations. He has been very grateful that things like my trip to the Gunnedah shire—where I sat in the mayor's kitchen with the Deputy Prime Minister and we talked about the problems with ground water—led to major changes in the ground water plan.

The Hon. DAVID OLDFIELD: He did not mention anything about Gunnedah so he must not have been too impressed by that one.

Ms WESTACOTT: He is extremely grateful for my efforts to get out and talk to farmers and he simply asked me to give him some of the details of the trips I had undertaken.

The Hon. DAVID OLDFIELD: Could we get a copy of the material that you supplied to him for him to write this letter?

Ms WESTACOTT: Certainly.

The Hon. DAVID OLDFIELD: What brought up the situation that caused you to have the discussion with him that required him to assist you here today with this letter?

Ms WESTACOTT: I cannot remember the origin of the conversation. I think he had seen some press reporting about it. I think he was concerned that people understand that this was a critical part of my responsibility.

The Hon. JOHN RYAN: I do not think there has been any media reporting of your reappearance today.

Ms WESTACOTT: There was some a couple of weeks ago.

The Hon. JOHN RYAN: So he spontaneously offered—

The Hon. ERIC ROOZENDAAL: Point of order: I thought the Hon. David Oldfield was asking questions and the Hon. John Ryan's time had expired and he would have to wait until his next round to ask questions. I find he is now asking questions out of order. I would like to see the procedures of the Committee observed closely.

CHAIR: I think Mr Ryan has been very enthusiastic.

The Hon. DAVID OLDFIELD: Ms Westacott, would you not have thought that if you required such a letter as this for the Committee to uphold some credibility on your behalf, that it would have been better perhaps if Mr Peters had written to us rather than what appears to be a solicited thank you letter being dropped on the table here today?

Ms WESTACOTT: I think he was concerned that there was not an appreciation of how important it was and he wrote to me outlining his thanks.

The Hon. AMANDA FAZIO: Maybe you do not ever get thank you letters, David.

The Hon. DAVID OLDFIELD: I do not usually ask for them and I do not usually supply people with information—

Ms WESTACOTT: I did not ask for it. I made that extremely clear.

The Hon. DAVID OLDFIELD: You did supply him the information—

Ms WESTACOTT: He asked me to be clear about the amount of trips I had undertaken, but I did not ask him to write the letter—he offered. I received other letters, which I am happy to table to this Committee from, for example, farmers in Forbes who wrote to me after my weekend visit to Forbes and Condobolin.

The Hon. DAVID OLDFIELD: Did you ask for that one as well?

Ms WESTACOTT: No, I did not. I did not ask for that letter—he offered it. He asked me for some information and I gave it to him.

The Hon. DAVID OLDFIELD: It is correct, however, that you supplied him the information to be able to write the letter to thank you?

Ms WESTACOTT: The point of the letter is simply this: He appreciates my efforts to get out and find out what is happening in rural communities in New South Wales. He appreciates that from their understanding has come a better understanding of the problems farmers are dealing with in respect of water and native vegetation. He appreciates the efforts that I have gone to on weekends to travel large distances to try and meet with farmers to understand their issues.

The Hon. DAVID OLDFIELD: So when was the last weekend in the country you had?

Ms WESTACOTT: They are not weekends in the country; they are weekends to try to understand what is happening in places such as Walgett, Nyngan and Moree.

The Hon. DAVID OLDFIELD: And those places are not in the country?

Ms WESTACOTT: You are making it sound like a sojourn into the country. I am saying to you—

The Hon. DAVID OLDFIELD: You are presuming something that I have not actually suggested. Could you just tell us when the last one was?

Ms WESTACOTT: The last one was earlier this year in January down the South Coast.

The Hon. DAVID OLDFIELD: Three or four months ago?

Ms WESTACOTT: Yes.

CHAIR: Have Government members got some questions?

The Hon. KAYEE GRIFFIN: No questions at the moment.

The Hon. JOHN RYAN: I would just like a clarification first of all of your opening statement. You referred to a salary sacrifice vehicle. I presume that refers to the vehicle that you have now. I was not sure as to whether that referred to the vehicle that was used to drive you around by the temporary employee that you appointed as your driver and other assistant. The vehicle used for the first 12 months in which you had that provision, was that a salary sacrifice vehicle or was that a vehicle specifically supplied for the purpose of this person to assist you in your driving?

Ms WESTACOTT: It was a salary sacrifice vehicle.

The Hon. JOHN RYAN: All of the vehicles used by this person were salary sacrifice vehicles?

Ms WESTACOTT: Yes.

The Hon. JOHN RYAN: I too am somewhat surprised by this letter in that an important lobby group, with whom you sometimes have to make decisions about their future, would be in the position of being asked to provide you with a reference to help you out of a tight spot in a parliamentary committee. What did you say to Mr Mal Peters that would have given him the impression that this letter would have been in any way helpful to you?

Ms WESTACOTT: As I said, I did not ask him for the letter, I was discussing with him the issues that had come out of this Committee. He was concerned, as I have said, that people be aware of the effort that I have gone to to go and visit people in country New South Wales.

The Hon. JOHN RYAN: So why were you discussing with Mr Peters the issues that "had come out of this Committee"? What were the circumstances in which you would be discussing that with the president of the Farmers Association?

Ms WESTACOTT: I think we had been discussing it for some time.

The Hon. JOHN RYAN: Sorry?

Ms WESTACOTT: I cannot remember the exact conversation. We had been discussing it for quite some time.

The Hon. JOHN RYAN: You regularly discuss your appearances at parliamentary committees with Mr Peters, the president of the Farmers Association?

Ms WESTACOTT: No, I think he was expressing some concern about a comment that was in the media recently, as I said.

The Hon. JOHN RYAN: Frankly, I believe it to be somewhat serious that an important lobby group with which you now could be said to have a serious conflict of interest, you have now sought a reference—

Ms WESTACOTT: As I have said, I did not seek it, he offered, to make sure that the Committee understood how much effort I had gone to to try and understand their issues by getting out and visiting them.

The Hon. DAVID OLDFIELD: But you had to tell him what you had done.

The Hon. JOHN RYAN: You also drafted parts of this, or assisted him to write parts of this?

Ms WESTACOTT: I provided some information about the types of trips.

The Hon. JOHN RYAN: Did he offer that to you and you said, "Well, I can help you out with some information for it"?

Ms WESTACOTT: He offered to do it and he said, "Just give me some of the information about some of the trips you have done, apart from the ones that you have done to Wagga and places like that."

The Hon. JOHN RYAN: This was a spontaneous request on his part?

Ms WESTACOTT: Yes, it was.

The Hon. JOHN RYAN: Did you suggest to him that perhaps it may not have been useful for him to provide that reference because you would be able to just simply speak for yourself?

Ms WESTACOTT: I can speak for myself, and I have on the number of occasions that I have been here, but I simply wanted to make sure that this Committee understood that those efforts have been appreciated by major stakeholders.

The Hon. JOHN RYAN: Whilst you may well have wanted to do that, I just find it disturbing that important stakeholder groups are being asked to provide you with references for—

Ms WESTACOTT: They are not being asked.

The Hon. ERIC ROOZENDAAL: Point of order: The witness has on at least five occasions made it clear that she did not solicit this particular letter, yet the Hon. John Ryan continues to insist that she did, and I find that both offensive to the Committee and to the witness. I find it outrageous that Mr Ryan would suggest that because somebody has written a letter congratulating the director-general on the way she carries out the duties that that is somehow a conflict. I am sure it is no different, Mr Ryan, to the many letters that you seek in, say, your preselection, from people congratulating you on the work that you do, and it does not necessitate a conflict of interest. It is frankly outrageous to make those suggestions here. There is no indication of a conflict of interest with anything. It is quite appropriate for people who deal with the director-general to write letters thanking her for the way she conducts herself or for the way the Committee conducts itself. I ask the Chair to call Mr Ryan to order on this matter.

The Hon. DAVID OLDFIELD: To the point of order: It certainly is quite clear that, firstly, Mr Ryan can ask the question as often as he likes. He does not have to believe the answer, especially when the answer is, perhaps, not terribly believable given the circumstances of the letter, given the circumstances that we have had of the address, the letter in relation to that address suddenly appearing only being written yesterday, the material in the letter clearly has been supplied by the director, and she makes it clear herself that she supplied the information for Mr Peters to be able to write the letter. I would think that Ms Westacott is somewhat beholden and compromised where the Farmers Association and Mr Peters are concerned. Frankly, I do not think there is a point of order.

The Hon. AMANDA FAZIO: To the point of order: I support the statements made by the Hon. Eric Roozendaal. I would also like to state that I can understand why Mr Peters may have been concerned about the recent media reports, which were about debate on the extension of the reporting date for this Committee, which were held recently in the Legislative Council. Following that debate on the Saturday afterwards on the back of the *Sydney Morning Herald* an article appeared that was quite critical of the Committee in continually dragging back Ms Westacott. It also quoted me from part of the debate. I know that it piqued a lot of interest in people because I received a lot of questions from people about what was going on that those sorts of issues were being raised in estimates. I can understand from that why Mr Peters might have been concerned and had a conversation with Ms Westacott about this issue. Accordingly, I believe that the continual questions of Mr Ryan are badgering the witness. I support the point of order of the Hon. Eric Roozendaal and I would ask you to call Mr Ryan to order.

Ms SYLVIA HALE: To the point of order: This letter strikes me as being particularly self-serving, its coming here at the last minute and we received it today. I believe that it is perfectly proper for Mr Ryan to question the motives in the production of the letter and also the means by which the letter was put out. It seems to suggest, at the very least, that the Committee is relatively gullible.

CHAIR: On the point of order, it is, in my experience, a very unusual letter to appear at a hearing. I think that members of the Committee have every right to ask questions about how the letter came to be produced. There is no point of order.

The Hon. JOHN RYAN: If I may make my question more simple, I would like to know the credible circumstances in which a person spontaneously offers a letter. I would like to know what were the circumstances under which Mal Peters was in a position where he was discussing this very specific issue which, whilst I recognise it might be of some concern to Ms Westacott, I am not sure are things that keep people awake long enough to write a letter unless they are encouraged to do so. I think it is important that the Committee have a credible account of a conversation that led up to this offer being made. Was this the only issue being discussed at the time? Was it offered over the phone? Were you meeting personally with Mr Peters? Did he ring you only for this, or were you discussing something else? I just think that it is important, given that it has been offered as a means of bolstering something else that is said to the Committee. It is important for us to have the full account of the circumstances under which this letter arose.

Ms WESTACOTT: Let me say it again: I did not seek a letter. It was offered. It was offered in the course of conversation, I think, at one of our regular meetings in response to Mr Peters seeing some of that media. He was concerned that people understand that I had made a lot of effort to get out and visit people in country New South Wales and that is the simple point of the letter, to support my statement to this Committee that I have not obtained some kind of perk, as was being suggested. What is fundamental for this Committee is to satisfy itself that I exercised my responsibilities appropriately, and there is a letter from stakeholders saying that they appreciate the effort, which is what I have been trying to say to this Committee time and time again. I am required to do a lot of travelling in my position. I have gone out of my way in my position to visit with farmers in remote locations, and it was simply his offer to make it clear to me, as he has not written it to this Committee he has written it to me, that he appreciated the efforts that I went to. That is the end of the matter. I did not solicit the letter.

The Hon. JOHN RYAN: I would hold the Committee's responsibility in asking you the questions about the vehicle, which you still have not told us what the cost of the driver was. You simply said that it is according to the normal costs. You know that we are in no position to assess that. You said that the last time you undertook one of these long trips was four months ago. I think it is important that the Committee is in a position to assess whether that was money well spent. I would have thought to have a full-time driver employed to provide you with a service that the last time you needed it was three or four months ago is worth asking at the question. I believe it was a trial on your part.

Ms WESTACOTT: Let us be clear about this. I have been very clear in my statement that the position is no longer occupied.

The Hon. JOHN RYAN: No, because it was not needed in the first place.

Ms WESTACOTT: I currently access the Premier's Department pool.

The Hon. JOHN RYAN: As you could have done from the beginning.

The Hon. ERIC ROOZENDAAL: I realise, Madam Chair, that you may be doing something else in that position, but there is continual heckling now coming from the—

CHAIR: I am not doing anything else.

The Hon. ERIC ROOZENDAAL: It is hard to tell because you are so silent and sitting there like stone.

CHAIR: Order!

The Hon. ERIC ROOZENDAAL: The point of order is that John Ryan asks a question and then heckles the director-general as she attempts to answer it.

The Hon. JOHN RYAN: I apologise.

The Hon. ERIC ROOZENDAAL: I think that is appalling behaviour and you, as the Chair—

The Hon. JOHN RYAN: I apologise.

The Hon. ERIC ROOZENDAAL: —should get on the job and stop heckling from the person asking the questions.

The Hon. JOHN RYAN: I apologise. If Ms Westacott has anything further to say I am happy to listen in silence.

The Hon. ERIC ROOZENDAAL: How generous of you.

The Hon. DAVID OLDFIELD: It's just the kind of guy he is.

The Hon. JOHN RYAN: Can I now change the subject?

The Hon. ERIC ROOZENDAAL: He won't be around after Clarke finishes with him.

The Hon. JOHN RYAN: Speaking of heckling. Could you explain Mr Ed Blakely's role in regard to the Metropolitan Strategy?

Ms WESTACOTT: Mr Blakely is the Chair of the Reference Panel. The Reference Panel is made up of a number of industry key stakeholder representatives, people like John Mant a leading planner and Rick Symes a former Treasury official in Canberra. He chairs that panel, and that panel gives the department advice on the Metropolitan Strategy and Mr Blakely gives that lead advice to the Minister and myself about critical things, particularly bringing his international expertise, which is vast, to Sydney and assisting us to ensure that our Metropolitan Strategy is grounded in, if you will, world's best practice planning and to make sure that some of the expertise that he has, particularly around the employment and how employment is stimulated, how people grow a knowledge economy, those are matters he has an international reputation in as well as his significant involvement in the rebuilding of New York after September 11. He brings with it that international expertise. He oversees the work of the department and provides advice direct to the Minister and myself.

The Hon. JOHN RYAN: Is he still working for the Government now?

Ms WESTACOTT: Yes.

The Hon. JOHN RYAN: What is your response, given what you have just said, to Mr Blakely's quote in a recent article in the *Sydney Morning Herald* where he says, "So, we've got to the point where you have to wonder if there is a Reference Panel and am I on it." If he chairs the panel why is he asking whether there is one and what he is doing on it?

Ms WESTACOTT: That is a question you will need to put to him. He was concerned about some of the frequency of the meetings, and we have resolved those matters. The Reference Panel still meets regularly and he meets with the Minister and myself on a very regular basis.

The Hon. JOHN RYAN: How many times has the Reference Panel met?

Ms WESTACOTT: I would have to take that on notice, but it meets normally monthly.

The Hon. JOHN RYAN: And had it been meeting monthly prior to Mr Blakely's comments?

Ms WESTACOTT: I would have to take that on notice when it met this year, but certainly it has met this year.

The Hon. JOHN RYAN: I cannot imagine that this issue is something that is not handy to your mind, given that the person who chairs this Committee went out in the media and made, what I would have thought were, some pretty provocative comments. One would have thought that, in your position, you would have worked out whether those comments were valid or not and certainly, I would have thought, would have been able to predict that one of the questions this Committee would have asked today was what was Mr Blakely talking about. Are you a meaning to tell us that the only way you can answer the question is on notice?

The Hon. ERIC ROOZENDAAL: Point of order: I do not know what Mr Ryan is on this afternoon, but he then shot about three questions in succession at the witness and answered the first one. Can I ask that the Hon. John Ryan to ask one question at a time so that I can also follow the answers?

CHAIR: Mr Ryan is entitled to ask the questions any way that he wishes to do so.

The Hon. ERIC ROOZENDAAL: Point of order: I do not believe under the standing orders he is allowed to ask numerous questions and then begin to answer them.

CHAIR: Of course he is! Mr Ryan has the call.

The Hon. JOHN RYAN: I am intrigued with the fact that you cannot tell us how often this Reference Panel met, given that it is a matter of public controversy raised by none other than the chairman. How often has it met and when did it last meet?

Ms WESTACOTT: I did answer your question. I said it meets monthly. It has met this year. I do not know whether it had met around the time he made those comments.

The Hon. JOHN RYAN: Was it not meeting?

Ms WESTACOTT: Sorry?

The Hon. JOHN RYAN: Had it not been meeting up until the time he made the comments?

Ms WESTACOTT: It has met this year. I am just saying I will have to take on notice how often it met this year and he was concerned about the frequency of those meetings. I think he wanted them to be more regular. We have talked that through and he now is meeting with the Minister and I on a more regular basis.

The Hon. JOHN RYAN: Is he meeting with the Minister and yourself in preference to a more general meeting of the Reference Panel?

Ms WESTACOTT: No, the Reference Panel continues to meet. I attended a meeting only a week ago of the Reference Panel. In addition to that he meets with the Minister and myself. He has always met regularly with senior members of the department. I have answered the question.

The Hon. JOHN RYAN: Do you not receive minutes of this meeting or indications of when it meets?

Ms WESTACOTT: Of the Reference Panel?

The Hon. JOHN RYAN: Yes.

Ms WESTACOTT: Yes, it is forwarded to me. I just cannot recall the frequency of the meetings they have had this year.

The Hon. JOHN RYAN: Would you have had more than one meeting this year?

Ms WESTACOTT: I believe so. I said I would take it on notice and I will.

The Hon. JOHN RYAN: I think these comments in the *Sydney Morning Herald* were made earlier this year. Had it been meeting at the end of last year?

Ms WESTACOTT: Yes, it certainly had met at the end of last year.

The Hon. JOHN RYAN: Could you provide the Committee with a schedule of how many times that committee has met in, say, the last 12 months for a period of time at least leading up to Mr Blakely's comments and since?

Ms WESTACOTT: Yes, sure.

The Hon. JOHN RYAN: What is the status of the Infrastructure Council?

Ms WESTACOTT: The Infrastructure Council is a council chaired by the Premier. I am not sure when it has most recently met, but we have replaced a lot of those consultations with more specific industry-based consultations as part of the Metropolitan Strategy and we hold regular meetings with key infrastructure stakeholders.

The Hon. JOHN RYAN: How often have the Infrastructure Council met during the last 12 months?

Ms WESTACOTT: I will take that on notice.

The Hon. JOHN RYAN: So you do not know when the Premier calls the meeting of the Infrastructure Council?

Ms WESTACOTT: I know the meetings that I have attended, but that is a matter for the Premier and the Minister to call those meetings. I will take it on notice how often it has met.

The Hon. JOHN RYAN: How many times have you attended a meeting of the Infrastructure Council during the last 12 months?

Ms WESTACOTT: I cannot recall offhand. I will take it on notice.

The Hon. JOHN RYAN: Any?

Ms WESTACOTT: Yes.

The Hon. JOHN RYAN: You cannot remember the number of times you have met with the Premier and the Infrastructure Council. Notwithstanding immediate attention given to the Infrastructure Council and its importance you cannot remember when it last met or how often it meets?

Ms WESTACOTT: As I said, I will take it on notice and give you a detailed account of how often it has met.

The Hon. JOHN RYAN: Does it meet regularly?

Ms WESTACOTT: In what sense do you mean "regular"?

The Hon. JOHN RYAN: Did it have a monthly schedule?

Ms WESTACOTT: No, it does not have a monthly schedule.

The Hon. JOHN RYAN: A quarterly schedule?

Ms WESTACOTT: No, it probably would be less than quarterly. But, as I said, I will take it on notice and give you the exact information.

The Hon. JOHN RYAN: More than once a year?

Ms WESTACOTT: As I said, I will take it on notice and give you the exact information.

The Hon. JOHN RYAN: I put it to you that the reason you are not able to give us the answer immediately is that the answer is so embarrassing that you are not game to give it to the Committee without passing it through the Minister first.

Ms WESTACOTT: I have said I will give it to you on notice.

The Hon. JOHN RYAN: This is an important committee and you cannot tell us how often it meets.

Ms WESTACOTT: I have said I will answer it on notice and give you the exact information.

The Hon. JOHN RYAN: When is its next meeting scheduled?

Ms WESTACOTT: I do not know. That is a matter for the Premier and the Minister.

The Hon. JOHN RYAN: Has one not been called?

Ms WESTACOTT: I am not aware of one being called. As I said, it is a matter for the Minister and the Premier to schedule those meetings.

The Hon. JOHN RYAN: Do you have a current membership list for the council?

Ms WESTACOTT: Yes, I can provide that to you.

The Hon. JOHN RYAN: How much did the department spend on legal advice for the ICAC inquiry into Orange Grove?

Ms WESTACOTT: I am not going to comment on Orange Grove. It is still before the ICAC.

The Hon. JOHN RYAN: I think we are entitled to at least ask the cost from the department's point of view. I am not asking you to comment on the material before the ICAC but it is legitimate to ask the legal costs to date?

Ms WESTACOTT: I will take it on notice.

The Hon. JOHN RYAN: Is there some reason why you did not tell this Committee that you had been asked questions about the Orange Grove development by Mr Wedderburn on or about 27 April?

Ms WESTACOTT: I am not going to comment on Orange Grove. It is before the ICAC and the Committee has dealt with the matter in its inquiry.

The Hon. JOHN RYAN: Why did you not tell us about that important meeting?

Ms WESTACOTT: As I said, I am not going to answer questions about the Orange Grove inquiry. It is before the ICAC and you have finished your inquiry.

The Hon. JOHN RYAN: Well, I can tell you that we have not finished asking you that question.

The Hon. AMANDA FAZIO: Is that a threat to the witness, Madam Chair?

The Hon. JOHN RYAN: We are entitled to the truth.

The Hon. ERIC ROOZENDAAL: You would not know the truth if you fell over it.

The Hon. DAVID OLDFIELD: We certainly would not look to you for guidance on the truth.

The Hon. JOHN RYAN: We are being hoodwinked again.

Ms SYLVIA HALE: What is the timetable for the planning reforms that have been proposed, for example, the introduction of a model local environmental plan [LEP] and the uniform definitions?

Ms WESTACOTT: I think I answered this the last time I was here. The model provisions and the local environmental plan template have been on exhibition. We have recently held a series of detailed discussions with the Local Government and Shires Association and we are currently finalising comments from industry and stakeholders in respect of the LEP template and we will be finalising that template for implementation. I have just said that we have recently written to councils across Sydney advising them of the manner in which we want to go about implementing the changes to the LEP template and the updating of their local planning instruments.

Some councils are at different stages in their LEPs and those councils are now in the process of talking to us about a timetable for rolling out the planning reform, given that some people are well advanced with their LEP amendments and their LEPs and other councils will actually want to do a comprehensive LEP. Over the next four months we will be rolling out those priority councils that are either at the point where they want to get their LEP approved and those councils that simply want to move their LEP into the standard template and model conditions.

Ms SYLVIA HALE: But you are not able to provide the Committee with a more detailed timetable?

Ms WESTACOTT: I am certainly happy to do that on notice but I cannot do so off the top of my head. Some of that is not settled yet because, as I said, we have just written to councils asking where they would like to be; whether they would like to do a comprehensive review of their LEP or would they like to simply put their LEP into the model provisions and the standard template. But it is really a matter for them to determine the timetable that they want, but I am certainly happy to give you a more detailed timetable on those.

Ms SYLVIA HALE: Is there a timetable in place for the Parramatta Road strategy?

Ms WESTACOTT: We are currently finalising the structure plans with the councils that make up the various precincts. As you know, I mentioned to you last time that there are four precincts which we are doing detailed planning on and each council is in the process of finalising their structure plan and their vision documents and we will then put on public exhibition the outcome of those structure planning activities that have been undertaken by local government. That will be really a matter for the chair—David Richmond—and the Minister as to the exact timing of that and each local government authority will want to have a view about that. Certainly within the next couple of months we expect to be putting that out.

Ms SYLVIA HALE: The Premier and the Minister on a number of occasions have advanced as the reason for the need to undertake further tollways and to make new land releases in Sydney, the fact that Sydney's population is supposedly growing by 1,000 people a week. Figures released by the Australian Bureau of Statistics suggest this is a gross exaggeration in the case of Sydney because in the year ended June 2004 the rate was not 1,000 but 640 a week. Implicit in many of the Premier's remarks has been a suggestion that this 1,000 will continue ad infinitum. What effect has the release of those figures by the Australian Bureau of Statistics had upon the department's planning procedures or vision?

Ms WESTACOTT: We have always been clear that Sydney has grown at around 1,000 people a week. We are certainly looking at those bureau of statistics projections. It is important, though, that people recognise that those population projections go up and down and we must plan for more households, as there are smaller households now than there were in previous metropolitan plans. In terms of our planning, we have taken, for responsible reasons, the higher number, the sort of historic rate of growth, so that we can plan for all the scenarios in terms of accommodating Sydney's growing population. As I said, those projections fluctuate over periods. It is critical that we ensure that we plan for all of the contingency population and that we recognise that we are actually planning for smaller households.

Ms SYLVIA HALE: Yes, but part of the reason that the population projection of 1,000 a week has not been fulfilled has been a dramatic rise in Sydney house prices. Have you any expectation that there will be any drop in Sydney house prices that will, in fact, encourage those further numbers of people into the metropolitan area?

Ms WESTACOTT: Well, I am not sure that I can forecast that. Clearly, supply of housing impacts on affordability, as do many other things, some of which are within the State's control and some of which are not. The Productivity Commission report on housing affordability is probably the best source of what are the things realistically that State and Federal governments can do to promote affordable housing but, certainly, housing supply is a critical element of that and our announcement last year to release of the north-west and south-west sector is seen as a positive contribution in terms of guaranteeing a higher rate of supply. What was the second part of your question?

Ms SYLVIA HALE: How the department was responding to the decrease in expected numbers?

Ms WESTACOTT: As I said, we have to plan for a 30-year time frame. Those figures go up and down. We are planning for smaller households. We need to plan for the upper level of those figures so that we do not underestimate the size of the housing task and I am not sure that I have seen a lot of evidence that suggests that the population decline is somehow related to affordability.

Ms SYLVIA HALE: I understand that DIPNR has recently invited councils to apply for funds for vegetation mapping and habitat assessment under the next round of planning reform fund. Does DIPNR have minimum data standards for councils for biodiversity data for local environment planning?

Ms WESTACOTT: I am not sure what data is required at the moment for biodiversity planning. That would be something normally done by the Department of Environment and Conservation [DEC] but with the reforms to the threatened species legislation, councils will be required to get a biodiversity certificate and both my department and the Department of Environment and Conservation will set standards for data and mapping in order to get a certificate under those amendments to the Threatened Species Act.

Ms SYLVIA HALE: How will DIPNR determine what types and levels of development will maintain or improve biodiversity outcomes at a regional and local council level?

Ms WESTACOTT: In respect of the Native Vegetation Act?

Ms SYLVIA HALE: Yes, and in respect of certification?

Ms WESTACOTT: For LEPs?

Ms SYLVIA HALE: I am really trying to determine what role DIPNR is playing in the biodiversity certification process.

Ms WESTACOTT: This is a role that is principally the responsibility of the Department of Environment and Conservation, the biodiversity process.

Ms SYLVIA HALE: So you are saying that DIPNR is leaving it to the DEC—

Ms WESTACOTT: We are working with the Department of Environment and Conservation to ensure that the biodiversity standards complement the other planning reforms but, principally, the threatened species legislation sits with the Minister for the Environment, and the Department of Environment and Conservation is responsible for setting those standards for biodiversity certification.

Ms SYLVIA HALE: I understand that grossly inadequate time and funding have so far been given to the DEC in areas where the biodiversity certification is under way and that because of lack of resources and funding there are likely to be many gaps in biodiversity mapping and information, which could well put threatened species at risk. If there are major gaps that the DEC leaves as a result of this underresourcing, how will DIPNR compensate for that? Will it do anything or will it merely accept the results?

Ms WESTACOTT: The results of the biodiversity certification are not matters for my department. The biodiversity certificate must be issued by the director-general of DEC and the Minister for the Environment, so they will need to satisfy themselves about the data and we have provided funds to the Department of Environment and Conservation for the biodiversity certification.

Ms SYLVIA HALE: Do you have minimum data standards that councils will have to meet?

Ms WESTACOTT: For biodiversity certification?

Ms SYLVIA HALE: Yes?

Ms WESTACOTT: That will be a matter for the Department of Environment and Conservation.

Ms SYLVIA HALE: On what basis will DIPNR be allocating funding from the fund for councils to undertake biodiversity studies?

Ms WESTACOTT: We have indicated that this will be in the priority areas of the State where we have both development pressures and major threatened species habitats or major areas of high value conservation. The North Coast in particular is one area where we have earmarked funding as part of our North Coast strategic work for biodiversity certification and for the relevant studies that underpin that.

Ms SYLVIA HALE: In terms of the property vegetation plans and native resource management, I understand that property vegetation plans under the Native Vegetation Act will not be made public, is that correct?

Ms WESTACOTT: That is a matter that is still under negotiation with farmers and environmentalists.

Ms SYLVIA HALE: Will there be any mechanism whereby the public can get access to information that is contained in property vegetation plans?

Ms WESTACOTT: There has always been a discussion about a public register and we are in discussions with the stakeholders now about what matters should go on that public register and what the level of detail is. As you would appreciate, there are issues of a commercial nature that stakeholders are concerned about being on a public register, but the intent has been to have a public register. The discussion now with relevant stakeholders is what information, from property vegetation plans, will go on the public register.

Ms SYLVIA HALE: I understand that land clearing continues in New South Wales at between 40,000 and 60,000 hectares per year. This is at odds with the Government's promise to stop broad-scale clearing in New South Wales. The new Native Vegetation Act was supposed to end broad-scale clearing and come into force early this year, but it has still not come into force. What is the cause of the delay in introducing the new Native Vegetation Act?

Ms WESTACOTT: I think I have covered this before, but I will just go through it again. The Act has been the subject of extensive discussions between environmentalists and farmers about how we test, maintain or improve criteria that the Act specified. We have proposed, as has been accepted by stakeholders and scientists, that the most efficient way to do that is through a property vegetation planning tool which will be used as a tool that will allow catchment management authorities to assess clearing applications. This will be, for the first time ever, a tool that combines the Native Vegetation Act and the threatened species Act so that farmers will not have to produce one Native Vegetation Act application and then do the eight-part test under the threatened species legislation.

That tool has been the subject of extensive field testing. We have done more than 100 trials on properties and received a lot of feedback from stakeholders about the test. We are in the process of finetuning that test to ensure that fair outcomes will be achieved, as well as strong environmental outcomes, and that we engage people in property planning processes. Those discussions are near finalisation with the relevant stakeholders. Once that tool is in place we then have the basis on which we can assess a clearing application as maintaining or improving the environment. We can also assess investment proposals as to whether they maintain or improve the environment.

Ms SYLVIA HALE: Will you give the Committee an indication of the date by which we may expect the Act to be operational?

Ms WESTACOTT: That will be a matter for the Minister, subject to final discussions with stakeholders about the property vegetation planning tool.

Ms SYLVIA HALE: Would you expect 6 or 12 months?

Ms WESTACOTT: No, it would be much shorter than that.

The Hon. DAVID OLDFIELD: I have a copy of the article in the *Sydney Morning Herald* on which you, I gather in defence of Hon. Amanda Fazio, have been relying. There is nothing in the article in relation to rural trips, any vast distances or anything of that kind that Mr Peters could possibly have wanted to jump up and write you the letter that you have given us. When did you chase up Mr Peters to get the letter over to you?

Ms WESTACOTT: I think I have answered this question: I did not ask Mr Peters for the letter. He offered the letter. He asked me for the details. I have gone through this. He was concerned about the press coverage of the parliamentary debate.

The Hon. DAVID OLDFIELD: The press coverage of the parliamentary debate that you are talking about bears no relationship at all to rural trips or any work you may have been doing outside Sydney—none whatsoever.

Ms WESTACOTT: He was concerned, as was I, that the implication of that newspaper article was that somehow I was obtaining a benefit to which I was not entitled and some kind of perk. He simply wanted to express his thanks to me for, as I have said repeatedly, my efforts to get around and visit farmers to make sure that I understood the issues that they were dealing with.

The Hon. DAVID OLDFIELD: It is a bit of a stretch and a hell of a leap, isn't it, for him to interpret an article that mentions nothing whatsoever—or fails to mention anything—about rural trips or anything of that kind to then want to write you a thank you letter which does not make any mention of you driving, how you get around or things like that?

Ms WESTACOTT: As I said—and I will say it again for the last time—this Committee has to be satisfied that I do my job responsibly. There is an implication in that parliamentary debate that somehow I obtained an entitlement that I was not entitled to. He was simply confirming his thanks for the way I do my job and approach my task, which is to try to get out and find out what people are doing out there and what their issues are. I have not got anything more to add on that.

The Hon. DAVID OLDFIELD: When did this conversation take place?

Ms WESTACOTT: I have answered that question.

The Hon. DAVID OLDFIELD: No, you have not answered that question. When roughly would this conversation have taken place?

Ms WESTACOTT: I don't know. I talk to Mr Peters a lot. I talk to Mr Angel a lot. I talk to stakeholders every day. I don't know the exact date.

The Hon. DAVID OLDFIELD: And you didn't have to chase up the letter?

Ms WESTACOTT: No.

The Hon. DAVID OLDFIELD: It is just by coincidence that it happened to arrive dated yesterday—that is, the day before you were going to appear before the Committee?

Ms WESTACOTT: No, Mr Peters was concerned about me being recalled to this Committee and about the media reports that imply that somehow I have obtained an entitlement that I am not entitled to and he was simply making the point to me, to thank me for my efforts to get out and visit farmers in rural New South Wales.

The Hon. DAVID OLDFIELD: You will make available to us the material you made available to Mr Peters for him to write the thank you letter so he knew what to thank you for?

Ms WESTACOTT: He simply asked me for a few details, and I have covered this point. I have said I will make it available.

The Hon. DAVID OLDFIELD: How did he know the Committee was going to meet today?

Ms WESTACOTT: I think my office mentioned it to him. I think I mentioned to him that I was coming here today. It is not a secret.

The Hon. DAVID OLDFIELD: When did you mention that?

Ms WESTACOTT: I said I don't know.

The Hon. DAVID OLDFIELD: It wasn't yesterday when you were chasing up the letter?

Ms WESTACOTT: As I said, I didn't chase up the letter.

The Hon. AMANDA FAZIO: Stop feeding the question, John Ryan.

The Hon. DAVID OLDFIELD: Was Mr Peters aware the letter was going to be presented to us?

CHAIR: Order!

The Hon. AMANDA FAZIO: Don't call me to order, you should call him to order.

CHAIR: Order!

The Hon. DAVID OLDFIELD: Was Mr Peters aware that the letter was going to be presented to us?

Ms WESTACOTT: I don't think so; I don't know.

The Hon. DAVID OLDFIELD: If you are going to seek a reference, is it not normal to let people know where it is likely to end up?

Ms WESTACOTT: Is that a question or a comment?

The Hon. DAVID OLDFIELD: It is a question.

Ms WESTACOTT: As I said, he offered to write me a letter of support to thank me for my efforts for getting out and visiting farmers.

The Hon. DAVID OLDFIELD: You will make available to us the material—

Ms WESTACOTT: I have said yes to that question twice.

The Hon. DAVID OLDFIELD: We want to know what it was you had to tell him so he would know what to thank you for.

Ms WESTACOTT: Well, he has repeatedly on public record thanked me for getting out and trying to understand the issues that farmers are dealing with. There are a number of public statements that Mr Peters has made thanking me.

The Hon. DAVID OLDFIELD: Where has he made those?

Ms WESTACOTT: I will get them for you. And I have a number of letters of thanks from farmers in Forbes, Gunnedah, Lake Brewster, Walgett and Nyngan. I am happy to table all those letters from farmers.

The Hon. DAVID OLDFIELD: I have certainly got the list: Forbes, Condobolin and Nyngan. Did he write to you previously to thank you for these things which he mentions mostly occurred last year, in August in particular? Have you got letters to cover that?

The Hon. AMANDA FAZIO: Point of order: Has the time allocation for the Hon. David Oldfield expired?

The Hon. DAVID OLDFIELD: Have you got other letters from Mr Peters in relation to the matters last year that you did for him?

CHAIR: Order! The Hon. David Oldfield has asked a question and Ms Westacott can answer it.

Ms WESTACOTT: Yes, I have got a number of letters of thanks from Mr Peters, particularly when I attended their conference in Wagga Wagga. I received a thank you letter after I attended that conference. I received thanks for attending their forums in Grafton and Deniliquin.

The Hon. DAVID OLDFIELD: But you thought an overall covering letter designed by you would be better rather than the ones that arrived last year?

The Hon. ERIC ROOZENDAAL: Point of order: I thought you said time has expired.

The Hon. DAVID OLDFIELD: I am happy to come back to it.

The Hon. AMANDA FAZIO: As we have been belabouring the subject of consulting, visiting and talking to stakeholders, would you outline your consultation with stakeholders, communities and staff throughout the reform process?

Ms WESTACOTT: Certainly. As I said I have consulted extensively. I have tried to do as many on-site visits as I can to understand the issues that people are dealing with. I have visited farmers and stakeholders in Nyngan and Walgett. I have visited farms in Walgett with the Natural Resources commissioner. Arising out of that came a substantial change to the property vegetation planning system to try to get better recognition of the issues of invasive scrub. I visited staff in offices in the Barwon region and Muswellbrook, Tamworth, Uralla, Armidale and Inverell. I have held a number of stakeholder forums with councils, mayors and general managers in the North Coast, Taree, Coffs Harbour and Port Macquarie.

I have visited councillors, the mayor and general manager of Gosford City Council on a number of occasions, given the enormous pressures that it is under with growth. I visited many landholders and Aboriginal organisations in the Murray to understand those issues for the living Murray, the important national water initiative project. As I have said, I have travelled out to the Lachlan, to Condobolin and Hilston to try to understand some of the issues that farmers were dealing with there in respect of ground water. I visited and have spoken at a number of conferences for the Local Government and Shires Associations, particularly its State conference in places like Hilston. I have had a number of meetings with key councils such as Byron Bay, working with the mayor there to try to improve its environmental controls and respond to its development pressures.

I have visited a number of stakeholders in Queanbeyan and Wagga Wagga, again, particularly local government and, in respect to Queanbeyan to understand the pressures that they are under in Queanbeyan. I have met with Mineral Council officials and attended some of their conferences to try to understand some of the issues that the mining communities are dealing with. I visited a very significant goldmine in Orange. I visited staff in Baulkham Hills, Botany Bay, Windsor and those councils again that are under development pressure. I have had extensive discussions with mayors and general managers on the South Coast to talk to them about how they are responding to development pressures. I have visited and met with stakeholders at coastal conferences. I have had a significant amount of discussions and involvement with councillors in Tweed Heads.

Those, plus normal meetings that I have with the Local Government and Shires Associations, the Total Environment Centre and the Nature Conservation Council on a regular basis. We have a number of reference groups that advise me which are also made up of stakeholders. That has enabled me to get a grasp on the very complex issues my department deals with, and enabled me to, I think, finetune the reforms so that they are practical and achievable at the local level.

The Hon. JOHN RYAN: Liverpool did not get a mention.

The Hon. DAVID OLDFIELD: There isn't a thank you letter from the Gazals?

The Hon. JOHN RYAN: Or the administrator?

The Hon. DAVID OLDFIELD: Or a thank you letter from Gabrielle Kibble?

CHAIR: Order! No doubt in your discussions with stakeholders in country New South Wales you would have come across some ground water irrigation groups that have expressed serious concern about ground water sharing plans. Would that be a fair comment?

Ms WESTACOTT: About the current proposal or about the original proposal?

CHAIR: About the current plans.

Ms WESTACOTT: Certainly I am aware that people have some concerns about the current plan. Our principal concern at the moment is to ensure that the Commonwealth Government provides us with \$55 million, which it has undertaken to provide, for the adjustment payments that will need to be provided to farmers in those ground water systems. We are working with the catchment management authorities and communities in those six ground water systems to understand some of those issues. But I think the people are pleased that there has been a recognition, unlike I guess when we first started the ground water plans where there wasn't any intention to compensate for the reduction of entitlements to sustainable yield, there is, I think, a very strong welcome by stakeholders of the Government's decision—certainly at the New South Wales level—to allocate, on top of the money we had already set aside for the Namoi, some \$38 million for structural adjustment. We are waiting for the Commonwealth Government to provide its \$55 million which it indicated in principle that it will. So I think people are still wanting to obviously talk about the detail and that is the point of our consultation process.

CHAIR: Are you aware that some of those ground water users want to see level water management put in place, rather than across-the-board cuts that are proposed by the current water-sharing plans?

Ms WESTACOTT: The original water-sharing plans, as you know, proposed a more across-the-board cut and an equitable distribution between active and inactive licence holders. The current proposal that we have before the six ground water committees in New South Wales actually does try to recognise history of use as a means of winding down to sustainable yield a recognition of people's investment in their properties. I think people are wanting to deal with the detail of that history of use. But certainly there is a recognition that we have moved a long way from a flat reduction and an equal distribution between active and inactive licence holders to an entitlement that is based on history of use. A lot of farmers have made a comment to me that they are much more happy with that proposal and obviously they want to work through the detail.

CHAIR: Does that mean that you will consider water level management as a way of allocating ground water?

Ms WESTACOTT: Just explain what you mean by water level management.

CHAIR: It is a term that is used by many of the ground water users, which they prefer rather than their description of the across-the-board cuts.

Ms WESTACOTT: As I said, the current proposal we have for the six ground water systems is one based on history of use. We are working through with them at the moment how that will be applied in each ground water system. They are much happier to see that than just an across-the-board cut and an equal treatment of active and inactive licence holders. But if they have suggestions about how that might be improved, we have a very extensive process of consulting with them as part of the ground water adjustment program and we will continue to work with them on that.

CHAIR: In terms of the ground water adjustment program, has DIPNR assessed the cost of the reform program?

Ms WESTACOTT: In what respect, sorry?

CHAIR: Its overall impact.

Ms WESTACOTT: Do you mean—

CHAIR: In terms of its cost to communities affected.

Ms WESTACOTT: The social and economic cost?

CHAIR: Yes.

Ms WESTACOTT: Some work has been done on that but that is principally one of the reasons why we went to our State Treasury and why we went to the Commonwealth under the National Water Initiative seeking additional funds to compensate farmers for reductions of entitlements to get to sustainable yield.

CHAIR: Are you comprehending that in relation to the structural adjustment where the Commonwealth, the State and irrigators each have their segment of input that the irrigators themselves have not as yet agreed to contribute a third of the structural adjustment amount?

Ms WESTACOTT: Yes, I am aware that that is an issue for further discussion; that they are concerned about that, yes.

CHAIR: Do you believe that there is some hope in sight that that will be able to be resolved fairly soon?

Ms WESTACOTT: That is the point of our current discussions and, as you know, the National Water Initiative does work on contributions by irrigators, contributions by the State, and contributions by the Federal Government. We have tried to adhere to those principles in the implementation of ground water sharing plans and that is the sort of detailed work that we are now doing with those communities.

CHAIR: In relation to the ground water in the Murrumbidgee area, what is DIPNR's assessment of the value of that ground water in that area?

Ms WESTACOTT: In the Murrumbidgee?

CHAIR: Yes.

Ms WESTACOTT: I will have to take that on notice.

CHAIR: The Valuer-General has valued the ground water without infrastructure at \$250 per megalitre so I am wondering if DIPNR accords with that estimate?

Ms WESTACOTT: I will have to take that on notice. That is some of the consultation that we are doing with those communities at the moment.

CHAIR: Could you give your assessment, if it is a different valuation that you come up with, why that is so?

Ms WESTACOTT: Sure.

CHAIR: That would be appreciated. You may also wish to take on notice the difference in the valuations, if there is a difference, and whether that will blow out the cost of compensation that is envisaged.

Ms WESTACOTT: Well, that will be subject to final discussions with irrigators.

CHAIR: The ground water sharing plans that DIPNR is working to have a 1 July activation date. Is that not correct?

Ms WESTACOTT: That was the original date. That all depends now on the Commonwealth Government—how speedily the Commonwealth Government provides the \$55 million that it has agreed to provide under the National Water Initiative.

CHAIR: You say that it is the Commonwealth's coming on board, so to speak, that will determine the set up date?

Ms WESTACOTT: The speed of that, yes. That is correct.

CHAIR: In relation to the issue of permanent trading of ground water, can you tell us what DIPNR's view is on that issue?

Ms WESTACOTT: In what respect, sorry?

CHAIR: In respect to the code of allocations, say, for the larger water users which might suffer a very large cut, say half, and DIPNR's indication that they will be able to buy it back from other ground water users. There is some concern about the actual data on which the assessment is made—that there would be such ground water available to buy back in the first place. What is your view on that doubt in the minds of some of the larger water users?

Ms WESTACOTT: A doubt that the water will be there to purchase?

CHAIR: Yes. In relation to the underground water that is outside of river valleys and channels and so on, they are worried about actually being able to literally access it.

Ms WESTACOTT: In terms of its availability, once the sustainable yield is reached, there will not be adequate water for trading. Is that the question?

CHAIR: Yes, but physically they will not be linked to their own water supply—well, the water supply that they have to give up.

Ms WESTACOTT: I am not sure I understand that concern. The point of the National Water Initiative is to free up markets and liberalise the water trading market. The purpose of the ground water adjustment is to obviously deliver those systems to sustainable yield and ensure a fair access of entitlement between active and inactive irrigators. The farmers will be able to trade their licence, their perpetual licence, and they will be able to trade their entitlements. I am not aware of that concern that they have—that they will not be able to undertake trading in ground water systems.

CHAIR: Okay. I wish to ask some questions about the Hawkesbury-Nepean system.

Ms WESTACOTT: Yes.

CHAIR: I refer to the code pollution monitoring program for the Hawkesbury-Nepean which was partly funded by DIPNR along with six of the councils along the river. The program has been abandoned, in effect, because the councils have withdrawn their contribution as a result of DIPNR having cut its \$89,000 per annum support. Can you comment on the status of the monitoring of pollution in the Hawkesbury-Nepean?

Ms WESTACOTT: Yes. We have reduced or cut our funding for monitoring purposes basically because the data is collected. The critical issue that we want to sit down with local government about is, having now collected the data, what is going to be the response or what are the actions that we might take to address the health of the river.

(Short adjournment)

The Hon. JOHN RYAN: Ms Westacott, what is the role of the freight advisory board?

Ms WESTACOTT: As you would be aware, the Government announced a broad strategy to get 40 per cent of freight onto rail off roads and it also announced a proposal to charge a per container charge to fund infrastructure associated with improving the amount of rail access available to containers. The freight advisory board is made up of industry representatives, transport experts and transport agencies. Its responsibility is to give Government advice on a number of things: on what would be the preferred routes for new freight lines, what would be the role and location of possible intermodal terminals that would allow freight to be taken off road and onto rail, and how any charge might work in a way that had two impacts—one, to encourage greater usage of rail and, secondly, to be reapplied, or hypothecated, if you will, into the provision of infrastructure that supports the intent to substantially increase the amount of freight that is travelling on the rail system.

The Hon. JOHN RYAN: But what is the function of the board?

Ms WESTACOTT: The function of the board, as I said, is made up of those industry experts—transport experts—and its job or its function is to give advice to Government on how to implement that 40 per cent target and what the opportunities might be, or how a freight charge would work and how it would work in a way that supported industry. So, it is an advisory board.

The Hon. JOHN RYAN: How many people are on the board?

Ms WESTACOTT: I think it is about eight. I will have to come back to you with the exact composition.

The Hon. JOHN RYAN: Are they paid positions?

Ms WESTACOTT: No.

The Hon. JOHN RYAN: How did Laurie Brereton wind up on the board?

Ms WESTACOTT: The Minister approached him, given his extensive experience in national and State transport matters, and asked him to chair the board.

The Hon. JOHN RYAN: What is the current status of the development of the Bringelly development?

Ms WESTACOTT: Well, Bringelly is one part of the south-west sector which is part of the south-west and north-west sector's land release that we announced last year. We are currently finalising the structure plan to go on exhibition which will detail how the precinct will be laid out. It will detail it in more detailed planning than we have announced so far, and that will then set the ground work for local government to start doing its local environment plans to give effect to the planning controls to govern the release of individual lots. So the structure plan is being finalised and we are also, as I said, finalising the composition of the growth centre commission.

The Hon. JOHN RYAN: You would be aware there was some controversy recently about the proposal for a rail line through the Bringelly release area, particularly as it relates to the Denham Court area. Will this structure plan detail where that rail link goes?

Ms WESTACOTT: It will outline the corridor but, as we have said on this matter, any proposal for the south-west rail link will need to include—as it will—an environmental impact statement, and that environmental impact statement will assess options such as underground locations for some of the rail infrastructure.

The Hon. JOHN RYAN: Will the corridor be fixed?

Ms WESTACOTT: What will go on exhibition will be options for the corridor, but that will then be subject to further consultation, and the final proposal for the south-west rail link will need to be subject to an EIS.

The Hon. JOHN RYAN: Can you give the Committee some brief information as to what the south-west rail link will link—where it starts and where it ends?

Ms WESTACOTT: Perhaps it would be better give you that on notice and a give you a map. That is probably the best way of describing it.

The Hon. JOHN RYAN: The meetings held by the residents of the area—I think they call themselves SWAG—have you been able to consider the remarks and comments they have made?

Ms WESTACOTT: Yes. They are concerned about wanting us to examine the potential for locating a rail line underground, and we have said as part of the EIS we will certainly consider that.

The Hon. JOHN RYAN: Have similar arrangements being made for the north-west sector development as well? Will a structure plan be released for that?

Ms WESTACOTT: Yes.

The Hon. JOHN RYAN: Will that also include any reference to a rail link on the north-west sector?

Ms WESTACOTT: All the structure plans have to identify major rail and road corridors. So, yes.

The Hon. JOHN RYAN: So a rail link will be detailed on that, will it?

Ms WESTACOTT: The transport corridors will be identified in the north-west sector.

The Hon. JOHN RYAN: Does that mean that the transport corridor could be road, rail or a bus link?

Ms WESTACOTT: That will be a matter for the Government and the finalisation of the structure plan to determine.

The Hon. JOHN RYAN: So, the structure plan—I referred to it as the Bringelly development, but I am referring to the south-west development—will indicate a rail line but the structure plan for the north-west development will indicate something called a transport corridor?

Ms WESTACOTT: That is the current proposal. The exhibition of the Balmoral Road LEP, which is part of the north-west land release, provides a more detailed description of where the rail link would be.

The Hon. JOHN RYAN: Is it possible that the transport corridor you are referring to for the north-west structure plan could simply wind up being just a road?

Ms WESTACOTT: As I said, the Balmoral Road environmental plan, which is a fundamental part of the north-west land release, marks a rail corridor and the structure plan will reflect that and other possible transport corridors.

The Hon. JOHN RYAN: So there will be a capacity for a future government to construct a rail link?

Ms WESTACOTT: As I said, the rail corridors and all the transport corridors must be set aside.

The Hon. JOHN RYAN: The additional levy being added to land being released in these areas, will that provide sufficient resources to construct public transport links, such as rail links?

Ms WESTACOTT: As you know, we announced a levy that will bring in substantial funds. Our infrastructure estimates are \$7.8 billion for both the north-west and south-west sectors. That will go to purchasing substantial amounts of infrastructure in both sectors. There is \$3.8 billion on roads,

\$1.7 billion on education. Those figures were released in the media last year in the breakdown of what the infrastructure would be distributed, and the levy will be indexed over time. So, we believe we have done extremely detailed planning on the south-west and north-west sectors which has been well received by industry, because of its detail and because of the way we will release land in stages and we will time the release of the land as the infrastructure is provided. So, as we said in the announcement about the south-west sector in particular, Camden Valley Way will commence in 2005-06. So the whole scheme is designed to ensure there is adequate infrastructure, there is adequate funding for infrastructure and that the timing and sequencing of the land release is such that key infrastructure is provided before major residential densities are reached.

The Hon. JOHN RYAN: Have any of those levies been allocated for heavy rail or rail?

Ms WESTACOTT: Yes. In both the north-west and south-west sectors moneys will be set aside for heavy rail.

The Hon. JOHN RYAN: How much other levies have been set aside?

Ms WESTACOTT: The levy will be pooled by the Growth Centres Commission. I will have to give you this on notice, but we did publish last year the exact amount of money that would be needed for rail.

The Hon. JOHN RYAN: Has the amount that has been indicated that it might be for rail been calculated in some way as to be a realistic proposal to construct a north-west rail link?

Ms WESTACOTT: The rail that we announced as part of the funding for the growth centres is the south-west stage one and the duplication of the Riverstone line. Those estimates were based on very detailed work with State Rail.

The Hon. JOHN RYAN: So, there is nothing further than those two projects you mentioned?

Ms WESTACOTT: In the first iteration of the land release, those are the two major rail infrastructure projects, and we have earmarked substantial funding for those, and I will have to take on notice exactly how much.

The Hon. JOHN RYAN: Will you explain what you meant by the first iteration, by comparison to the whole development? How many iterations are there?

Ms WESTACOTT: This is a 30-year plan and it is a very detailed one. We have set aside those funds for rail and road upgrades, and the two major rail projects are the south-west stage one and the duplication of the Riverstone line.

Ms SYLVIA HALE: What provision is being made at Bringelly for affordable housing?

Ms WESTACOTT: We have not specifically set aside a levy for affordable housing in this area. This is probably not targeted to just the first homebuyers market as previous land releases have been. We have tried to address some of those affordability issues by ensuring an adequate supply of housing on the market.

Ms SYLVIA HALE: With the median house price in Sydney being about \$500,000, that is nowhere near affordable for those members of the community who require that housing. Do you not believe that the Government should be somewhat more proactive in its approach to this problem?

Ms WESTACOTT: I think successive governments have made a lot of inroads into affordable housing, and there are a number of ways of doing that—provision of public housing, setting aside of levies, as has been done, or the use of land sales as has been done in Pymont where 600 units of affordable housing have been provided through the application of affordable housing levies and the application of land sales from government assets. There are a number of ways of tackling that issue and the Government has been tackling those over a number of years. There are

differing views about what is the best approach to tackle the issue of affordability, which is principally market driven.

Ms SYLVIA HALE: It may be market driven but it is extraordinarily socially unjust, I think you would agree. But if you are proposing a major development of the Bringelly area, presumably you would also want to promote employment opportunities in that area and that will require people who are able to take advantage of those opportunities?

Ms WESTACOTT: Yes. As I said, there are a number of ways you can tackle this problem. You can have a levy and hypothecate that to the purchase of a certain number of homes, and that can be run through public housing or a community housing provider. You can ensure an adequate mix and supply of housing, and one of the things we have tried to do in the north-west and south-west sectors in particular is move away from the standard housing product of larger homes to a greater diversity of housing supply, greater densities around the town centres, and that in itself contributes substantially to the housing affordability and housing choice by giving people a range of products they can purchase from rather than just the larger homes.

Ms SYLVIA HALE: But has the department undertaken any studies of the impact or has it considered the imposition of the levy to specifically provided for affordable housing? If it has not, why has it not?

Ms WESTACOTT: We did not consider it for the south-west or north-west land releases. There was a view that that may be a future decision of a future Growth Centres Commission but this particular housing market is not, as I said, like Landcom developments or other major releases, targeted to the first homeowners market. It is targeted to a wider cross-section of the community. Our main objective was to get supply into the marketplace, which makes a big contribution to affordability and, most importantly, to ensure vital road and rail infrastructure is provided in a timely way.

Ms SYLVIA HALE: But also envisaged is the demolition of public housing estates such as is taking place at Minto at the moment and their replacement with only a proportion of affordable dwellings?

Ms WESTACOTT: You would have to address that question to the Department of Housing, but it is my understanding that, like all developments and redevelopment of public housing estates, the intent is to maintain the level of public housing in those local government areas but to get a better mix on those housing estates like Minto. I think governments across Australia—certainly when I was the Director of Housing in Victoria—made a big effort to try to reduce those big concentrations of disadvantaged people from those broadacre estates, and everyone believes that is a better social and economic outcome for the people who live there. You would have to ask the Department of Housing what level of stock it is maintaining. In respect of Minto I simply do not know.

Ms SYLVIA HALE: If you are saying it is undesirable to have concentrations of low-cost public housing, surely it is equally undesirable to have concentrations of housing that can only be afforded by relatively affluent members of the community? Should one of the objectives of the Department of Housing be to see an interspersal of affordable housing into areas of less affordable accommodation?

Ms WESTACOTT: I think I have answered that by stating that in the south-west and north-west sectors we wanted to ensure two things: adequate supply and diversity of housing type. Both those contribute to housing affordability and particularly to a diversity of housing stock, the smaller unit households, so that you have a mixed community and you do not have the large housing that we saw in some of the other land releases of the early 1990s.

Ms SYLVIA HALE: I turn now to the Auditor-General's report on air quality, which was released on 6 April this year. The Auditor-General made a number of recommendations in relation to existing tunnels and tunnels that may be built in the future. He referred, in particular, to DIPNR's role. When referring to existing tunnels the Auditor-General recommended:

That DIPNR monitor the need for retrospective changes to approval conditions for tunnel operations and submit proposals to the Cabinet Standing Committee for Infrastructure and Planning where changes are needed.

The Auditor-General stated:

This should be done in consultation with all relevant Ministers and their respective agencies especially the DEC, the RTA, NSW Health and Treasury using agreed protocols for agency consultation and input.

Has DIPNR submitted any proposals to the Cabinet Standing Committee for Infrastructure and Planning to change the conditions of approval and ensure that the M5 East is safely operated for drivers and residents?

Mr HADDAD: We have made comments to the Auditor-General in relation to this recommendation. Essentially, when we issue a planning approval with conditions we are unable, by law, to change the conditions ourselves. The only way that those conditions can be changed is by way of a modification initiative by the proponents. That applies to both the private sector and the public sector. Of course, what we can change are the regulations that govern licences under the pollution legislation. But, essentially, not the planning conditions because people act on those conditions by way of raising funds and by way of investing. As such, we cannot take back or change substantially the modifications.

Basically, that is what we have suggested to the Auditor-General. We said that we are going to sit with the RTA, DEC and others in relation to existing tunnels and see how we can bring them to a level that broadly corresponds, to the best of our ability, to the conditions that we have imposed on new tunnels such as the cross-city tunnel. If you see the differences between the M5 East and the cross-city tunnel, we have addressed many of the issues that we had on the M5 East when we went to the cross-city tunnel from our assessment experience.

Ms SYLVIA HALE: The Auditor-General, in his report, discusses the difficulties of retrospective requirements on the operators of the tunnel. That, to me, highlights the inadequacy of the conditions that were initially imposed. The Auditor-General also recommended:

That the Minister for Infrastructure and Planning expedite finalisation of the new transport plan to be developed as part of the metropolitan strategy and ensure that this plan includes a monitoring review and reporting process.

Has anything been done that regard?

Ms WESTACOTT: We will certainly include that in the work we are doing on transport as part of the metropolitan strategy.

Ms SYLVIA HALE: Another recommendation was:

That DIPNR strengthen the evaluation and prioritisation of project concepts, the assessment of transport proposals and the role of the DEC and NSW Health in transport planning and assessment.

Is that being undertaken?

Mr HADDAD: We are certainly keen to progress the issue of concept evaluation, concept assessments and concept approvals. I think we have to recognise that if we are going to get into strategic assessment and concept assessments we will have to anticipate the concept approval at the end of this assessment. By that I mean an approval that can be legally acted upon. There is a view that in many cases, particularly in the transport networks, it is useful to have this level of strategic assessment which will include option evaluations from a social, economic, transport, environmental and amenity point of view at this concept level or strategic level. I suggest that could lead us to good outcomes and to more efficient decision making at the end of that process. That is something we are pursuing as part of our planning reform.

Ms SYLVIA HALE: That is hardly a groundbreaking concept. You are taking into account the long-term impact of the development when you are assessing at the beginning whether or not to approve it.

Mr HADDAD: Just let me clarify this issue. We do take into account the long-term impacts to the best of the scientific knowledge we have when we are assessing individual projects. What I am talking about here is assessing concepts at the higher strategic level. The types of impacts—be

they short long, direct, or indirect—we deal with to the best of our knowledge at the time at the project level as well.

Ms SYLVIA HALE: One of the other recommendations was that DIPNR, the DEC and the RTA provide improved guidance to proponents on the assessment of environmental and health impacts of roadways. Will those departments be doing that? Will DIPNR at least be doing that?

Mr HADDAD: The director-general accepted in principle some of this. At the moment we have an officer from the health department seconded with us working on those issues to develop appropriate protocols and methods.

Ms SYLVIA HALE: You suggested earlier that you had learned a lot from the M5 East experience in relation to your dealings with the cross-city tunnel. Are you aware that Dr Peter Manning of the CSIRO recently advised the Lane Cove Tunnel Air Quality Community Consultative Committee—he advised it in April 2005—that the designers of the Lane Cove tunnel underestimated the emission loading for particulates by up to 100 per cent and that they have also underestimated the confidential traffic volumes by at least 20 per cent?

Mr HADDAD: No, I am sorry, I am not aware of that study. I can tell you that the conditions and the level of assessment that we have undertaken on the Lane Cove tunnel is probably best practice internationally based on what we have learned successively from the M5 East and the cross-city tunnel.

Ms SYLVIA HALE: I refer to the estimation of traffic and traffic speeds. What is self-evident, no matter which freeway, tollway or tunnel we look at, is that there has always been a gross underestimation of the amount of traffic that will be generated and the pollution and loss of amenity that will result?

Mr HADDAD: Obviously there is an issue at which we are getting better, that is, the issue of induced traffic, by building those tunnels. We do take that into account. But you are right. Progressively the experience indicates that traffic increases. Modern and up-to-date ventilation systems are always built in to try to take those factors into account. Systems can be retrofitted in cases where they are needed. I am talking about modern, up-to-date tunnel systems.

Ms SYLVIA HALE: It is extraordinarily expensive to retrofit those filtration systems after the event. What surprises me is that you talk about tunnels as though they are a new discovery. These roadways and tunnels, or whatever induce additional vehicular traffic onto the roads. That proposition has been around for the past 50 years. It is hardly a new concept. Surely it is a concept that should have been taken into account many years ago.

Mr HADDAD: They are taken into account in the assessments. The conditions are based on our evaluation. You are saying that, over time, there is a natural tendency for traffic to increase beyond the induced traffic.

Ms SYLVIA HALE: Take, for example, the M5 East tunnel. One of the fundamental assumptions that were made was that traffic would travel at more than 20 kilometres per hour. It fails to do that. Another assumption was that it would be unsafe to be inside that tunnel for more than 15 minutes at a time, which is what routinely happens. When the department developed these conditions of assent why were those factors conveniently overlooked?

Mr HADDAD: I have tried to answer it in as honest a way as possible by saying that we are building on the experience of assessing those tunnels over time. There are differences in our assessments of tunnels other than the M5 East.

Ms SYLVIA HALE: In light of the woeful predictive performance to date, will information relating to predicted traffic volumes that is currently not available to the public on grounds of commercial in confidence be made available to the public? How can the public be expected to have any confidence either in DIPNR or in the RTA when such information is withheld, especially in light of the gross underestimation in the case of the M5 East?

Mr HADDAD: I am not trying to bypass the question, but I think it is more appropriate to ask the RTA that question, particularly relating to tunnels involving public-private sector partnerships. I think that is an issue that would be more appropriately dealt with by the RTA. Having said that, traffic volumes within tunnels and within major motorways generally are published. As to the exact details and breakdown of the traffic, that is a question that probably would be better answered by the RTA.

Ms SYLVIA HALE: DIPNR has to scrutinise those traffic projections. I am asking you whether the department will undertake to make public all traffic predictions in relation to the cross-city tunnel, the Lane Cove tunnel, the M4 East, or any other proposed freeway so that they can be publicly scrutinised?

Mr HADDAD: Yes. We will make public all the outcomes of our regulatory approvals.

Ms SYLVIA HALE: I am asking about the predictions. Without those predictions it is difficult to assess how appropriate are the conditions.

Mr HADDAD: In relation to the Lane Cove tunnel, for example, there is a condition that states we have to publish comparative figures between predicted levels at the time the project was approved and actual levels. I think that is every five or 10 years. That is a condition that relates to the Lane Cove tunnel. That information has to be made publicly available.

Ms SYLVIA HALE: It is a bit late five or 10 years after the event, when you found that traffic levels are double the predicted levels, to tell the public what blind Freddy would have known.

Mr HADDAD: The main factor is: What is the outcome of this increase in traffic? Is it an amenity issue, or is it an increase in environmental performance? Is that not what matters at the end of the day?

Ms SYLVIA HALE: What matters at the beginning of the day I assume would be the conditions that were placed on that development and how those conditions were monitored—and here I suggest that DIPNR has fallen down exceedingly in relation to the M5 East. Those predictions are important to determine what conditions need to be imposed, how adherence to those conditions will be monitored and whether there will be independent public scrutiny of the process.

Mr HADDAD: I am suggesting that all those factors are accounted for in the conditions. If you go through the conditions of consent of the cross-city tunnel and the Lane Cove tunnel you will see that there are conditions that provide for checking the outcome of the traffic in terms of amenity and pollution, including independent monitoring of all those factors, and public reporting. That is what I am trying to say. Basically, that is what matters. How do we impose those criteria? We impose them using two things: firstly, international and national standards and, secondly, the outcome of predicted modelling, taking into account to the best of our ability induced traffic within those tunnels.

Ms SYLVIA HALE: A lot of the predictions come from the RTA and from the tunnel proponents, the private builders of the tunnel; what independent assessment of those predictions is undertaken?

Mr HADDAD: Both the Cross City tunnel and the Lane Cove tunnel were the subject of independent traffic and transport assessments, not only by departmental officers but by expert specialists, by panels, and the reports were made public in the assessment reports, for both those tunnels.

CHAIR: Ms Westacott, earlier there was some discussion about the oft-quoted remarks by the Premier that there would be a thousand people moving to Sydney every week. Is that information that the Premier uses, as far as you know, based on Australian Bureau of Statistics' projections?

Ms WESTACOTT: It was based on information our Transport and Population Data Centre does for planning purposes, which uses ABS information as well as some other predictive modelling. But the figure has always been that Sydney has been growing at a rate of a thousand people a week, and my recollection is that those figures are based on the modelling that the transport data centre does.

CHAIR: What is the current view of the centre about that figure? Has it changed its assessment?

Ms WESTACOTT: There has been some drop-off, and that is self-evident from the ABS. But, as I said, these are population statistics that fluctuate over time and when you are doing a 30-year plan you do not want to take just a three or four year snapshot of those population figures, you really do need to take the higher figure and you need to plan for the fact that there will be a larger number of houses to accommodate the same number of people because we have got a very high rate of smaller-person households. So what we try and do is make sure that we are planning for a scenario for population growth which is reliable and which takes the historic growth figures, and we have got to be careful not to just take a one census period, we need to take a 30-year projection there.

CHAIR: What is the current data centre's assessment of that figure?

Ms WESTACOTT: Of the actual growth rate? I will have to give you that on notice.

CHAIR: In relation to the obvious growth of the Sydney metropolitan area, does DIPNR have in place any strategies for diverting some of that growth to non-metropolitan New South Wales?

Ms WESTACOTT: Yes. Certainly as part of the strategic planning work we are doing we are looking at the Hunter in particular as to whether or not that could accommodate a greater share of growth, and that will be linked to the Government's plans, obviously, to expand the port activity in the Hunter. I think there is a debate to be had about how successful decentralisation can be to regional and rural centres. Certainly places like Tamworth, Armidale and Wagga are places that are growing quite rapidly and have very strong economic performance; whether or not they are able to pick up some of Sydney's growth is yet to be tested, and we are certainly looking at that in our strategic work.

There is obviously a big shift of people from Sydney to the North Coast, but that is really a sea change issue. It is certainly not something we are ruling out, but it has to be achievable; there have to be services for people in those locations; there have to be jobs, and it is critical that people not try and do that just by a kind of tokenistic effort of saying, "We would like to see more decentralisation", if in fact the jobs and services are not in place to accommodate those higher population figures. But as part of our greater metropolitan planning we are certainly looking at the Hunter and we have had some feedback from some of the key stakeholders in the Hunter that they would like us to consider some scenarios for the possibility that they might pick up some of the growth. But, as I said, there are limited amounts of activity governments can do here. People will settle where they settle; they will settle for a whole lot of reasons, mostly employment and services.

CHAIR: So why would the Hunter only be considered—

Ms WESTACOTT: I am just saying it is our current focus and, as I said, it is part of our original planning work in our major centres across the State. We are looking at the opportunity and the possibility that some of the growth in Sydney could be picked up by those regional centres. I am just using the Hunter as an example of one area where that is probably most practical and most feasible, given the proximity to Sydney, but also the opportunity to target jobs as part of the port expansion and the general economic rejuvenation of the Hunter, but it is not excluded to that. I have had a lot of discussions with mayors across the State about the opportunities for those centres across the State to play a greater role in population distribution, but we will need to make sure that the jobs and services are there to accommodate those population changes.

CHAIR: You have mentioned the Growth Centres Commission. That is really, again, metropolitan focused, is it not?

Ms WESTACOTT: Correct.

CHAIR: Even though originally the Growth Centres Act was primarily non-metropolitan I think?

Ms WESTACOTT: The Growth Centres Corporation Act is an all-encompassing Act and the Growth Centres Commission is meant for the north-west and south-west sectors. The Act is for the whole State.

CHAIR: But at this stage it is only for those metropolitan—

Ms WESTACOTT: Correct.

CHAIR: Can you provide the Committee with the current status of the regional strategy for the Central Coast?

Ms WESTACOTT: Yes, in fact, my staff were visiting the Mayor of Gosford last night to talk to them about population projections and the major challenges that they encounter on the Central Coast in terms of population growth. We have been doing a lot of work with council around their agricultural lands, around their employment lands and around their transport options, and that will be pulled together in a separate strategy for the Central Coast which will form part of the metropolitan strategy. But they have been very clear with us that they do not want to be wrapped up in the strategy for Sydney, that they want a separate strategy for the Central Coast.

CHAIR: You mentioned earlier the rail freight issue. Has, for example, the Transport and Population Data Centre done any work on the issue of an inland railway line, given that it seems that future rail corridors and statewide strategic planning is part of its reason for existence?

Ms WESTACOTT: We certainly looked at possible freight corridors across the State. Are you referring to the Deputy Prime Minister's announcement specifically?

CHAIR: Yes, I am. Not necessarily in response to his announcement yesterday but before that. Has the centre or the department done any analysis on the concept of an inland rail freight line or rail line?

Ms WESTACOTT: I am not sure that people have looked at a particular corridor as a preferred option, but we have certainly looked at freight movements across the State and the role that an upgraded Pacific Highway particularly would play in freight movement. Our primary task at the moment is to get 40 per cent of freight onto rail for metropolitan Sydney, but certainly we have done work as an agency on freight movement across rural New South Wales and options for improving that.

CHAIR: Given that both the Premier and the Deputy Premier have pooh-poohed the idea of even having a feasibility study, as announced by the Deputy Prime Minister yesterday, does that preclude your department from doing further analysis on such a feasibility study and contributing to it perhaps?

Ms WESTACOTT: If the Government requests my department to do some further analysis of it we most certainly will.

CHAIR: But they may not if they have written off the idea in the first place.

Ms WESTACOTT: It is a matter for the Premier to make policy on matters such as this and, as I said, if the Premier or the Minister seeks an evaluation of that option that was put forward yesterday we will gladly assist, but our current priority and the Government's current priority is to get 40 per cent of the container traffic onto rail in metropolitan Sydney.

CHAIR: In relation to the catchment management authorities [CMAs] can you give the Committee an update on how many of the staff transfers that were predicted have actually occurred as of now? That is, I think of the 251 staff that were to be transferred to the CMAs, how many have been transferred and are up and running in regional locations?

Ms WESTACOTT: We always said up to 250, so we have transferred 240 direct staff from my department and Mr Smith might have the exact figure here, around 90 positions on top of that, which were funded federally under the NAP and HT programs, which were the facilitated co-ordinator

positions that operated across the State. I think there are 97 of those staff members who have now been transferred to the CMAs. So we have fulfilled the full complement of transfers to the CMAs.

CHAIR: So they are actually located and working in those centres?

Ms WESTACOTT: That is my understanding. I think there are a few positions that have not been filled, which will be the subject of contestable recruitment action by the CMAs, but in terms of our transfer of staff, we have completed that task.

CHAIR: Can you tell the Committee how many staff were actually offered jobs and how many of them accepted the transfers?

Ms WESTACOTT: I would have to take that on notice. My recollection was that about 500 staff members applied to go to the CMAs and 240 people were transferred.

Mr SMITH: That is correct. About 500 people lodged applications for positions in the CMAs but the number of those people lodged multiple applications because there were a number of catchment management authority jobs advertised concurrently, and a number of those people who lodged applications then withdrew their applications.

CHAIR: Are there any CMA staff positions designated for DIPNR staff which remain unfilled?

Ms WESTACOTT: Not to my knowledge, unless they are the subject of contestable processes.

Mr SMITH: The CMAs are still undertaking some recruitment for some final appointments within their structures.

Ms WESTACOTT: But those were the positions that fell outside our transfer requirements.

CHAIR: Will each and every one of the CMAs have a Department of Environment and Conservation staff member seconded to it?

Ms WESTACOTT: That is certainly the proposition, that the Director-General of DEC has put to the CMAs, and it is my understanding that they are in the process of seeking expressions of interest from staff to transfer across.

CHAIR: Can you tell the Committee of the funding that has been provided to the CMAs through the National Action Plan for water quality, the National Heritage Trust and the New South Wales Sustainability Trust over the next four years, how much exactly is being provided by the New South Wales Government?

Ms WESTACOTT: I will have to take that on notice. It should be in the budget papers in terms of the State matching for that. Mr Lucas might be able to get hold of it now, but it is probably better to take that on notice. But, as you know, the NAP and NHT programs are Commonwealth-State matching programs as well as the State has provided directly to the CMAs, in addition to the NAP and NHT money of \$436 million over four years, \$36 million recurrent to the CMAs on top of that, which goes to their staffing and administration so that the NAP and NHT funds can be directed for the purpose that the Premier intended, which is for on-ground works for farmers and communities to restore vegetation and restore the natural landscape. So, in addition to the NAP and NHT matching, my department has transferred \$36 million to the CMAs to pay for their administration and staffing costs.

CHAIR: You might wish to take this on notice as well: Can you provide the Committee with the set-up costs for each of the CMAs in terms of office equipment, furniture, and administrative costs—basic set-up costs—and office space? Also, can you provide for each of the CMAs their forecast total cost to run in 2004-05 in terms of salaries and benefits, office rents and vehicles?

Ms WESTACOTT: Off the top of my head that would be \$36 million because that is the money that we worked out with the CMA chairs as to how much they would need for staffing, administration and office accommodation, which is slightly different to the set-up costs. So my recollection will be that that is \$36 million, but I will take it on notice just to double-check that we are counting the same things.

CHAIR: Can you give the Committee an update on the status of the Lower Murrumbidgee Ground Water Plan?

Ms WESTACOTT: It is in the same status as the other five ground water systems. We are in the process of working through the detail of the history of use with the local catchment management authority and respective irrigators. As I said, we are waiting for the Commonwealth Government to confirm its \$55 million allocation and then we can get on with the implementation of those ground water arrangements.

CHAIR: In relation to DIPNR's natural resources divisions and voluntary redundancies, can you advise how many voluntary redundancies were offered and how many have been achieved so far through the reform process?

Ms WESTACOTT: Remember that those redundancies were across the department, they were not just confined to the natural resources part of the department. I think we took this question on notice at the last estimates committee.

CHAIR: Yes, you did.

Ms WESTACOTT: Mr Smith might be able to give you that exactly.

Mr SMITH: The number of people that exited the department through voluntary redundancy, people who have actually applied for the redundancy are 255. That is the last figure that I have.

CHAIR: Do you know how many unattached staff there are as a result of the reform process?

Ms WESTACOTT: I will have to take that on notice because recently we have filled quite a few positions in regions, particularly, so I will take that on notice.

CHAIR: Do you have a total cost for the restructuring of DIPNR so far?

Ms WESTACOTT: In what respect?

CHAIR: In terms of cost savings or how much it actually cost to do the restructure?

Ms WESTACOTT: We got some initial funding from Treasury for the change process, particularly for redundancies, which was the bulk of the Treasury money, as well as for things like changing computer systems. But we have reached a \$70 million recurrent savings target that the Government set for us. We have achieved a saving of \$70 million.

CHAIR: How many?

Ms WESTACOTT: \$70 million was the Government's target for our savings.

CHAIR: And you have achieved that?

Ms WESTACOTT: And we have achieved that, yes.

CHAIR: You will probably need to take this question on notice. For each of the DIPNR office locations that existed prior to the restructure I would be interested to find out how many staff were employed in each of those offices before the restructuring of the department and how many will be employed once the reform process is complete. I think there are about 73 locations.

Ms WESTACOTT: 66.

CHAIR: If you could take that on notice, that would be appreciated.

Ms WESTACOTT: Yes.

CHAIR: Are any of those offices outside the metropolitan area being downgraded from their pre-reform role? Will all of them still be the?

Ms WESTACOTT: Officers or offices?

CHAIR: Offices—both, actually.

Ms WESTACOTT: I am sorry, what do you mean by that?

CHAIR: Obviously, some of the offices would be small offices and some would be quite large. Is each of them expected to keep functioning at the same level?

Ms WESTACOTT: Some of them would now perform a different role because in Gunnedah, for example, the office that was once occupied by departmental staff is now the Catchment Management Authority's [CMA] office so it will perform a different role under the auspice of the CMA. In other offices they will have a stronger role because they have some of the planning staff and natural resources staff merged. But no-one is effectively being downgraded as such. Some of the offices change their composition and service they provide to the community because those functions are transferred to the CMA.

CHAIR: Are any of the 66 offices to be closed down?

Ms WESTACOTT: We have not forecast any office closures, other than the relocation from Henry Dean Place in the CBD, which is bringing the department together in Bridge Street and Parramatta. Other than that we do not propose any office closures. We have always been clear that our reductions of staff were not going to be done through closing offices.

CHAIR: In relation to water trading or water transfers, which division actually handles that and how many staff are allocated to those roles?

Ms WESTACOTT: That is the division of the Office of Coastal and Regional New South Wales. There is a significant water division in that part of the department. I do not know off the top of my head how many staff are there, but it is quite substantial. They are responsible for water policy, for regulating the trading arrangements that will take place, for overseeing the water sharing plans and for providing support to our regional offices in respect of the Water Management Act. I am happy to take on notice how many people are there.

The Hon. JOHN RYAN: It seems apparent that the traffic figures for the M5 East are catastrophically greater and that they have underestimated the level of usage of that infrastructure. What impact has the increasing traffic congestion on the M5 East had on the planning for South Western Sydney, particularly in terms of the new South West Sydney releases because it appears apparent that the level of traffic is still growing on the M5 East and if more land is developed in South Western Sydney it will only get worse. What options are there to deal with the obvious increase in traffic congestion on the M5 East?

Ms WESTACOTT: One of the critical things we have done with the South West land release is to provide, obviously, for rail services but also to set aside land for employment purposes so that people are not travelling into the CBD. And, of course, the M7 Orbital will connect the South West sector with a huge employment growth that is occurring in the North West business park and the North West sector.

The Hon. JOHN RYAN: Is there any expectation that any of that will reduce the amount of traffic that is currently using the M5 East?

Ms WESTACOTT: You would need to talk to the RTA about their traffic projections for the M5 East into the future, but certainly it has been our strategy to ensure that the South West sector land releases provide employment locally, accompanied by major upgrades to roads in those areas, accompanied by rail in the South West sector and to take advantage of the substantial gains that Sydney will achieve through the M7 Orbital.

The Hon. JOHN RYAN: Can I ask a single question to be put on notice? Could you provide the Committee with a chart of some sort that indicates the number of SES positions and what they were before and after the restructure?

Ms WESTACOTT: I think I have answered his once before. I am happy to give the details, but we had 51 and we now have 33.

The Hon. JOHN RYAN: Could you outline what those positions were and what they now are?

Ms WESTACOTT: Sure.

Ms SYLVIA HALE: Further to questions about congestion and planning, what proposals does the department have to deal with the increase in commercial and other activity at the airport? Where the airport plans to build parking stations for another 8,000 cars how does the department plan to deal with the impact of those on Sydney?

Ms WESTACOTT: There are two points to make about that. First of all, as you know, the State Government does not control, and has no planning control over, what happens at the airport.

Ms SYLVIA HALE: Yes, but, as you know, the Labor Party as well as the Liberal Party both agreed to the privatisation of the airport. Therefore they cannot wash their hands at a State level of responsibility for the airport's expansion.

The Hon. AMANDA FAZIO: Point of order: My point of order is relevance. We are dealing with the budget estimates in this portfolio area, and I do not think it is appropriate for Sylvia Hale to give us some sort of diatribe on the virtues of the Greens policies on an issue that actually relates to a Federal Government issue. I do not see the relevance of her asking questions about what the Federal airports authority is going to do or the privatised Kingsford-Smith Airport owned by the Macquarie Bank when the State Government cannot control anything on that land and cannot do anything about it. I think that is stretching the bounds of what we can ask in this estimates proceedings a bit far. It is yet another platform she is raising for herself to hop onto and to try to hijack.

Ms SYLVIA HALE: No point of order.

CHAIR: Obviously, outside the premises of the Federal Airports Corporation DIPNR presumably would have a view on planning to take account of it.

Ms WESTACOTT: The department gave a very detailed submission to the airport master plan, which will see the airport expand to Heathrow capacity, which will involve 240,000 square metres of commercial floor space, which will, in our estimate, require infrastructure in excess of \$2 billion. As I said earlier, we are commencing our work on the Sydney airport corridor and how we might respond to that. But, fundamentally, we are not able to control the pace or scale of that growth, or the mix of commercial and retail development there. That is a matter for the Federal Government and the corporation around the airport. But, clearly, the State has expressed its concern about that expansion in its very detailed submission and expressed its concern about the expansion of the noise.

Ms SYLVIA HALE: Does that mean that the department will do nothing to facilitate the airport's expansion by extending or building tollways, or providing other infrastructure to assist that expansion?

Ms WESTACOTT: The Government will need to respond to the expansion over time. That will be a matter for government policy. All I am saying is that we are not able to control expansion,

the pace of it, the mix of commercial, but we are undertaking a detailed study of the Sydney-to-airport corridor to assess how those impacts will be managed. It really is a matter for future and current State governments to decide how they would respond in respect of infrastructure. We put on the record our concerns to the Federal Government about the expansion plan.

Ms SYLVIA HALE: Returning briefly to the Hawkesbury River, earlier there was discussion about pollution monitoring within the Hawkesbury having ceased. Are you aware of plans by Sydney Water to build a sewerage treatment plant at Brooklyn?

Ms WESTACOTT: No, I am not.

Ms SYLVIA HALE: I believe there is a proposal by Sydney Water to build such a plant at Brooklyn close to Dangar Island. The proposal is that treated effluent would discharge into the Hawkesbury through a membrane in that vicinity, but that will produce higher levels of nitrogen and phosphorus in the Hawkesbury at one of its cleanest points. Will the department look at the EIS for the plant?

Ms WESTACOTT: Yes. If Sydney Water has a proposal of that scale obviously it will be subject to an EIS and those matters will be considered as part of that EIS process.

Ms SYLVIA HALE: I understand that the supplementary EIS is because the initial scheme was abandoned and this new one has been introduced. The supplementary EIS does away with the need for any recycling, which it says is unnecessary. It does not even canvas the possibility of setting up the treatment plant at the outset to deal with recycling. It only discusses the excessive cost of the subsequent retrofit. It only envisages dealing with recycled water for use on parks and gardens.

Ms WESTACOTT: I will take it on notice. I am not familiar with the detail of that EIS. As I said, those matters will be considered as part of the EIS assessment.

Ms SYLVIA HALE: But would you agree that if that area were sewered that would be a major incentive for further development in the area, which would have further implications for the pollution of the Hawkesbury-Nepean river?

Ms WESTACOTT: I do not want to comment on it. I simply do not know enough about it. I will take it on notice and provide the Committee with advice.

Ms SYLVIA HALE: If the plans were to go ahead would the department then consider instituting regular pollution monitoring of the river?

Ms WESTACOTT: I am not sure how the two are related. As I said, we were funding some monitoring. We collected relevant data. The job now is to sit down with local government and to decide on our priority actions. As I said, I am not familiar with the detail of the EIS. I would rather look at it and provide you with a detailed comment.

Ms SYLVIA HALE: I have a letter here from Councillor Ian Longbottom, Mayor of Lane Cove Council, to the Minister for Infrastructure and Planning, and Minister for Natural Resources dated 16 November and a letter from Alison Megarrity, the Parliamentary Secretary. It talks about the RTA requiring clarification of condition 30 applying to the Lane Cove tunnel and the department reiterates that the intent of the condition was to ensure that the traffic management plans prepared for the project were approved by the RTA transport management centre and by the relevant local council's traffic management committee. The intent was to ensure that the traffic impacts have technical input from local councils and agencies when non-RTA roads are affected. Ms Megarrity response is:

It is the RTA's responsibility to satisfy itself that this approach is not inconsistent with the intent of Condition 30. Similarly, in response to your query regarding compliance, it is the responsibility of a project proponent (in this case the RTA) to ensure compliance with an approval.

Does this statement signal a shift of responsibility from DIPNR, which, in the past, has assured communities that they would be protected by the most stringent conditions that would be strictly enforced or does it mean that DIPNR is transferring its responsibility from monitoring to the RTA?

Mr HADDAD: No, it does not. In this particular case, the law says that it is up to the RTA to be satisfied that if they are going to do something different to what they have an approval for, that what they are going to do, if it is a substantially different activity, they have, by law, to come back and seek another approval. That is what the law says. It says that because we cannot be monitoring everybody as to whether what they are doing is substantially different to what the activity should be. What we will be doing is to ask the RTA to make sure that its activity is consistent with the approval that is given. That is what we have to do and then report publicly on the compliance or non-compliance. In fact, we have been doing that on those management plans.

Ms SYLVIA HALE: But here you have a letter from the Mayor of Lane Cove—a council that is immediately affected by the tunnel—seeking reassurance on a compliance issue and it has been told that it is up to the RTA to satisfy itself. What if the RTA satisfies itself in an unsatisfactory manner?

Mr HADDAD: Could I have the opportunity to look at the context of this letter and I will be happy to report back on notice as to the context of it? All I can say is that it does not signal that we are not going to continue to monitor the implementation of the conditions that we are imposing, but I undertake to come back to the Committee with an answer as to the context of this.

Ms SYLVIA HALE: I ask you to take this question in relation to Lane Cove tunnel on notice because it is rather technical. Given that the previous director-general made much of the additional fan capacity and additional ventilation tunnels as set out in the RTA's revised ventilation design of 25/10/03 in appendix C of the director-general's report on the Lane Cove tunnel, why did not the department require the RTA to comply with the requirements of section 115 of the Environmental Planning and Assessment Act in relation to the changes to the ventilation design which increased emission loading to the western ventilation stack. Please take that question on notice?

The Committee continued to deliberate.