

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE No. 4

**INQUIRY INTO BADGERYS CREEK LAND DEALINGS AND
PLANNING DECISIONS**

At Sydney on Tuesday 29 September 2009

The Committee met at 1.45 p.m.

PRESENT

The Hon. J. A. Gardiner (Chair)

The Hon. A. R. Fazio
The Hon. K. F. Griffin
Ms S. P. Hale
The Hon. T. J. Khan
The Hon. G. S. Pearce
The Hon. R. A. Smith
The Hon. M. S. Veitch

CHAIR: Welcome to the first public hearing of the inquiry into Badgerys Creek land dealings and planning decisions by the General Purpose Standing Committee No. 4. Before we commence I will make some comments about procedural matters. Although the Parliament has a right to legislate any matter within its legislative power, a convention has developed that members refrain from making reference to matters before the courts where this could prejudice proceedings. This is known as the sub judge convention. The convention is a restriction that the Parliament voluntarily imposes upon itself. In criminal cases the sub judge convention applies from the moment a charge is made until the announcement of the verdict and sentence. The sub judge convention is applied strictly only to prevent discussion of the precise issue before the courts and not to prevent discussion of related matters, particularly when issues are being widely canvassed in the media. I have raised these issues as they may arise during this inquiry, but at the hearing today I am not aware of any matter before the courts, nor of any criminal charges laid, that will require me, as Chair, to consider the sub judge convention.

Witnesses to this inquiry should be clear that any statements made today are afforded the absolute privilege of freedom of speech under article 9 of the Bill of Rights 1689 as enacted in New South Wales under the Imperial Acts Application Act 1969. As such, witnesses in relation to their contribution to committee proceedings are immune from impeachment or questioning before the courts or in places outside of Parliament, including being sued or prosecuted. However, this privilege does not extend to preventing a witness later being asked the same questions in a court, nor does it otherwise restrict the disclosure in the courts of things said in the course of parliamentary proceedings. In this inquiry parliamentary privilege applies only to committee proceedings, not to comment on those proceedings. Therefore, I urge witnesses to be cautious about any comments to the media or others after they complete their evidence, even if it is said within the confines of this building. Such comments would not be protected if, for example, another person decided to take an action for defamation.

The Independent Commission Against Corruption on 7 September 2009 issued a statement indicating it was undertaking a preliminary investigation regarding the Michael McGurk matter. It is possible that there may be overlap between that investigation and some of the evidence of this inquiry. Members and witnesses need to be advised that the sub judge convention does not apply to matters being investigated by the Independent Commission Against Corruption [ICAC]. There are several recent precedents for a Legislative Council committee undertaking an inquiry while an Independent Commission Against Corruption investigation into similar matters is underway. I also remind all witnesses that section 122 of the Independent Commission Against Corruption Act 1988 provides that nothing in the Act is taken to affect the rights and privileges of Parliament in relation to freedom of speech.

In relation to the current police investigation into the murder of Mr Michael McGurk I emphasise that this Committee inquiry is not an inquiry into the circumstances of that crime. This inquiry concerns land dealings and planning decisions at Badgerys Creek. However, it is possible that questioning may touch on matters in which Mr McGurk was involved. I will not rule out of order questions relating to the activities of Mr McGurk, but I will ask members to be cautious in ensuring that they do not in any way prejudice the murder investigation. If a member asks a question directly about the conduct of the current police investigation, I will rule it out of order. Just as members are expected to use the right to freedom of speech responsibly, the freedom of speech afforded to witnesses is not intended to provide a protected forum for a witness to make false statements or adverse reflections about others.

In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. Members of the audience may not be filmed or recorded. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available from Committee staff. Any messages from audience members should be delivered through the Committee staff. I remind everyone to turn off their mobile phones. I now welcome our first witnesses representing the Department of Planning.

MICHAEL FILE, Director, Strategic Assessments, Department of Planning,

IAN REYNOLDS, Deputy Director General, Strategies and Land Release, Department of Planning,

SAM HADDAD, Director General, Department of Planning, and

NORMAN JOHNSTON, Principal, J E Australia Pty Limited, sworn and examined:

RICHARD PEARSON, Deputy Director General, Development Assessment and Systems Performance, Department of Planning, affirmed and examined:

CHAIR: Mr Haddad, do you have a brief opening statement?

Mr HADDAD: I have prepared a very short statement. May I have five minutes to put it in context, if you do not mind?

CHAIR: Thank you.

Mr HADDAD: The Department of Planning welcomes the opportunity to participate at this inquiry. We have put in a submission and would be more than happy to expand or clarify any aspect of the submission. The key function of the department is to formulate mid to long-term strategies. That is our key function, particularly for housing and employment. The land in this area of western Sydney has been extensively identified for urban and/or employment land in a number of strategic studies. We have referred to those studies in the submission—1988, 1989, 1991, 1995 and 2005. A number of studies also have been undertaken indicate that there is a serious shortfall of employment land, particularly for New South Wales to come up to the benchmark used in other States. A high-level employment land task force specifically reinforced the move to release more employment land and to streamline the rezoning and approval processes for such lands.

As Director General, I recognise the significance of successive government policies. In that regard it was important for me to oversee the implementation of this policy. I was particularly interested in ensuring the provision of jobs close to home because of the obvious benefit. This is a State policy. In that context the department recommended in August 2007 to the then Minister to initiate an investigation to consider the listing of the whole western Sydney employment land investigation area—about 7,000 hectares of land—as a potential State-significant site. Because of its importance to respond to government priorities to release employment land, studies had to be undertaken to justify this listing.

As indicated in our submission, the Medich group through Mr Roy Medich made a number of representations and requests through professional consultants in correspondence and meetings with departmental officers and in some cases with myself for processing the rezoning of their sites as State-significant sites. As Director General, it is important that I meet with stakeholders, including proponents and consultants. When they ask the department for advice I think it is also important to furnish them with information in a timely manner. The department at various stages considers concurrently processes to progress investigations into rezoning requests as well as for the entire precinct. These were progressed. This is entirely consistent with established administrative and policy practices used for similar situations statewide.

The potential use of the ex-CSIRO land for employment purpose is consistent with the broader investigation strategy for employment land use in this area and for such cases there are precedents where concurrent considerations of such rezonings take place. It became apparent, however, in the second quarter of 2008 that further progressing consideration of rezoning the Medich consortium site was not appropriate nor possible without finalising studies into the entire area, particularly by way of setting parameters at the strategic level for infrastructure and service requirements. The proponents were advised accordingly and the rezoning request was discontinued.

The department undertook through special government allocation funding, through a variety of technical consultancies, extensive and detailed studies for the area, which delineated the development area and the infrastructure and service requirements. The Department of Planning recommended to Government that about 4,000 hectares of the 7,000 hectares be retained mid to long-term for employment purposes, but that a staging process consistent with the approach used in the growth centre be adopted. The ex-CSIRO site was in the area for stage three as there were in particular unresolved issues of infrastructure and services. The Government decided to proceed with the zoning of stage one and stage two, but not stage three, which included the ex-CSIRO site, pending the resolution of the above. Consistent with published statements in the guide for the western Sydney employment area, the proponents were advised that any future consideration of the use of the former CSIRO land for employment purposes would only be considered in the context of advancing and resolving outstanding issues, particularly as they relate to infrastructure and services required. Thank you.

CHAIR: Thank you, Mr Haddad. At the recent Planning estimates hearing you said that you had met Mr Graham Richardson on a number of occasions, but in the department's submission to this inquiry there is

reference to one meeting with Mr Roy Medich, and presumably Mr Richardson, in early September this year. I am wondering if you have been able to tabulate your meetings with Mr Richardson since our inquiry wearing your other hat at Planning estimates? Have you been able to bring along the details of those meetings?

Mr HADDAD: Yes. I have not brought the details with me, but I am tabulating those meetings and I will submit them to the inquiry as requested.

CHAIR: Have you finished them yet?

Mr HADDAD: No, they are in progress, but I referred to three meetings this week and one telephone conversation and I will be more than happy to tabulate them to the inquiry.

CHAIR: To this inquiry?

Mr HADDAD: To this inquiry, yes.

CHAIR: When do you think that task might be completed?

Mr HADDAD: I was looking at presenting them as part of the submissions that I have been requested to do. I am more than happy to do them earlier and to submit them. I sort of came specifically looking at the meeting which is dealing with this particular issue today.

CHAIR: Can you tell us about that meeting, the September 2009 meeting?

Mr HADDAD: The meeting of early September 2009? At that meeting I met with Mr Richardson, I met with Mr Roy Medich—he was present—with the departmental officers with me, consistent with the code of lobbyists, and I informed Mr Richardson of the outcome of the rezoning process of the land of his clients.

CHAIR: Can you tell us exactly what happened at that meeting?

Mr HADDAD: He asked me about what is the reason for it. I very clearly indicated that there were issues associated with infrastructure and issues associated with the servicing of it. As I said in my opening statement, I made it clear that there was a staging process and that the land had not been rezoned, and that was a Cabinet decision.

CHAIR: Was there anyone else there apart from Mr Richardson and Mr Roy Medich?

Mr HADDAD: Yes, Mr Andrew Abbey.

CHAIR: Of your department, who was taking notes?

Mr HADDAD: He was, yes.

CHAIR: I will ask each of the planning officers in turn, starting with Mr File, this question: Have you ever met or had a discussion with the late Mr Michael McGurk, Mr Graham Richardson, Mr Roy Medich, Mr Ron Medich, or Mr Richard Vereker?

Mr FILE: I have attended one meeting with Roy Medich, which was the meeting that is referred to in our submission, which was to discuss the Badgerys Creek consortium proposal. That is the only time I have met any of the people mentioned.

CHAIR: So you were there with Mr Abbey and—

Mr FILE: No, there was a meeting in—

CHAIR: A different meeting?

Mr FILE: Yes, I think it was the middle of 2007 when they made a request.

CHAIR: And you have not had any other meetings with any of those gentlemen?

Mr FILE: No.

CHAIR: Mr Reynolds, can I ask you the same question?

Mr REYNOLDS: The only one of those I have met would be Mr Roy Medich and it would have been in relation to the proposal to accelerate the planning development of land in the South West Growth Centre. Prior to that I would probably have met Mr Medich—given that I worked in western Sydney planning and local government for 20-odd years before coming to the State Government—in the course of my duties in the council for which I worked. But not in relation to this, the Badgerys Creek land, no.

CHAIR: Which council was that?

Mr REYNOLDS: Blacktown Council.

CHAIR: Mr Pearson?

Mr PEARSON: I think I had a single meeting with Mr Roy Medich many years ago when I was an adviser to the former Planning Minister Andrew Refshauge, in relation to western Sydney issues, but I am talking at least six or seven years ago. I have spoken, I think once, on the phone to Graham Richardson when I was also working for Andrew Refshauge in the early 2000s. That was a single telephone conversation but I could not even tell you regarding what development, it was so long ago.

CHAIR: Mr Johnston?

Mr JOHNSTON: Mr Richardson, one meeting, four phone calls; Mr Roy Medich, two meetings, three phone calls; Mr Ron Medich, one meeting.

CHAIR: Can you give us a time line on those calls and meetings?

Mr JOHNSTON: Over the past 15 months probably since January 2008.

CHAIR: Spell them out.

Mr JOHNSTON: Spell the meetings out?

CHAIR: Tell us when those meetings were.

Mr JOHNSTON: On 24 January 2008, Roy Medich; 7 February 2008, Roy Medich; 11 February 2008, Graham Richardson; 28 February 2008, Roy Medich; phone conversation, 13th of the 3rd—

CHAIR: With Mr Roy Medich?

Mr JOHNSTON: Yes, sorry. There was a meeting with Sydney University and the Badgerys Creek consortium on 14-03; Graham Richardson, a phone call, 14-08-2008; Graham Richardson, phone call around 21-08; Ron Medich, meeting, 22-08; Roy Medich, phone call, 25-08; Graham Richardson, phone call, 25-08; Graham Richardson, phone call, 30-08, Graham Richardson, phone call which I did not return, 8-10.

The Hon. GREG PEARCE: Mr Haddad, I want to be clear. In the ordinary course of things the land that we are talking about was designated as stage three, so one would expect that when the sewerage and roads issues are resolved that land would come back to the department and would very likely be reconsidered for rezoning.

Mr HADDAD: It is up to the proponent to pass the test that we have specified. As I said, this land had been in a sense identified as part of the broader area for employment purposes. It has not been identified for mining or for agriculture or for housing. This is basically what has been identified. It does not mean that it has been identified to be released immediately, but Government policy is for any proponent to come—we deal with about 220 spot rezonings a year—and it is a transparent process where they understand what they have to meet. That will include, by the way, consideration of whether the land will meet the staging requirements of the total infrastructure, and at no cost to Government.

The Hon. GREG PEARCE: Can I take you to what I call the first of the charmed coincidences? That was on 5 March 2007, when Medich Holdings, which I assume is Roy Medich, wrote to you seeking to progress the rezoning of their land, and the very next day, 6 March, just a few weeks before the State election, your department released the Employment Lands for Sydney Action Plan, which for the first time included the Medich land. Can you explain what instructions you had at that stage?

Mr HADDAD: The Employment Lands Action Plan was the result of a task force that was formed to look at employment needs, particularly in the State, and that was the outcome of the task force recommendations that we were releasing.

The Hon. GREG PEARCE: Was there any communication with Mr Medich or any of his representatives about those recommendations from the task force?

Mr HADDAD: I cannot honestly recall having had any specific communications with him in that regard. I note that the task force comprised a number of representatives from industry and others. It may well have been that they have communicated with him. It was a process that had been going on for some time through that task force.

The Hon. GREG PEARCE: Why was the plan released just three weeks before the election?

Mr HADDAD: Mr Pearce, I cannot recall the reason for that. The report was done and the recommendations were made.

The Hon. GREG PEARCE: So the Mediches would have gone to the election very confident and very happy that their investment leading up to the election had been fulfilled at that stage? Their land had been included in the employment lands.

Mr HADDAD: I am sorry, I cannot comment on that. To the best of my knowledge I deal with issues on their merits from a planning point of view. I can certainly tell you that there were no political or any instructions to that effect. I was dealing with it on its merits.

The Hon. GREG PEARCE: You state in the Planning Department submission that on 27 October 2007 the Minister agreed to consider the land as a potential State significant site.

Mr HADDAD: That is correct. It was not this land but the entire area. We basically recommended to the Minister—the department to the then Minister—that there was a process that we should be starting to consider this land as State significant. That was the process, the reason being that this is a large parcel of land, about 7,000 hectares, and it is of regional and State significance.

The Hon. GREG PEARCE: And a study was then undertaken?

Mr HADDAD: I recommended to the then Minister that we needed resources to undertake a proper study. Eventually the Government allocated, towards the end of 2007, resources for us—\$2 million—to undertake the appropriate studies. When I was confident that that was appropriate we started the studies in January 2008.

The Hon. GREG PEARCE: Mr File, had the studies been completed when you prepared your draft memo of 11 February, which recommended moving ahead to part 3A?

Mr FILE: The study had not been completed, no. It was in progress.

The Hon. GREG PEARCE: What was the basis of your recommendations in that draft memo?

Mr FILE: The recommendation in the memo was that we had received an application for a part 3A proposal and, consistent with advice that we provided on a number of other similar applications, seeing as the site had a strong strategic context, the recommendation was that a part 3A proposal could be considered concurrently with the investigation.

The Hon. GREG PEARCE: Mr Johnston, you mentioned a call from Mr Richardson on that very same day that Mr File completed his draft note. Is that another coincidence or what were the circumstances of that call?

Mr JOHNSTON: Which date is that?

The Hon. GREG PEARCE: 11 February 2008.

Mr JOHNSTON: That was a meeting to discuss what the concurrent process meant.

The Hon. GREG PEARCE: I think you said earlier that Mr Richardson was there.

Mr JOHNSTON: Yes he was.

The Hon. GREG PEARCE: Then three days later, on 14 February, the consortium, as a result of that meeting, wrote to the Minister seeking the Minister's consent.

Mr JOHNSTON: Could have done. I would not have received that.

The Hon. GREG PEARCE: It is in the Department of Planning submission. Have you seen the submission?

Mr JOHNSTON: Yes, I have, but that sort of documentation does not go to me.

The Hon. GREG PEARCE: But it would have been sent as a result of that meeting where you explained what had to happen next?

Mr JOHNSTON: Yes, the concurrent approach.

The Hon. GREG PEARCE: Between February when that letter was received and some time later that day what happened in the department in relation to this land?

Mr HADDAD: Between the letter seeking the part 3A—?

The Hon. GREG PEARCE: Correct.

Mr HADDAD: The part 3A request was received. There were submissions from the proponent, from Mr Medich and his consultants, justifying why it should be rezoned under part 3A. As Mr File said, we started to look into that process and as we said in our submission, we started looking at the implications of progressing the proposal on its merits. It became very apparent to us that we could not continue that without understanding the full strategic implications and framework. That was very clear to me. There was a submission to the then Minister to consider the part 3A and I advised the then Minister, and he accepted that advice, that we should not progress the part 3A because of our now understanding of the broader strategic implications of not progressing the part 3A, and we advised the proponent accordingly. I have put a note on the file to that effect—to the Minister and he had agreed to that. That was my view, irrespective of who is who. That is basically my advice. It was really because we came to the point where it was very clear to us that continuing to investigate the site in isolation, the 700 or so hectares, from its broader context would not actually answer the strategic questions that would justify its rezoning as a good planning decision.

The Hon. GREG PEARCE: That was your note of 6 May. What was the reason for the flurry of calls and meetings in August, which Mr Johnston just went through, from Mr Richardson and both the Mediches?

Mr HADDAD: These investigations were happening whilst we had not yet started the studies. The studies started in January 2008. It is up to Mr Johnston to say what was happening, but essentially, within the department, the strategic studies did not start before January 2008. The reason that we were delayed in starting the study was basically that we were seeking Government funding to undertake proper investigations. When we had it, we then started doing extensive studies on the whole 7,000 hectares of land. We did a lot of work in that regard.

The Hon. TREVOR KHAN: Mr Haddad, the submission to this inquiry that has been prepared is dated, I think, 25 September 2009. Is that right?

Mr HADDAD: Yes, that is correct.

The Hon. TREVOR KHAN: Do I take it that that is your submission? You have read it?

Mr HADDAD: I have read the submission, yes.

The Hon. TREVOR KHAN: Do I take it that it came to you in various draft forms before it was finalised?

Mr HADDAD: It was prepared by various people within the department. I cannot remember whether it came in a number of draft forms. It was almost the same; very similar.

The Hon. TREVOR KHAN: It came to you on more than one occasion and was redrafted I take it?

Mr HADDAD: No, it was not substantially redrafted, no.

The Hon. TREVOR KHAN: I did not use the word "substantially", Mr Haddad.

Mr HADDAD: No, it was not redrafted. It was essentially, fundamentally the same submission that was prepared by departmental officers to me. I did, nevertheless, ask for clarification in some areas but I did not fundamentally or otherwise change anything in that submission of substance.

The Hon. TREVOR KHAN: There are a lot of dates of events that have occurred there, is that right?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: You saw the need, do I take it, for accuracy with regard to those dates?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: Various dates, for instance in 2007 and 2008, when various events occurred?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: There being an importance as to the dates, is that right?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: To get them right?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: Let us roll forward to 2009. It is important that dates are right in 2009 as well I take it?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: At the meeting that occurred in your office with Mr Richardson there was at least two people present, including an officer of your department, is that right?

Mr HADDAD: That is correct, yes.

The Hon. TREVOR KHAN: He was taking notes, is that right?

Mr HADDAD: That is correct.

The Hon. TREVOR KHAN: You have had access to those notes?

Mr HADDAD: That is correct, after the meeting.

The Hon. TREVOR KHAN: Those notes can be produced to this inquiry?

Mr HADDAD: Yes, the notes can be produced and they will be produced to the inquiry.

The Hon. TREVOR KHAN: What was the date of the meeting?

Mr HADDAD: Early September.

The Hon. TREVOR KHAN: Mr Haddad, what was the date of the meeting?

Mr HADDAD: The date of the meeting was 2 September.

The Hon. TREVOR KHAN: Why has there been a problem in nominating the date of the meeting?

Mr HADDAD: I have no problems whatsoever in nominating it. I am just saying it is the 2nd, I think it was the 2nd—no problem.

The Hon. TREVOR KHAN: Why does the submission refer to earlier September as opposed to 2 September?

Mr HADDAD: I do not know; there were no problems.

The Hon. TREVOR KHAN: Is that right?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: Let us just reverse track for a second. You were asked questions with regards to the document of 11 February?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: Why is it that your submission makes no reference to the dates for preparation of the submission that went through February, as well as March, to the Minister?

Mr HADDAD: Sorry, which date is that?

The Hon. TREVOR KHAN: Go to page 37.

Mr HADDAD: Yes, the meeting of the planning workshop.

The Hon. TREVOR KHAN: It is the position that you were preparing a proposal for the Minister to declare this land under part 3 in February, and that was to be the department's recommendation, was it not?

Mr HADDAD: It was not my recommendation to do that; it was officers' recommendations to me to consider the starting of a process for part 3A, and to do it currently with an understanding of the entire area.

Ms SYLVIA HALE: Mr Haddad, would you make available to the Committee the membership and the minutes of the Employment Lands Task Force and the membership and the minutes of the Land Release Advisory Committee? You can take that on notice if you wish?

Mr HADDAD: Yes, with pleasure. I am more than happy to do that.

Ms SYLVIA HALE: Mr Haddad, who prepared and who signed off on the briefing note from the Department of Planning to the Minister in early 2007 stating that the proposal for the Badgerys Creek consortium site was "considered appropriate"?

Mr HADDAD: The submission in 2007?

Ms SYLVIA HALE: Yes, who prepared it and who signed off on it?

Mr HADDAD: The submission was prepared by relevant departmental officers and—

Ms SYLVIA HALE: Would you please name those officers?

Mr HADDAD: Yes. I think Mr File was involved in its preparation.

Ms SYLVIA HALE: Was it solely Mr File or was there someone else?

Mr HADDAD: If you do not mind, if Mr file can answer this question?

CHAIR: Mr File?

Mr FILE: It was prepared by my team.

Ms SYLVIA HALE: Who is on your team?

Mr FILE: It is going back a couple of years but I think—I will have to take that on notice and have a look at the briefing note itself, because there would be some evidence on it.

Ms SYLVIA HALE: Did you sign off on that?

Mr FILE: My team prepared it; it was signed off by the then Executive Director Jason Perica.

Ms SYLVIA HALE: Who was that?

Mr FILE: Jason Perica, he was the Executive Director at the time.

Ms SYLVIA HALE: Mr Haddad, or maybe Mr File again, who prepared and who signed the letter on behalf of the Department of Planning sent to Medich Holdings on 29 March 2007 saying that the department was sympathetic to the request to pursue the development under part 3A?

Mr HADDAD: I am not sure who prepared it; I will have to take it on notice. I did sign the letter and I did say that, but notwithstanding that, I also did say that the rezoning should be pursued by way of consideration of the strategic context—so actually that was the wording that was used there.

Ms SYLVIA HALE: So you will provide a copy of the letter as well?

Mr HADDAD: Yes, I will. With pleasure I will do that.

Ms SYLVIA HALE: Okay.

Mr HADDAD: But it was not only this particular area. I did qualify by saying that notwithstanding this it has to be looked at in the context of our subregional strategies and others. From memory this letter was prepared by our planning teams.

Ms SYLVIA HALE: But you will check that and get back with the details?

Mr HADDAD: I will check and the author of the letter will be shown.

Ms SYLVIA HALE: Mr Haddad, and this could be addressed to any of you other gentlemen, what discussions were held with the former Minister for Planning Frank Sartor about the consortium site?

Mr HADDAD: Well I was involved in those discussions. The discussions were basically by way of—I think you are referring to it—a meeting with the Minister and he was advised as to whether this proposal should or should not proceed under part 3A. My advice, as I said, was not to consider it other than in the context of the entire site.

Ms SYLVIA HALE: Are you saying you only had one meeting with the former Minister to discuss the Badgerys Creek consortium site?

Mr HADDAD: No, I am sorry, I did not say that. I am more than happy to give you the number of meetings that I had in relation to this site in the presence of Mr Medich. I had a meeting—

Ms SYLVIA HALE: No, not just in the presence of Mr Medich. I am saying how many meetings and who attended the meetings that you had with Mr Sartor in relation to the site?

Mr HADDAD: I will have to take that on notice to see exactly how many meetings I had with the then Minister, but I can tell you that in 2007 we had a meeting with Mr Sartor and the consortium and consultants and others as part of the normal sort of submission with the then Minister. I have got a record of that meeting with their consultants and others.

Ms SYLVIA HALE: If you would provide not only the record of that meeting and who attended, but the records of all the other meetings and who attended, that you had to with the former Minister for Planning to discuss the site?

Mr HADDAD: Yes.

Ms SYLVIA HALE: Mr Haddad, did the former Minister ever indicate to you that he had discussed the site with any representative of the Medich property group?

Mr HADDAD: No, he did not.

Ms SYLVIA HALE: On no occasion did he ever raise that with you?

Mr HADDAD: No, he did not.

Ms SYLVIA HALE: Gentlemen, did you ever have any contact with Mr Sartor where he may have raised the issue?

CHAIR: So it is correct on the record. Mr File, your answer is?

Mr FILE: No, I cannot recall ever having discussed it with the Minister.

CHAIR: Mr Reynolds?

Mr REYNOLDS: No.

CHAIR: Mr Pearson?

Mr PEARSON: No.

CHAIR: Mr Johnston?

Mr JOHNSTON: This site specifically, no, but a presentation on the overall program, yes.

Ms SYLVIA HALE: When did you have that?

Mr JOHNSTON: I do not know—April 2008?

Ms SYLVIA HALE: You would have minutes of that meeting and whoever was present?

Mr JOHNSTON: I probably do not have minutes of it. I have a presentation document that I presented to the Minister about what the structure plan process was and where it was happening. So it was probably in the context of a presentation.

Ms SYLVIA HALE: So you would do a presentation but you would take no notes as to the response of the Minister to that presentation?

Mr JOHNSTON: Only if the Minister had particular issues, and there was not any particular issues raised, and none in relation to this site.

Ms SYLVIA HALE: So you are saying you took no notes from that meeting that you can recall?

Mr JOHNSTON: Not that I can recall.

Ms SYLVIA HALE: Do you know who else attended that meeting?

Mr JOHNSTON: Mr Haddad was with me as Director General.

Ms SYLVIA HALE: Mr Haddad, did you take notes at that meeting?

Mr HADDAD: It was a presentation on the overall 7,000 hectares of land that we were seeking support to have it studied—that was the main sort of thing. But I probably have notes on that on file, which I will be making available to the Committee.

Ms SYLVIA HALE: You will make those available to the Committee?

Mr HADDAD: Yes.

Ms SYLVIA HALE: Thank you. In relation to staff of the former Minister did you, Mr Haddad, have any discussions with those members of staff about the site?

Mr HADDAD: Look to give you just, you know, a correct answer, I cannot recall having any specific discussions with any of the Minister's staff about this specific site. There were discussions about the whole area, the investigation area in particular. Now it may have been that I was asked as to the status, you know, in preparing briefing to the then Minister about the response to the request that we had received from the consortium, but I cannot really recall specifically having any specific discussion on this site in that context. As I said, I attended meetings with the Medich group, their consultants and others, with the then Minister where the issue of progressing the site through part 3A was raised and the advice given at that meeting by myself was that we were not continuing with the rezoning process because we were looking at the entire area and we had to await the outcome of this. This is very clearly in my mind. That is what we advise the Minister at the meeting. I recall also the consortium and others not being particularly happy with that but that is what happened.

Ms SYLVIA HALE: Mr Haddad, will you go back and consult records and provide the Committee with any notes that you have on meetings at which members of the former Minister for Planning staff were present?

Mr HADDAD: Yes.

Ms SYLVIA HALE: While you are doing that would you also indicate if there was one person in particular who dealt with the site issues?

Mr HADDAD: I will do that with pleasure.

Ms SYLVIA HALE: May I ask that question of each of the gentlemen here. Mr File, did you have any discussions or meetings with any member of the former Minister for Planning staff in relation to the Badgerys Creek site?

Mr FILE: No, not to my knowledge.

Ms SYLVIA HALE: Mr Reynolds?

Mr REYNOLDS: No, not me.

Ms SYLVIA HALE: Mr Pearson?

Mr PEARSON: No, I did not.

Ms SYLVIA HALE: Mr Johnston?

Mr JOHNSTON: No.

Ms SYLVIA HALE: Mr Haddad, who prepared the briefing note to the Minister from the Sydney west region office of the Department of Planning in August 2007 recommending the listing of the entire western Sydney employment lands investigation area site as a potentially State significant site?

Mr HADDAD: It was the director of the region then.

Ms SYLVIA HALE: And that was?

Mr HADDAD: I will have to recall. Could I ask Mr File if he remembers this issue? Was it Peter Goth?

Mr FILE: Yes, it would have been Peter Goth but with assistance from my team as well.

Ms SYLVIA HALE: Peter?

Mr HADDAD: Peter Goth, who is the director of the planning team in the western region.

Ms SYLVIA HALE: Mr File, are you aware of any contact between officers of the Department of Planning Sydney west region office and representatives of the consortium?

Mr FILE: No, I am not aware of any.

Ms SYLVIA HALE: Mr Johnston, are you aware of any contact?

Mr JOHNSTON: None.

Mr FILE: Actually there is correspondence on the file going back some years about this site. It was in an identified strategic location for sometime so, I could not answer for them as to what contact they had, but there certainly were representations from the landowners in this area and from other areas sent to the department over the years previously.

Ms SYLVIA HALE: So you would be able to provide the Committee with copies of that correspondence?

Mr FILE: Yes.

Ms SYLVIA HALE: Mr Haddad, who prepared and who signed off on the April 2008 briefing note requesting the Minister to declare the site a part 3A project? You refer to it on page 37 of your submission. I am anxious to know who prepared and signed off on the briefing note of April 2008.

Mr HADDAD: The report was prepared in Mr File's area and was endorsed by the relevant executive director. But I do not think I have signed this note.

Ms SYLVIA HALE: Mr File, is that correct that you prepared the briefing note?

Mr FILE: This is the same briefing note that was discussed earlier that was signed by Jason Perica, the then executive director.

Ms SYLVIA HALE: Did you have a number of discussions with Mr Perica about the contents of that briefing note?

Mr FILE: Yes, I worked directly to the then executive director. So we had a number of discussions about the site and other sites as a daily occurrence.

Ms SYLVIA HALE: Who made the note on the file dated 6 May 2008 indicating that a decision had been made not to proceed at this stage? Who made that decision?

Mr HADDAD: As I indicated before, that was my recommendation to the then Minister. The decision was made by myself, and endorsed by the Minister, by the then Minister.

Ms SYLVIA HALE: Whose file note was it?

Mr HADDAD: I have put a note on file myself indicating that this matter is not to proceed. That is in my own handwriting. I am not sure who then wrote on the actual paper, probably another officer or somebody. But I recall clearly sending written instructions on file that subsequent to my discussion with the then Minister that the rezoning not proceed.

Ms SYLVIA HALE: Mr Haddad, you may have written on it and endorsed the note, but who actually prepared the note that went to you?

Mr HADDAD: The note was prepared in the section where Mr File is. That was the actual submission recommending that an investigation start to list the site concurrently. As I tried to say in our submission, this is not unusual. It is the normal process whereby we look at things concurrently where they are in principle consistent with the strategy. That is what we do. If they are not, we do not. So they have prepared the submission; they have given it to me; I looked at it. It was very clear to me that you cannot reach a good planning outcome unless you resort to the broader issues. It is very clear in my mind. I went to the Minister; I discussed it with him; he agreed with me. We had a meeting with the consortium; we informed them. I did write that on file very clearly.

Ms SYLVIA HALE: Mr File, did you prepare the note?

Mr FILE: My team prepared the briefing note.

Ms SYLVIA HALE: When you say "my team", who is your team?

Mr FILE: That is the question I have to take on notice. But the recommendation came back with a note handwritten from the Director General advising that it is was not to proceed.

Ms SYLVIA HALE: You prepared the note?

Mr FILE: The briefing note.

Ms SYLVIA HALE: Your team prepared the note, it went to the Director General, and then the Director General sent it back to you saying that it was not to proceed.

Mr FILE: Yes.

Ms SYLVIA HALE: Does that happen frequently?

Mr FILE: Yes. Well, not incredibly frequent because often our recommendations are accepted. But in instances where the recommendation is not accepted it is not unusual for that to happen.

Ms SYLVIA HALE: Your team had had input into the recommendations within the file note. In preparing that file note, had you had any discussions with anyone other than your team?

Mr FILE: Yes, I had spoken with Norman Johnston.

Ms SYLVIA HALE: Did you speak with Mr Johnston frequently about the matter?

Mr FILE: While I was not involved in the preparation of the study, because Mr Johnston was leading that, I did provide technical advice or support, as required. So I was speaking to Mr Johnston on a reasonably frequent basis.

Ms SYLVIA HALE: Mr Johnston, may I ask you what your recollections are that led to the preparation of this file note?

Mr JOHNSTON: I probably do not recall the file note. But I do recall around that time I had a discussion with the Director General and it was a decision of the Minister, following a meeting he had with him, that the concurrent process was not to proceed and we were going to wait until the structure plan and the more strategic outline was prepared.

Ms SYLVIA HALE: What was the actual recommendation in your file note?

Mr JOHNSTON: I did not do a file note.

Ms SYLVIA HALE: Mr File, to the best of your recollection, what was the recommendation in the file note?

Mr FILE: Our briefing note is essentially an examination of the strategic context and a recommendation that a part 3A concept plan could proceed concurrently with the investigation.

Ms SYLVIA HALE: You said you discussed this with Mr Johnston. But Mr Johnston says that he had discussed this with the Director General.

Mr JOHNSTON: After.

Ms SYLVIA HALE: Who did you discuss the file note with prior to its preparation?

Mr JOHNSTON: I am not familiar with this file note at all. But in the role of managing the whole strategic process, I had a subsequent meeting after with Mr Haddad, as Director General, and his advice from the Minister's meeting was we were no longer running a concurrent process.

Mr HADDAD: May I clarify something?

Ms SYLVIA HALE: There is not much time.

Mr HADDAD: I just wanted to make sure, through you, Madam Chair, that basically the recommendations came from the team to myself. It is usually when I do not endorse these recommendations that the matter is subject to further negotiations. In most cases, the recommendations presented to me, when I endorse them it means that I agree with what is there. If I do not endorse them, if I do not sign it, it means that I am not in agreement in principle. That is why I took it to the Minister to discuss it because at this point in time—that is well before Mr Johnston's involvement—this basically was an issue where we were talking whether we should investigate both sites concurrently or not.

The concurrent examination of sites is not an unusual thing. It is a normal process where we know that there is a strategic context to the matter. So that is what we were looking at. To me, it was appropriate for me to think that a good planning outcome cannot be achieved at this point in time, given that there were major issues over infrastructure and services. That was my clear thinking at the time. That is what I have advised the then Minister. I discussed it with him. He had agreed with me and we have informed the proponents. That is the situation.

The Hon. MICHAEL VEITCH: Mr Haddad, this is outlined in your submission and you have alluded to this a little in your responses this afternoon. Could you explain to the Committee again how long the Department of Planning has been investigating the use of land around Badgerys Creek?

Mr HADDAD: As I tried to say in the submissions, there has been quite a lot of strategic planning work identifying this land. When I refer to "this land" I mean to the general investigation lands in this locality and not always specifically the ex-CSIRO land but sometimes the ex-CSIRO land. In 1988-89—that was before my time as Director General—there were investigations about the need to locate long-term employment lands in the Sydney region. This is a normal function for the Department of Planning. If we look now at employment lands, let us say, in Macquarie Park where we have business parks and employment lands, this work would have started 20 years, 15 years before that to identify what would happen long term. This is our job. The then planning department in 1988 identified this land as a potential for urban and/or employment lands.

In 1989 there was further work to confirm that. But I remember in 1991 we were looking at a statutory instrument, a draft regional environmental plan, which specifically identified the ex-CSIRO land as potential for

employment. That was in 1991. It was the result of studies and it has been documented. That was at the time. In 2005 there was further strategic work, which also identified this land as potential for employment. When I say that, when we identify land as potential for employment, it does not mean that all this land is going to employment. It needs to be investigated.

When I became Director General I was very mindful of not rezoning land for the sake of rezoning land. I was very concerned about making sure that when we rezone land we also have the supporting infrastructure and services. That has been a discipline, and we have been advising governments in a very, very, disciplined way. Because we wanted to make sure that when we develop land it is done in an integrated manner. That is what we set up to do. In our Metro Strategy we have identified this land, but we have said that before we release land we must again make sure that we have the proper services and infrastructure requirements. In 2005 this land was also identified where the industrial task force basically said that we must have a minimum of 22,000 hectares in the Sydney area. We had at the time, I think, a shortage of about 7,000 in terms of supply-demand. From my recollection, that is between four and seven years of supply. The benchmark in other States is about 15 years.

The Hon. MICHAEL VEITCH: Is that a shortage of 7,000 hectares?

Mr HADDAD: That is the excess, the 7,000 hectares that we needed to bridge. It takes time to develop land, particularly when we have fragmented lands in various areas. That was the thinking. We were looking at identifying the lands to provide employment. As Director General I was also particularly interested to make sure that when we provide employment land we provided it close to where people live because there are quite significant benefits in doing that from an affordability point of view, from a climate change of point view, from a large number of points of view. The Government has adopted this policy as a State Plan priority. So the thinking was while Mr Ian Reynolds and others were developing the growth centre for housing, I was also advocating employment close to housing. That is important, in my submission, as a practitioner planner.

We set up doing all the studies to be able to do that. We told Government that we needed the resources. They allocated \$2 million for us to do the resources. We embarked on a major exercise. We had consultants studying all sorts of flora and fauna, the urban capabilities, the hydrology, the topography. I am not familiar with all the details, but we had a lot of people studying it. Out of the 7,000 we identified about 4,000 as capable for employment developments, in rough terms. That is generally speaking. I am not familiar, I am sorry, with all the details, but that is basically what we have done.

The Hon. KAYEE GRIFFIN: Mr Haddad, you mentioned 2005. I assume that basically that fits in with the Metropolitan Strategy that was released in 2005 to address the proposed growth in Sydney's population. Could you further explain to the Committee how the land around Badgerys Creek fits into the context of that growth? You spoke about employment and you also spoke about other studies in relation to residential and population growth.

Mr HADDAD: In our Metropolitan Strategy we are projecting a growth scenario of more than 1.1 million people in the Sydney area. We are projecting about 650,000 new homes to accommodate this growth and about 500 new jobs. They are basically our targets in the Sydney Metropolitan Strategy. To accommodate that, we have identified the needs, as I was trying to say, for additional employment lands in greenfield situations to be able to absorb this capacity growth. I am talking now about 2030, roughly 2025 to 2030. We are about to embark on a review of the Metropolitan Strategy and will be able to provide a better sort of balance to that. But essentially we are looking at accommodating additional employment opportunities in greenfield situations because there are constraints in accommodating those types of employment opportunities in existing areas—in brownfield areas—where we have pressure for residential and other developments.

Mr REYNOLDS: As the director general outlined, the metro strategy looks forward to 2031. In round figures, it projects 1.1 million additional people, 640,000 houses and 500,000 new jobs. A considerable proportion of those new jobs need to be in western Sydney because that is where a lot of the greenfield growth is projected to occur. The strategy looks at a 60:40 or 70:30 split of new housing in built-up areas and 30 per cent to 40 per cent in greenfield areas, which is where the growth centres concept came from. As part of the growth centres there is a rough indication of about 2,500 hectares of land for future employment, subject to detailed studies at the time when we come to those precincts. The metro strategy needs about 500,000 new jobs and about 280,000 were projected as being required in western Sydney, principally because, as the director general said, part of the State Plan is to provide jobs closer to home to minimise journeys to work, which improves social and environmental characteristics for the people of the area.

Our stock of land zoned for employment at that time was about 14,500 hectares compared to, for example, Melbourne, which had 22,000 hectares at that stage even though Melbourne's population is about 25 per cent smaller than Sydney's. It was clear that based on the metropolitan strategy forecast for jobs and housing that we needed to find roughly 7,500 extra hectares of employment land over the planning period of the strategy, which goes out to 2031. One of the issues we find in trying to identify this land and bring it on is that, particularly for employment purposes, land that is fragmented in current ownership in rural use is very difficult to assemble for employment use. It is preferable to find land in significant large holdings if you can. That leads partly to the nature of the area investigated as part of the Western Sydney Employment Lands Investigation Study. It is marked by substantially large holdings. Likewise in the growth centres, the land that is identified in the structure plans for future employment was more towards the broadacre holding rather than fragmented land.

In the metro strategy particularly there are a number of actions that look specifically at the issue of getting more land for employment. The detail is in A1.2, A1.3 and A1.5, which look at the need to plan for sufficient zoned land and infrastructure to meet those employment capacity targets. It points out the need to engage with industry regarding producing that land stock and specifically it looked at predicting and enhancing employment lands in the vicinity of the M7 given its importance as a piece of infrastructure for Sydney. It particularly looked at the western Sydney employment hub, which is at the intersection of the M4 and the M7. There is a substantial amount of land, part of which had been zoned already and part of which is developed for substantial industrial holdings.

Following on from the strategy itself, the department progressed some of those items in producing what has already been referred to in this inquiry as the Employment Lands Action Plan for Sydney. That was integral to implementing the strategic approach to get that sustainable supply of land identified for employment purposes in Western Sydney, particularly to support the north-west and south-west growth centres given that they are substantially targeted for housing, shopping centres and so on. As I said, it is part of the Government's long-term strategy to provide jobs closer to where people live. In summary, leading up through all those studies, as the director general pointed out, from the mid 1980s through to now, the action plan had a key initiative to release more greenfield land for employment, particularly with reference to the land broadly described as the Western Sydney Employment Lands and, of course, the ex-CSIRO land we are talking about is part of those lands.

The Hon. AMANDA FAZIO: The State Plan also places some key criteria on your department in terms of land use and land supply. Can you identify for the committee what these criteria are and how they apply to the land around Badgerys Creek?

Mr HADDAD: There are two relevant criteria in the State Plan. The priority E5, which is jobs closer to home, is the one that I have been involved in. It is basically trying to promote opportunities for jobs closer to where people live for a number of good reasons. That is fundamental to the way that we are driving some of our key strategy planning now, be it in brownfield or greenfield areas. We are trying to achieve that. We monitor, model and track different areas of the State, and Sydney in particular, for job opportunities closer to home and we report annually on that. The second one is housing affordability, which is the second priority of the State Plan.

Mr PEARSON: I suppose in terms of this inquiry, the jobs closer to home strategy is much more the relevant consideration in relation to the State Plan. When we did consult on the State Plan there was very strong community support for jobs closer to home for all sorts of reasons. It reduces traffic congestion, it means less travel and people can spend more time at home rather than travelling to and from work. There are positive social and family benefits. It means less pollution and more vibrant and attractive centres. There are strong reasons for encouraging more people to work closer to home.

Our target is to increase the percentage of the population living within 30 minutes by public transport of a city or major centre in greater metropolitan Sydney. Currently in western Sydney, nearly 30 per cent of residents work outside the region. That is higher in some regions, for example, the Central Coast. That is a lot of people who are travelling more than they need to and probably travelling into the city in many cases. If we can provide those employment opportunities closer to home there are the benefits I have referred to. The population within the western Sydney regional area as at June 2008 was 1.6 million, which gives members an idea of the scale. Over the past three years the region's population has grown by 24,000 people a year and the rate of population increase during that time has been growing. If we do not provide those employment opportunities close to home, there is a serious risk of detrimental impact on those peoples' lives and on the quality of their work experience.

In view of this, the department has been exploring new employment areas in western Sydney. That is precisely why the investigations into the Western Sydney Employment Lands Investigation Area continued. We have discussed today that it has been occurring effectively since 2007. The task force determined that we needed to focus on finding some additional employment areas. Last month we rezoned 826 hectares of land in the Ropes Creek area and south of the Sydney water pipeline in what is known as the Western Sydney Employment Area. Concurrently with that rezoning, a solution for the Erskine Park link road was achieved. That has been the missing link in the area for some time, but it has now been secured. We need that link from the Erskine Park industrial area to the M7 motorway and to provide necessary transport infrastructure to support development within the Eastern Creek and Ropes Creek precincts. That is a vital step in unlocking the development potential of the Western Sydney Employment Area and, importantly, it will take traffic off residential streets. That has been strongly pursued by the local community.

The additional land provided—the 800-odd hectares—will support the continued growth of western Sydney's manufacturing, transport and logistics activities. As we have said today, the rezoning did not include the Badgerys Creek lands or the former CSIRO lands. There were and are major infrastructure and other strategic planning issues that need to be resolved before that land can be released. Since 2005, the department has been determining development applications in the western Sydney area. Land has been zoned appropriately for employment for some time. Since 2005, \$1.5 billion worth of projects in that area has been approved to provide nearly 16,000 jobs. Companies that have moved to the area include Linfox, Toll Holdings and Kimberley-Clark and Woolworths and Coles have established distribution centres. The department takes its obligations under the State Plan very seriously and is keen to provide opportunities for people to work closer to home.

The Hon. AMANDA FAZIO: Mr Haddad, I refer to some of the comments that Mr Pearson made. There are also three distinct references in your submission—on pages 6, 27 and 38—to the infrastructure constraints regarding the former CSIRO land. You have particularly noted the infrastructure problems in terms of sewers and roads. Can you explain whose responsibility it is to fix those infrastructure constraints? Is it the landowners' responsibility? Do you have a rough estimate of the cost involved in making that land ready for release?

Mr HADDAD: Our first responsibility as a planning authority is to identify the service and infrastructure requirements. We start with the premise of what we call an orderly release of land that will match the release of the land with the infrastructure requirements. That is why we came to the conclusion that the top part—which we call stage one and stage two and which I am happy to identify—could be released if we established a link road, which was a difficult issue. We were having difficulties in coming to terms with providing this link. We were very hesitant to release land there. Eventually we got agreement to release the land and we said that stage one and stage two could go ahead, but stage three was further down the track. In terms of the sequence of the infrastructure, the role of the Department of Planning and the Government is to identify it, and we have done that.

There are two choices in doing this. Firstly, for governments to provide those services through an orderly release program so the land can follow or under existing government policies for proponents to build all this huge infrastructure and pay for it. There is a process by which they can do it. I am not sure that this applies here because that is the summation that will have to come to say that these things will have to be provided for. That is all transparent and open. It means that we will have to link all the roads and provide an additional treatment plant and so on. We have also identified an interaction between stage three and the land in the growth centre. We need to sit down and see how these two can correlate. That is all in our reporting; that is the outcome of the studies.

We have stated that this area, including this land, is not for mining, agriculture or whatever, but for some form of growth. It is our responsibility to say so credibly and that is what we have done. But we did not recommend at any stage that it was now being released because of those constraints. That will have to be addressed by the proponent or the department. But we have done our job in advising the Government about the constraints.

The Hon. GREG PEARCE: Just recapping, after Minister Sartor agreed in October 2007 to consider the Medich land for State significance, and therefore rezonings, you sought \$2 million extra resources to progress that Medich rezoning. Was Mr Johnston paid out of that \$2 million?

Mr HADDAD: Yes. If I may, the \$2 million—my apologies, I did not express myself well—was basically to do the entire area.

The Hon. GREG PEARCE: To progress the rezoning application?

Mr HADDAD: Yes, that is correct. He came to coordinate the study as the project manager for it. But most of the money went into the specialist consultancies that we had. We had a large number of consultancies.

The Hon. GREG PEARCE: Mr Johnston, after the director put his note on the documents in May 2008 there was a flurry of activity in about August that you went through before. Can you just outline again for us what the calls were, what the meetings were and what was discussed? Were the planning consultants engaged by the Mediches at those meetings as well or was it just the political consultant?

Mr JOHNSTON: The planning consultants? I will start with the structure, I think, of the process, which sort of helps.

The Hon. GREG PEARCE: I do not want you to go back to the beginning. I want to focus on those phone calls and meetings in August 2008.

Mr JOHNSTON: Okay. Most of them were to do with the status of the studies that were being undertaken. I would like to just put that in context a little bit. If you look at the north-west regional strategy, the north-west regional strategy outlines those suite of documents that are required. So, there is a structure plan, which is done first, which is a land capability and environmental analysis and human occupation analysis. Then there is an infrastructure plan, a phase-in plan and then a contributions plan.

The Hon. GREG PEARCE: Are they all paid for out of that \$2 million?

Mr JOHNSTON: Yes, it is quite a suite of documents. It is a lot of work, and it is probably, in Australian terms, the largest land release of employment type in its history. So it is quite a detailed amount of work. The structure plan was just being completed around then, and the first aspects of the infrastructure plan were probably being considered, where we were looking at what were the costings associated with providing an infrastructure network in that area. It is obvious by the discussions I am having, most of them to do with what is the timing of this matter being reported to government.

The Hon. GREG PEARCE: What did you say was the timing?

Mr JOHNSTON: I basically said it is raising a number of key policy issues for government, and it was. Those policy issues need to be considered by the Government and the timing, I thought, would be probably September or October.

The Hon. GREG PEARCE: You said that to Mr Richardson and Mr Medich, or both of the Mr Mediches?

Mr JOHNSTON: Yes, it was in that order. But also, you mentioned the technical people. Mr Medich was also represented by Sonia Lyneham, I think as project director at the time for the organisation, and there were a number of phone calls to her at the same time about the same matters.

The Hon. GREG PEARCE: Mr Haddad, what advice or briefings have you or the department given to Mrs Keneally on the employment lands, particularly the three-stage process you outlined before?

Mr HADDAD: The advice that we gave the Minister was the outcome of the studies that were done, where we briefed the Minister—

The Hon. GREG PEARCE: When was that?

Mr HADDAD: That was early, sometime probably in mid June, July 2009, I would say. If you do not mind, I will just verify that to be accurate, but it is around this time. That was part of a Cabinet submission for government to consider that, and the advice was essentially reporting on the outcome of the studies that we have done. The advice was basically a staging process for the releasing of the land, consistent with what I said before.

The Hon. GREG PEARCE: So, in June or July your department's advice to Mrs Keneally was the three stages of the—

Mr HADDAD: That is correct. I will have to take this to verify. It may have been a bit earlier than that.

The Hon. GREG PEARCE: Stage three includes rezoning the Medich land when the issues of sewerage and roads—

Mr HADDAD: We did not recommend the rezoning of the Medich land or the rezoning of anything. What we have said is this whole area, similar to what we have in the growth centre, in a sense—in the growth centre we have a policy. We list under the policy different precincts, when we release them. And that is what happened.

The Hon. GREG PEARCE: Did Mrs Keneally take this matter to the Cabinet, is that how it would work?

Mr HADDAD: That is correct. Yes, she did, and the outcome of this was basically a Cabinet decision not to rezone, to rezone only stages one and two but not stage three.

The Hon. GREG PEARCE: Yet.

Mr HADDAD: There was no discussion about rezoning stage three.

The Hon. GREG PEARCE: Until the other issues are dealt with?

Mr HADDAD: Sorry?

The Hon. GREG PEARCE: Until the issues about infrastructure were dealt with?

Mr HADDAD: As I tried to explain, this is up to proponents and others. This land is there. It will not be released. A lot of land is similar to the situation in the growth centre now, where we say this land has been identified but it is not going to be released unless and until there are certain things that we need. We have a program to do that and we have a government policy that says that if people want to come and try to do it they will have to justify this. That is the policy that we operate under.

The Hon. GREG PEARCE: So, where is stage three in the time line?

Mr HADDAD: Where is it in the time line?

The Hon. GREG PEARCE: Yes.

Mr HADDAD: I cannot answer that. Stage three geographically is here and we have identified what are the constraints and all that and we are sitting looking at it. Stage three is a large area of employment land. It is not just ex-CSIRO land. I think it is about 2,000 hectares.

Ms SYLVIA HALE: Mr File, could I return to the issue of the brief that your group was responsible for preparing in April 2008 to the Minister requesting that he declare the development by the Badgerys Creek consortium to be a project to which part 3A of the Act applied and to authorise the proponent to submit a concept plan for that project? Were you surprised at all when the director general did not support that recommendation?

Mr FILE: Not particularly surprised.

Ms SYLVIA HALE: Why were you not surprised? Presumably you had put a lot of work into it. Clearly there had been notification to a great list of departments and authorities. Why were you not surprised?

Mr FILE: While I was providing assistance and technical support to the studies, I was not day-to-day involved in the studies and looking at the infrastructure constraints so, I guess I was probably mildly surprised, given the strategic context that it might be appropriate to look at a concept plan for such a large piece of land

within an area with such a strong strategic context, but not being privy to the day to day unfolding and the examination of the infrastructure constraints, I accepted that decision.

Ms SYLVIA HALE: Certainly the impression one gets from reading the director general's submissions is the whole thrust up to that time had been to actively consider the rezoning of this land, and then suddenly we see it being knocked on the head, and you were not worried about that at all? These are the slings and arrows of outrageous fortune?

Mr FILE: Well, in planning you provide advice, and that is my job, to examine the strategic context and provide planning advice. I have worked in local government as well, where advice is—

Ms SYLVIA HALE: Have you ever had any previous indication from the director general that Mr Haddad did not support proceeding with the rezoning and with the part 3A process?

Mr FILE: No, I cannot recall having received that.

Ms SYLVIA HALE: Had you had any indication from anyone that they did not think that it was appropriate that the part 3A process proceed?

Mr FILE: Earlier I had discussions with affected councils, and they expressed some concern about how that might work. The concurrent process is always interesting, and we were doing this on a number of sites and had done so. So, it needs to be managed. I guess the ways you do that are specifying to proponents that they are consistent with the strategic work. It is not an uncommon pathway.

Ms SYLVIA HALE: What are you saying is that you had discussions with local councils, they had expressed those reservations, but even so your recommendation was that they follow the part 3A, that the consortium be advised that they should follow the part 3A process and that would be considered by the department?

Mr FILE: The concept planning process we were recommending in that briefing note is not dissimilar to the existing precinct planning process that exists in the western Sydney employment hub area, which is the Eastern Creek area, Huntingwood West, Greystanes. So, it is very similar, technically, to that kind of process. It just sets up a process for precinct planning to be done by precincts. We were comfortable at that time that that was possible on this site.

Ms SYLVIA HALE: So, in relation to all those other areas, any recommendations you might have made to the director general had been endorsed or supported?

Mr FILE: Yes. All the situations are different but primarily our recommendations are supported.

Ms SYLVIA HALE: Can you give the Committee any other instance in relation to these employment lands and the investigation area where any recommendation has not been proceeded with?

Mr FILE: There was another site, the proposal by Australand, which I think we made a recommendation, and that was not proceeded with either.

Ms SYLVIA HALE: When was that?

Mr FILE: It was around the same time. There are a number of sites and large landowners within both the existing western Sydney employment hub area and the investigation area to the south, and I guess some consideration was given at an early stage on how those proposals might move forward concurrently with the investigation, but ultimately none of them did in the southern area.

The Hon. MICHAEL VEITCH: Can I just follow on a little from the question by Ms Sylvia Hale? Is it normal practice for you to prepare a report for the director general in that manner for part 3As?

Mr FILE: Yes, that is pretty much the bulk of what we do.

Mr HADDAD: When the part 3A request came to the department I did not have in mind a yes or a no or anything. Mr File was not asked to say no to it or not, that is the beginning of the process. We just said, yes,

this is land which is within the strategic context of it. How shall I put it, by comparison, it is not land that somebody is proposing to put a large shopping centre or a large housing development on, and the strategy for it over the years was to provide for that. So, we set up to just look at it as to whether it could be investigated—not to make it happen, but to look at whether it would be investigated. That was clearly the process we set up to do—and to say that is inaccurate. Basically we set up to do it that way. It came to a point where it was very obvious that you cannot do it unless you look at the strategic context. This is basically the situation. Mr File or anybody else was not asked by me to derive any outcome. He mentioned a concurrent process. A concurrent process happens in a number of cases within the department. It is as simple as that.

The Hon. AMANDA FAZIO: Just to make it absolutely clear for people, with every request you get from a proponent to have a project dealt with under part 3A, you would do an investigation and Mr File's section would do some sort of memo or report or submissions on it, which then goes to the director general, and you make a recommendation?

Mr HADDAD: Mr File has very strict criteria to follow in that regard. He has criteria that are set in the department. His evaluation report has to follow very strict criteria in reporting. It does not come to me directly; he has to report to his superiors. He has to report to our deputy directors. I am not there just making decisions, right, left and centre, and there are procedures where these criteria have to be determined. At the end of the day, I may endorse it; I may not endorse it; that is why I am there.

The Hon. AMANDA FAZIO: This proposal, to have the former CSIRO land dealt with under part 3A, was handled in the same manner as any other requests for part 3A?

Mr HADDAD: It started in exactly the same manner as anything. The only difference there is because it was a priority project to government. It needed the attention of the department because of what I have said in terms of employment land and the need to provide this employment. It came to a point where it was very obvious—it was quite obvious to me—that you cannot continue irrespective of the owner of the land or whoever is whom, that you cannot continue without clarifying the strategic context. It would have been inappropriate for us to continue, come to the end of the process and then bureaucratically ask proponents to provide for the infrastructure. It is inappropriate to do that. I do not care who is the owner, with all due respect.

CHAIR: We have two more minutes.

The Hon. AMANDA FAZIO: We might have two more minutes, but the next witnesses are due in one minute.

The Hon. TREVOR KHAN: Mr Haddad, what you have so far given evidence of is with regard to the final meeting that you had with Mr Richardson on 2 September?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: That is the day before Mr McGurk was shot. That is right, is it not?

Mr HADDAD: Yes—it is sad to say that.

The Hon. TREVOR KHAN: According to your evidence given previously, you had some three other meetings over the year with Mr Richardson. Is that right?

Mr HADDAD: Yes, I said that there were other meetings, but in the case of these lands Mr Richardson was not really actively lobbying me on behalf of Mr Medich. Mr Medich had a cast of consultants who were working for him and they were basically presenting this. So my clear recollection of dealing on this matter with Mr Richardson is at his request to have an explanation as to why the Government did not rezone the land. Previously to that, I am more than happy to table to the Committee all the other issues that were there. I said that at the beginning. I am very transparent, I am operating under the code of practice, and I will do that.

The Hon. TREVOR KHAN: Mr Haddad, I take it that what you are saying is that—

The Hon. AMANDA FAZIO: Madam Chair, I draw your attention to the time. The time for the witnesses has expired.

The Hon. TREVOR KHAN: I take it that, notwithstanding Mr Johnston's evidence that essentially Mr Richardson is on his back all through August, he is not dealing with you on the issue?

The Hon. AMANDA FAZIO: Madam Chair, I draw your attention to the time.

The Hon. TREVOR KHAN: Stop protecting him.

The Hon. AMANDA FAZIO: I am not protecting anybody, and don't be so rude—you are only a participating member.

CHAIR: We have 18 seconds.

The Hon. TREVOR KHAN: Mr Haddad, you heard my question.

Mr HADDAD: The question was basically—

The Hon. AMANDA FAZIO: It was not a question; it was an assertion.

Mr HADDAD: I just said what I think of my dealing with Mr Richardson on this matter. Mr Johnston told me once that he had a discussion with Mr Richardson and I told him that it is not appropriate for him to discuss with Mr Richardson, Mr Richardson should make representations to the department through the normal process. That is what I told him, but he is a contractor to the department and he is providing broad advice. That is all I can say.

The Hon. GREG PEARCE: Mr Johnston took on notice to provide to us a complete listing of all those contacts that you had and your notes on them.

Mr JOHNSTON: That is fine.

Mr HADDAD: Yes, that is fine.

CHAIR: And we have 14 days for questions on notice to come back to us.

Mr HADDAD: Yes, sure, with pleasure, we will work on them.

CHAIR: Thank you. That draws to a close this part of the hearing. Thank you gentlemen for your assistance.

(The witnesses withdrew)

ROY ANTHONY MEDICH, Director, Roy Medich Properties Pty Limited, sworn and examined:

CHAIR: Do you have a brief opening statement?

Mr Roy MEDICH: I would simply like to say that I have come to this inquiry voluntarily. I am here to assist it in any way that I can.

CHAIR: I think you were in the gallery while Mr Haddad was giving some evidence—and Mr Johnston—in relation to the expectation that there would be an answer to the whole question of the rezoning of Badgerys Creek by September 2008. Can you give the Committee any thoughts on Mr Haddad's evidence? Is what was said correct?

Mr Roy MEDICH: Basically the evidence was correct. I was going to say I have correspondence with all the dealings that I have had with the department and I am happy to hand it up to the Committee.

CHAIR: You have that here with you?

Mr Roy MEDICH: Yes, I have.

CHAIR: That would be very useful.

Mr Roy MEDICH: I also have my profile, my CV, so that you can understand that I have played a role in greater western Sydney and that I have had contact with many members of Parliament and departments of Government.

CHAIR: You are happy to table those documents?

Mr Roy MEDICH: Yes, I am.

The Hon. GREG PEARCE: Mr Medich, you heard Mr Johnston indicate that he had had meetings or discussions with you yourself, your brother and Mr Richardson around August 2008, and that he had given an indication that there ought to be a decision on the rezoning by about September 2008. Did you get that directly from Mr Johnston or did you get it from Mr Richardson?

Mr Roy MEDICH: Neither.

The Hon. GREG PEARCE: Did you have that expectation?

Mr Roy MEDICH: By September?

The Hon. GREG PEARCE: Yes.

Mr Roy MEDICH: This year?

The Hon. GREG PEARCE: No, 2008.

Mr Roy MEDICH: There is a letter on the file from the department in respect to September 2008.

The Hon. GREG PEARCE: Saying what?

Mr Roy MEDICH: It was basically saying that the matters were ongoing.

The Hon. GREG PEARCE: Did you or one of your companies engage Mr Richardson?

Mr Roy MEDICH: Yes.

The Hon. GREG PEARCE: Why did you engage him? What services did he provide you?

Mr Roy MEDICH: He basically provided services of political advice. I would give him reports and updates of matters concerning myself, but at all times I asked him to deal with my matters on merit and they had to be in a transparent way.

The Hon. GREG PEARCE: What were the terms of his engagement?

Mr Roy MEDICH: The terms? You mean the—

The Hon. GREG PEARCE: When was he employed and how much was he paid?

Mr Roy MEDICH: There was no formal agreement. I paid him \$5,000 per calendar month plus GST and there was no success fee attached.

The Hon. GREG PEARCE: For what period?

Mr Roy MEDICH: For what period has he been employed?

The Hon. GREG PEARCE: Yes.

Mr Roy MEDICH: My records would have an invoice of every docket that he has produced, and signed by myself.

The Hon. GREG PEARCE: In the documents you have tabled?

Mr Roy MEDICH: No, they can be provided.

The Hon. GREG PEARCE: Would you mind taking that on notice?

Mr Roy MEDICH: In fact I could say this to the Committee: I would open my whole files and records to any member of the Committee to examine and take copies, providing that if they were of a confidential nature I would have to seek approval from the Badgerys Creek Consortium board.

The Hon. GREG PEARCE: Why did you associate yourself with someone like Mr Richardson?

Mr Roy MEDICH: I don't think that is a fair question.

The Hon. GREG PEARCE: You can still answer it.

Mr Roy MEDICH: I have enjoyed Mr Richardson's company over many, many years. I mean it is not an easy task these days to bring your matter before the Government. Sometimes you need to get advice on which is the best way forward on a particular project. At the same time—

The Hon. GREG PEARCE: And he gave you that advice and assistance?

Mr Roy MEDICH: I could pass things by him so that I would have a better understanding myself if I was doing something that was not as it should be in the way I was approaching Government.

The Hon. GREG PEARCE: Did you have any association with Mr McGurk or the late Mr McGurk?

Mr Roy MEDICH: No. Michael McGurk was neither a friend nor an associate and I have certainly had no business dealings with Mr McGurk whatsoever.

The Hon. GREG PEARCE: What about Mr Richard Vereker?

Mr Roy MEDICH: I have met Mr Richard Vereker, but once again I have absolutely had no dealings with him at all.

The Hon. GREG PEARCE: And Mr Tripodi?

Mr Roy MEDICH: I have known Mr Tripodi as the member for Fairfield. Basically I would only pay him courtesies when I saw him at various functions. The last time I spoke to Minister Tripodi I would say it must have been several months ago and I did once seek a meeting with him in respect of infrastructure. I said to Mr Tripodi that I would like to have a formal meeting regarding infrastructure with Minister Tripodi. He said to me, I recall at the time, "My wife's expecting a baby. I'll be taking some time off and when I come back to the office my office will be in touch with you to arrange that meeting". I still have not had a call from his office.

The Hon. GREG PEARCE: Have you made any donations to the Labor Party at the request of Mr Tripodi?

Mr Roy MEDICH: Sorry?

The Hon. GREG PEARCE: Have you made any donations to the Labor Party at the request of Mr Tripodi?

Mr Roy MEDICH: Absolutely not.

The Hon. GREG PEARCE: Do you know Mr Robertson?

Mr Roy MEDICH: Is that Minister Robertson?

The Hon. GREG PEARCE: Yes.

Mr Roy MEDICH: I do not.

The Hon. GREG PEARCE: Taking you back to the letter you sent on 5 March 2007 to the department, why was that letter sent at that particular time?

Mr Roy MEDICH: I was continually putting our case before Government in respect to employment lands and the need for more employment lands in greater western Sydney in particular, as the department has said, creating jobs closer to home. I have served on various economic development boards in greater western Sydney and there is a clear shortage of employment lands available, particularly in the range of the medium term. If I could answer that question, former Premier Bracks down in Melbourne, outside of 2030, released 4,000 hectares of employment lands in one hit. They have possibly an oversupply, but what that has done, it has driven down the price of employment lands—and you can check this out. In Melbourne and in Brisbane, employment lands are selling for half the price of what they are in New South Wales.

The Hon. GREG PEARCE: Do you expect your land to be rezoned in due course?

Mr Roy MEDICH: I would hope so. We have put a lot of work into this over many, many years and I believe we have a very good case before the Government. This was not identified by this particular Government. I first saw it identified in the late 1980s in a Liverpool City Council document. Then I noticed during the Greiner government years he had the South Creek Valley plan. I did seek independent advice on this from John Mullane and associates as to the future potential of this. I did note that it was identified in the Metro strategy in 2005. There was an action plan for employment lands. There was the WSELIA investigation area. Clearly it is land that has been identified for future employment lands for many years. All we were trying to do was put a clear case to Government that this land is worthy of consideration. I state this very clearly: it had to stand or fall on its merits.

The Hon. GREG PEARCE: Did you know that the plan was going to be released on 6 March 2007, just before the election, and it included your land in the study investigation area?

Mr Roy MEDICH: I can honestly say to you it came as a surprise to me.

The Hon. GREG PEARCE: How much money have you or companies controlled by you donated to the ALP since 2003?

Mr Roy MEDICH: I will have to check my records.

The Hon. GREG PEARCE: Could you take that on notice and give us details of the amounts and the dates?

Mr Roy MEDICH: I can. I can assure you of this: Every donation has been declared to the proper electoral authority and I can back that up. I will provide the details.

The Hon. GREG PEARCE: Did you hear Mr Haddad say in his evidence that Mr Johnston told him that Mr Richardson had spoken to Mr Johnston and Mr Haddad said to Mr Johnston that it was inappropriate to speak to Mr Richardson?

Mr Roy MEDICH: I was unaware that Graham Richardson had spoken to Norm Johnston.

The Hon. GREG PEARCE: You were unaware of that?

Mr Roy MEDICH: Yes.

The Hon. GREG PEARCE: You heard Mr Johnston say that on several occasions Mr Richardson had met with him or telephoned him. You were unaware of any of those?

Mr Roy MEDICH: Well, Graham would come back and give me a verbal report. He would not say to me who he had spoken to.

The Hon. GREG PEARCE: What was the nature of the sorts of reports he gave you?

Mr Roy MEDICH: He indicated that the Government was still considering the issue of whether this land would go forward.

Ms SYLVIA HALE: Mr Medich, when did you commission Cox Richardson to start work on its submission to the Department of Planning?

Mr Roy MEDICH: I think it would have been 2004, 2005, thereabouts.

Ms SYLVIA HALE: I have here details of your donations to the Labor and Liberal parties. How much have you donated to the Liberal Party in the period since 2004?

Mr Roy MEDICH: I would have to take that on notice.

Ms SYLVIA HALE: Would you be surprised to learn it is \$2,750? Does that seem an accurate figure to you?

Mr Roy MEDICH: I would have thought it was higher than that.

Ms SYLVIA HALE: This is the Electoral Funding Authority figure. Do you not have any idea of how much you donated to the Labor Party in the period since 2004?

Mr Roy MEDICH: I would have to check, if you give me specific dates.

Ms SYLVIA HALE: Perhaps I can refresh your memory. According to the figures from the Electoral Funding Authority, between September 2005 and December 2008 you donated \$218,500 to the Labor Party. An interesting aspect of that—

The Hon. AMANDA FAZIO: \$218,000?

Ms SYLVIA HALE: Yes, \$218,500.

The Hon. AMANDA FAZIO: What was the amount you said for the Liberal Party?

Ms SYLVIA HALE: \$2,750. Mr Medich, I asked you when the Cox Richardson submission was made, and the Department of Planning's submission indicates it was early 2006, because there seems to have been a very significant jump in the donations you made to the Labor Party. Prior to that, in 2004-05, you had

donated something like \$15,000. But from 2006 onwards we are looking at more than \$200,000 to the Labor Party. Did you see any connection between that substantial increase in donations and the procedures or your representations that were taking place over the Badgerys Creek land?

Mr Roy MEDICH: I can tell you this: I have no connection in the way that you are inferring it. Under Labor's Business Dialogue, which I am a member of, they hold various events and functions and they coincided with those periods. That would be the answer. If you took a corporate table it would be \$15,000, and you take nine guests. I am staggered to think that those amounts are that high, but you are talking about many years. Do not forget this: only half of those belong to Roy Medich Property or to the Roy Medich side of the organisation.

Ms SYLVIA HALE: So you are saying—

Mr Roy MEDICH: Whatever you are saying, you could halve that if you are talking about me and my family.

Ms SYLVIA HALE: The other half would be your brother?

Mr Roy MEDICH: Correct.

Ms SYLVIA HALE: But collectively, you both stood to gain from the rezoning of the Badgerys Creek land?

Mr Roy MEDICH: Correct.

Ms SYLVIA HALE: So you had a joint interest in a positive outcome from your perspective?

Mr Roy MEDICH: Correct.

Ms SYLVIA HALE: You mentioned that you attended these fundraisers. Clearly, most people would regard \$15,000 as a not insignificant amount to pay for a table at a function. Can I suggest that Medich Property has indicated it attended fundraisers throughout 2006 and until this year for the following ALP members of Parliament and Ministers: Morris Iemma, Frank Sartor, Nathan Rees, Michael Costa, Eric Roozendaal, Geoff Corrigan, Carmel Tebbutt, Diane Beamer, Stephen Chater, Reba Meagher and Verity Firth. Could you indicate how many of those dinners you attended personally?

Mr Roy MEDICH: I would have attended all of those. If a fundraiser was held and those people were the guests of honour you would relate it back to that person. That is why you are getting those names. Most of those would not have been direct donations to those people. That might be the way I have recorded it. Once again, if I could take that on notice I will give you an explanation for it to the best of my ability.

Ms SYLVIA HALE: But would you agree that throughout this process of significant attendance at ALP functions it was running parallel to the decisions being made in relation to the Badgerys Creek site?

Mr Roy MEDICH: I honestly do not relate it to that. I never even thought of it in that way.

Ms SYLVIA HALE: Who invited you to attend these fundraising lunches and dinners and the other events?

Mr Roy MEDICH: You were notified by Labor Party head office of all events. I have to say that I have attended political functions all my working life. That includes many Liberal Party functions. In fact, I attended a Liberal Party function in the first week of August at the Westin and it was attended by Barry O'Farrell, as a guest, and John Fahey and Nick Greiner. I recall John Fahey seeing me there and coming up and speaking to me.

Ms SYLVIA HALE: I am looking at the declaration of political donations covering the period 27 April 2004 to 31 December 2008 and there you indicate that on one occasion—there were two, one was a lunch and one was the Liberal Party's tenth anniversary dinner—you spent \$750. That seems to be significantly less than the \$15,000 you would spend on a table for an ALP function.

Mr Roy MEDICH: Which one was that?

Ms SYLVIA HALE: The Liberal Party tenth anniversary dinner on 1 February 2006—\$750. I must say that your donations to the Liberal Party seem to be very small beer in relation to those to the Labor Party. For example, Malcolm Turnbull scored only \$500, Jackie Kelly, \$500, Helen Coonan, \$500, and Charlie Lynn got only \$150. Has any Minister or member of Parliament asked you or a representative of your company to attend a fundraiser?

Mr Roy MEDICH: Look, you are on the list. You get circulars about these functions. I do not recall any Minister specifically ringing me up and asking me to attend. I remember the *Sydney Morning Herald* rang me about whether I attended Sartor's dinner—whether he had rung me. The simple fact is he had not. I was notified by circular.

Ms SYLVIA HALE: So you have never had any staff member of a member of Parliament or from a Minister's office ask you or a representative of your company to attend?

Mr Roy MEDICH: I do not recall that happening once.

Ms SYLVIA HALE: Have you ever mentioned to any member of the Department of Planning your largesse to the Labor Party?

Mr Roy MEDICH: Absolutely not.

Ms SYLVIA HALE: Can I draw your attention to one of the terms of reference of this inquiry, namely (e), legislative reforms to enhance the integrity of and public confidence in the planning and development assessment system. In light of that being one of the terms of reference, do you believe there is a public perception that property developers make political donations to gain access to politicians and to improve their chances of getting their projects approved?

Mr Roy MEDICH: I do not look at it in those terms, but yes, I do agree the public could have perceptions. In my particular case I can honestly and sincerely say to you those contributions have not been put there as a point of influence. If the law did change in respect of that, I would abide by it.

Ms SYLVIA HALE: But would you support a change in the law?

Mr Roy MEDICH: In some ways I possibly would—that there would be a limit on donations, yes I would.

Ms SYLVIA HALE: Do you see donations being a tax on the development industry? That is a view that has been expressed, I think, by the Property Council.

Mr Roy MEDICH: I will not comment on that.

The Hon. MICHAEL VEITCH: Can I clarify this: The land that is the subject of this inquiry has not been rezoned, has it?

Mr Roy MEDICH: No it has not.

The Hon. AMANDA FAZIO: You have already taken on notice to provide information on the donations you have made to the Australian Labor Party since 2003. Could you extend that to include donations you have made to other political parties as well?

Mr Roy MEDICH: Yes.

The Hon. AMANDA FAZIO: I want to clarify something. You said earlier you belong to the Labor Party's Business Dialogue.

Mr Roy MEDICH: Yes.

The Hon. AMANDA FAZIO: Membership of Business Dialogue means you get invited to all these different functions, doesn't it?

Mr Roy MEDICH: That is correct.

The Hon. AMANDA FAZIO: Have you ever been approached by the Liberal Party to join any similar business dialogue or to your knowledge do they not have one?

Mr Roy MEDICH: They do have one but I have not been approached.

The Hon. AMANDA FAZIO: In relation to the idea that has been put across by Ms Hale in her line of questioning that your donations to the Labor Party have been linked to your proposal to have your land rezoned, you indicated that was not the case. I wanted to clarify that with you.

Mr Roy MEDICH: That is certainly not the case.

The Hon. AMANDA FAZIO: You have given us your CV, which includes a background of your community involvements, past and present, but in order to assist the inquiry in getting an understanding of your business dealings, for how long have you been involved in land development?

Mr Roy MEDICH: Since about 1978, when my father passed away.

The Hon. AMANDA FAZIO: Apart from this former CSIRO site at Badgerys Creek, do you have other ongoing land development projects at the moment?

Mr Roy MEDICH: Yes, we have got a small share in the Lowes Creek precinct. Well, the Roy Medich side of the family has about a four per cent stake in the Lowes Creek precinct, which is before the Government under a PAP: a precinct acceleration protocol matter.

The Hon. AMANDA FAZIO: As far as you are concerned has your proposal for the former CSIRO site at Badgerys Creek been dealt with in the normal way that other land proposals that you have put up to the Government been dealt with?

Mr Roy MEDICH: Absolutely.

The Hon. AMANDA FAZIO: You do not believe that anything untoward has happened in relation to the handling of this project?

Mr Roy MEDICH: Absolutely not. I believe that everything we have done has been carried out in a professional, honest and transparent way. As I say, all my files are available to any member of this Committee to examine—they are at Freehills. In fact, they did a kind of a peer review on the documents. I have not even had access to them since this inquiry started because they believed that they would be called up by this inquiry. In fact, I have got a chronic—that is why I drew up a chronology of the events that have taken place so that the Committee would understand what we have been through over this time. If I may, I would like to pass that up to distribute amongst the members so you have got a clear picture of the work we have done over many years. We have employed many consultants and carried out many reports. The other point, if I may just to explain—

CHAIR: Sorry, Mr Medich. Are you tabling those documents?

Mr Roy MEDICH: Yes, I am.

Documents tabled.

The Hon. TREVOR KHAN: It seems that he is much better prepared than the department!

The Hon. AMANDA FAZIO: It is not for you to be making silly asides. Mr Medich is trying to explain something, if you do not mind.

Mr Roy MEDICH: We had a structure with the Badgerys Creek consortium—and I also have that document here but it is marked as confidential—where you had to be transparent and open. We had a structure where we appointed an independent chair; the chair was Peter Lowry, OAM, a lawyer. Under him the chairman of our management committee was Alan Zammit, OAM, also the former Chief Executive Officer of the Norwest

Business Park. Under that again we had Professor Sonja Lyneham as our project director. There were minutes taken. That is why I say if you go to my files you will see the agendas and the minutes and you will see that everything has been carried out in a proper fashion. Every meeting that I had with the department or the Minister was on an official and formal basis. I would log in and register at the front desk. They would take the minutes. I would take the appropriate people with me. I only ever attended one of those meetings with Graham Richardson.

The Hon. AMANDA FAZIO: The other members of the consortium include Sydney University?

Mr Roy MEDICH: Yes.

The Hon. AMANDA FAZIO: Where they satisfied that their probity requirements were met as part of the consortium arrangements?

Mr Roy MEDICH: I believe so. All our accounts were audited. In my files you will find every account that has ever been paid.

The Hon. AMANDA FAZIO: I want to ask you about the impact that you believe this inquiry has had on your business and general community reputation?

Mr Roy MEDICH: It has been frightening. I could not believe the impact this has had on my life. I have had any number of calls of support but it has been very stressful on my family. You know, you have a situation where a man has been murdered, you have got a grieving wife and four fatherless children, you have got a police murder investigation, you have got a referral to the Independent Commission Against Corruption and we have this Parliamentary inquiry. But those scurrilous allegations that have been made by the person who has made them are just unfair and they have led to a kind of witch-hunt amongst the media that I have never experienced in my life. After all these years of community service it has been very hard to take I can say to this Committee.

The Hon. AMANDA FAZIO: Also part of the media interest has been because you have employed Mr Richardson as a consultant. How many consultants would you employ? Have you in the past employed other people in a similar capacity to the current consultancy role of Mr Richardson?

The Hon. TREVOR KHAN: What is this, former Labor heavies? Is that what you are asking?

The Hon. MICHAEL VEITCH: Do not worry about this side.

The Hon. AMANDA FAZIO: Just mind your own business. I am asking a legitimate question of a businessperson—

The Hon. TREVOR KHAN: I am just trying to clarify.

The Hon. AMANDA FAZIO: —about their business—

The Hon. TREVOR KHAN: About former Labor heavies.

The Hon. AMANDA FAZIO: —and we do not need any smart arse remarks from you, thank you.

Mr Roy MEDICH: Would you please repeat that question?

The Hon. AMANDA FAZIO: Have you over the years employed other consultants in a similar role to the consultancy role that Mr Richardson holds now?

Mr Roy MEDICH: Yes, I had cause once previously and I think I used Peter and Jeremy Anderson on a matter to do with licensing.

The Hon. TREVOR KHAN: Former Labor heavies.

The Hon. AMANDA FAZIO: You have been unsuccessful in getting this Badgerys Creek land rezoned. But when you have entered into these sorts of business arrangements with land developments in the past have you also had proposals that have been unsuccessful in terms of being rezoned?

Mr Roy MEDICH: I cannot recall a rezoning I have had under this present Labor term of government. In fact, I can tell you I have had a refusal.

The Hon. MICHAEL VEITCH: Not just this one—was there another one?

Mr Roy MEDICH: Not this one, because I do not believe this has ever been refused primarily because the work is still ongoing.

The Hon. MICHAEL VEITCH: If the work is still ongoing, do you carry a concern that this inquiry and the other investigations will actually have a negative impact on the progression of your investment?

Mr Roy MEDICH: I hope not, because there is nothing that I believe that we have done that has been incorrect, wrong or illegal.

The Hon. MICHAEL VEITCH: Can I ask the cost of the work? Obviously more work needs to be done—that is part of the Department of Planning's submission. Do you see it as your role to undertake, as the developer, some of that work?

Mr Roy MEDICH: Well, I have heard the Government has spent \$2 million on their investigations and I can tell you we have equally spent that amount putting our case to the Government, through consultant's reports and so on. Are you talking now about the delivery of infrastructure?

The Hon. MICHAEL VEITCH: Yes, the delivery of infrastructure?

Mr Roy MEDICH: Well, we have not actually had the opportunity to be able to deal with that as much as we would like to primarily because we have not been declared a State significant site. As people in the development industry would understand, it is very hard to go to government agencies and service providers when you really are not on the map. You know, in the sense that you can go and negotiate broker or finance a deal—for example, water infrastructure. The Badgerys Creek consortium has a heads of agreement with Australian Water and our desire would be to do a joint-venture agreement with the Water Board, because there is legislation in place where you can apply for a water licence. You really cannot even move to that step.

We did have a meeting with Minister for Water Phil Costa about this issue. It was a formal meeting and we had it at his office with representatives of the Water Board. We would like to help resolve these issues. We understand the Government is short of funds to provide infrastructure but some of these things can be provided in a sensible way by a joint venture partnership with the Water Board and private enterprise, funding that part of the component maybe of a STP arrangement. You do not have to reinvent the wheel. The Water Board owns the water, they own the pipes and they have got a billing system. What you need, I suppose, to provide is the funding to put the actual item on. Then have an arrangement whereby this is recouped over many years but the Water Board is still getting some income for the existing infrastructure that they own. There are ways forward. In respect to roads—

CHAIR: Thank you, Mr Medich, but we have to move on.

Mr Roy MEDICH: Sorry.

CHAIR: Mr Medich, you said at the outset that you engaged Mr Richardson as a political adviser?

Mr Roy MEDICH: Yes.

CHAIR: Why do you need a political adviser and what sort of political advice does he give you?

Mr Roy MEDICH: He would suggest reports. I mean I would listen to everybody. I would listen to Mr Richardson, I would listen to the team of consultants we had. We had some of the best consultants in Sydney working on this project and they have all been put on hold for some time now waiting for outcomes. I had their

opinions and I had Graham Richardson's opinions. For example, he would say, "You need to draw those matters to the attention of the Premiers department."

CHAIR: So he would direct you to which part of Government you might need to go?

Mr Roy MEDICH: Yes, he would advise me on what he thought but primarily I would give him reports when they were completed, I would give him updates and I would expect him to promote those in a proper way.

The Hon. GREG PEARCE: You mentioned you had meetings with various Ministers and you specified Minister Costa. I am sure you have a schedule of all of those meetings. Could you provide the Committee with a copy of that schedule of meetings with Ministers over the course of this project?

Mr Roy MEDICH: To be quite frank with you, I do not keep diaries. I have a Filofax and each year I replace it. But what I can say to you is this, right, every meeting that I have had with a bureaucrat or a Minister would be on public record because I did not have any other meetings.

The Hon. GREG PEARCE: You went to some lengths before talking about the consortium and the probity and the records and so on. Does that consortium have the details of those?

Mr Roy MEDICH: I am sorry, could you repeat that again?

The Hon. GREG PEARCE: Does the consortium have the details of all of those meetings with Ministers?

Mr Roy MEDICH: If it is in the minutes. I would report back to the board about those meetings. There was correspondence. I have handed correspondence between departments. When I had that meeting with Minister Costa I did not get a response back in letterform but certainly I have got the briefing of discussions about that meeting and I can provide those. I can go through the minutes—

The Hon. GREG PEARCE: Could look for the other Ministerial meetings and give us those on notice?

Mr Roy MEDICH: Yes.

The Hon. GREG PEARCE: Why did you ask to give evidence separately to your brother?

Mr Roy MEDICH: Primarily because these allegations have been made in the context of Michael McGurk, a person that I have no had no association with, and because of that and the Jim Byrnes allegations and another person I have never met or had any dealings with, I want to put my case forward because primarily I have been a representative of the Mediches on the Badgerys Creek consortium.

Ms SYLVIA HALE: Mr McGurk, as I indicated earlier in 2004 you made donations of \$8,500 to the Labor Party, and in 2005—

Mr Roy MEDICH: I am sorry, I missed the start of your question, because Mr McGurk has passed away?

Ms SYLVIA HALE: Sorry, my apologies. In 2004 you made a total of \$8,500 donations to the Labor Party, in 2005, up until September, you made another \$6,500, but from 9 September, when presumably the Cox Richardson investigations were underway, we had a big jump in donations of \$11,500 to the Australian Labor Party, and we get up to a figure of in excess of \$200,000. Could you explain why your donations increased so substantially post September 2005?

Mr Roy MEDICH: Probably because I had become a member of Business Dialogue.

Ms SYLVIA HALE: You are not a member of any Liberal fundraiser?

Mr Roy MEDICH: As I said, I have not been approached to be one.

Ms SYLVIA HALE: You made them to Business Dialogue. What do you see the purpose of Business Dialogue being in that case?

Mr Roy MEDICH: It was networking amongst members of the Labor Party and business people. They also had policy forums—small forums such as this—and you had an opportunity to express a view in respect of Government policy—not Government policy on rezoning, I mean Government policy in general.

Ms SYLVIA HALE: Did Mr Richardson ever suggest to you that you should donate to the Australian Labor Party?

Mr Roy MEDICH: No. Look, he did not because whether it was Liberal or Labor Party I have been doing that all my business life.

Ms SYLVIA HALE: How do you see that it promotes the political process, as it were?

Mr Roy MEDICH: How does it promote? Look, I have been a supporter of the Labor Party all of my life. My father, as I have said, was a member for 25 years before his passing. Gough Whitlam lived around the corner and I went to school with his son. I was very friendly with the Bedford family and his daughters back then in those days. So I sort of grew up with the Labor movement and all my life has been spent in greater western Sydney, contrary to the *Sydney Morning Herald* which had me already moved to Rose Bay when I still live in greater western Sydney.

Ms SYLVIA HALE: So you do not live in Rose Bay?

Mr Roy MEDICH: I do not.

The Hon. AMANDA FAZIO: In relation to the donations that you give, during a recent inquiry into a review of political funding the comment was made that many business people gave donations to support the democratic system. Do you concur with that?

The Hon. TREVOR KHAN: Nothing like leading.

Mr Roy MEDICH: Sorry, could you repeat that question?

The Hon. AMANDA FAZIO: If the Hon. Trevor Khan stopped interrupting Mr Medich might be able to understand the question. Mr Medich, it has been put to previous parliamentary inquiries into political funding that people donate to political parties to support the democratic system. Would you agree with that?

Mr Roy MEDICH: Yes, I do. I am a firm believer in social justice. The only evidence I can give you out of that is all my working life I have always served the community.

The Hon. AMANDA FAZIO: You do not see anything unusual for a businessperson to make donations to a particular political party or to any major political party?

Mr Roy MEDICH: I do not. But whatever the law is, I will abide by it.

The Hon. ROY SMITH: Mr Medich, I am curious, if the Business Dialogue function were to be held on a cost-recovery basis, would that disappoint you? Would you be happier to attend those functions if they were held on a cost-recovery basis rather than at great expense?

Mr Roy MEDICH: What do you mean a cost?

The Hon. ROY SMITH: What if instead of \$15,000 it cost \$150 to attend?

Mr Roy MEDICH: I have got to say, that would be a nicer situation.

Ms SYLVIA HALE: Will you urge the Labor Party to adopt that process in future?

Mr Roy MEDICH: I do not think it would make any difference what I had to say.

CHAIR: That brings us to the conclusion of this part of the hearing. Thank you, Mr Medich, for your time here today.

Mr Roy MEDICH: Thank you.

(The witness withdrew)

(Short adjournment)

CHAIR: We will now resume the hearing with the Minister for Planning, Ms Kristina Keneally, appearing before the Committee. Thank you for your attendance, Minister. As you know, it is not necessary for you to be sworn in. I advise you that the Committee has resolved that responses to any questions on notice must be returned within 14 days.

Ms KRISTINA KENEALLY: Thank you, Madam Chair.

CHAIR: Minister, would you like to make a brief opening statement?

Ms KRISTINA KENEALLY: I would, Madam Chair. On the day the Legislative Council resolved to hold this inquiry into Badgerys Creek land dealings and planning decisions, I advised the Legislative Assembly I hoped the inquiry would ask me to give evidence. Today I am here to answer questions about a man I have never heard of, people I have never met with and land the Government did not rezone. Let us be clear about the status of the land that is the subject of this inquiry: Contrary to claims in the *Sydney Morning Herald* and by the Leader of the Opposition, Mr Barry O'Farrell—claims that neither of these parties has withdrawn—this land has not been rezoned. Let us put some facts on the record.

The Badgerys Creek site, which is the subject of this inquiry, has been identified, along with other land in western Sydney, since 1988 by the New South Wales Government. That is, it was first identified by the Greiner Government as potential employment land for the growing population in western Sydney. Since that time it has been identified by subsequent planning Ministers from both sides of Parliament as potential employment land for the growing population in western Sydney. On 12 August this year, when the Government announced the Western Sydney Employment Area, this land specifically and the land surrounding it was not rezoned, given that it has significant infrastructure constraints. Today the Badgerys Creek land, which is the subject of this inquiry, remains zoned rural—as it has been for a number of years.

If I may, I will turn to the subject of meetings with lobbyists and meetings specifically between the Director General of the Department of Planning and Mr Graham Richardson. Mr Sam Haddad is the Director General of the Department of Planning. In the course of his job he meets with proponents, consultants, lobbyists, community groups, local government representatives and members of Parliament. Mr Haddad met with Mr Richardson, a registered lobbyist on behalf of a declared client. Mr Haddad outlined to Mr Richardson why the Government did not rezone Mr Richardson's clients' land. Mr Haddad also spoke with Mr Richardson about the process by which land adjacent to the Western Sydney Employment Area could be rezoned, through a process similar to the precinct acceleration protocol in the growth centres.

Contrary to reports in the *Sydney Morning Herald* today, this is not a new revelation. On 12 August 2009, when the Premier and I announced the Western Sydney Employment Area, we provided the media with a colour brochure entitled "Guide to Western Sydney Employment Area". Page 6 of this seven-page brochure outlines the process by which land adjacent to the Western Sydney Employment Area can be considered for development, and it explains that the development needs to be done at no cost to Government and meet all relevant environmental tests. This brochure has been freely available on the Department of Planning's website since 12 August.

When it comes to lobbyists, Mr Haddad adheres to the Lobbyist Register and Code of Conduct—documents, I might note, the New South Wales Opposition still refuses to adopt. I put to you, what would the Opposition have Mr Haddad do? Refuse to meet with properly registered lobbyists on behalf of their clients? Refuse to divulge reasons for the department's refusal of an application? Fail to advise proponents on what matters they need to address in their planning proposals? That would be nonsensical.

I want to put on the record here today my estimation of Mr Sam Haddad. The *Sydney Morning Herald* has just tried to make some spurious link between a meeting that Mr Haddad attended and the death of Michael McGurk. Just before 4.00 p.m. this afternoon it placed on its website a headline screaming "Rezoning meeting day before McGurk killed." That same webpage invites people to join the conversation, and I am more than happy to do that right now. Sam Haddad is a man of utmost integrity. He is a man of strong character. As a member of Parliament, I respect him. As a Minister, I have full confidence in him. I urge the *Sydney Morning Herald* not to publish that slur on a public servant in tomorrow's paper. I urge it not to publish that unfair, misleading innuendo in tomorrow's paper. I urge it to retract that headline from its website right now. Sam is a hardworking public servant. He is a man who has served the people of New South Wales for 30 years with distinction and honour for both Labor and Liberal governments, and he deserves better.

CHAIR: Did Mr Haddad tell you prior to your appearance before Budget Estimates that he had had any meetings with Mr Richardson?

Ms KRISTINA KENEALLY: No, he did not.

CHAIR: So you did not float with him any scenarios prior to that hearing that would almost inevitably mean the questions on that subject were directed to Mr Haddad, and he did not inform you?

Ms KRISTINA KENEALLY: If I may clarify, I was aware that Mr Haddad had met with Mr Richardson. I was not aware of the contents of that meeting or the dates of the meeting.

CHAIR: Were you aware that he had had multiple meetings with Mr Richardson?

Ms KRISTINA KENEALLY: I was not aware of the number, no.

CHAIR: But you knew that he had met him?

Ms KRISTINA KENEALLY: It had been the subject of media reports.

CHAIR: Is that the only reason that you knew?

Ms KRISTINA KENEALLY: Yes.

CHAIR: So Mr Haddad had never mentioned, "Oh, by the way, I will probably have to say, if I am asked, that I have had meetings with Mr Richardson"?

Ms KRISTINA KENEALLY: Mr Haddad had already advised the media that he had met with Mr Richardson.

CHAIR: You had never heard of any other reports other than from the media?

Ms KRISTINA KENEALLY: I do not discuss with the director general the content of his meetings with lobbyists. I do not direct him who he should meet with. I do not look at his diary and give permission for specific meetings. I do not ask him to provide advice on specific meetings with specific individuals. Do you recommend, Madam Chair, does the Opposition recommend that I as a Minister require him to clear every meeting with me, to ask him that he provide me with the minutes of every meeting that he has? Or would it better if I asked him just to give me meetings of minutes with specific people, maybe just meetings of minutes with lobbyists? Or maybe I should ask the director general to report on meetings that he has with members of the Liberals and The Nationals.

CHAIR: He is going to provide that information.

Ms KRISTINA KENEALLY: Yes, I have no doubt that the director general will comply with this inquiry and the call for papers. But I want to be clear about one thing, Madam Chair. These tactics of guilt by association would make Joe McCarthy proud. This inquiry might better be known as the House Un-Development Activities Committee. Those elected representatives and those in the media who employ these McCarthyist tactics—

The Hon. Trevor Khan: Point of order.

CHAIR: Minister, at Budget Estimates I brought to your attention that it is not a good idea to attack this committee, or the fact that the House has asked members of the committee to do this work, so desist.

The Hon. GREG PEARCE: Do I take it then that you do not know also that Norman Johnstone, who is the head of the Western Sydney Employment Area lands investigation had numerous meetings with Mr Richardson, and lots of telephone calls over an extended period of time in relation to this project?

Ms KRISTINA KENEALLY: No, I do not because it is not the department's job to advise the Minister on views of lobbyists. It is the department's job to advise the Minister and the Government on the merits of planning proposals and they come to those considered views following consultation, not only with

State agencies and local government and the community but they also form their own views and they make their recommendations to the Government.

The Hon. GREG PEARCE: Are you aware that Mr Johnstone is being paid out of the \$2 million that your predecessor provided specifically to assist in the rezoning process for this land?

Ms KRISTINA KENEALLY: My understanding, Mr Pearce, is that the \$2 million that you refer to was provided to undertake the investigation into the entire Western Sydney Employment Land Investigation Area, not specifically into the land that is the subject of this inquiry.

The Hon. GREG PEARCE: So it does not cover that land?

Ms KRISTINA KENEALLY: The Western Sydney Employment Investigation Area was identified in 2007. There are maps available on line and have been available since 2007—

The Hon. GREG PEARCE: And it includes the Medich land?

Ms KRISTINA KENEALLY: It does include but it is much—

The Hon. GREG PEARCE: So the \$2 million has been provided, amongst other things, to investigate the rezoning of the Medich land?

Ms KRISTINA KENEALLY: No, my understanding Mr Pearce is that it is provided to investigate the entire Western Sydney Employment Land Investigation Area as outlined in the report in 2007.

The Hon. GREG PEARCE: What qualifications or experience do you have to exercise the powers and discretions as the New South Wales planning Minister?

Ms KRISTINA KENEALLY: Perhaps you would like to be a little more specific, Mr Pearce?

The Hon. GREG PEARCE: What are your qualifications or experience to be the planning Minister?

Ms KRISTINA KENEALLY: I was given the Planning portfolio by the Premier.

The Hon. GREG PEARCE: Why were you appointed to the planning portfolio?

Ms KRISTINA KENEALLY: You would have to task the Premier why he did that.

The Hon. GREG PEARCE: You do not have a clue?

Ms KRISTINA KENEALLY: I assume because the Premier trusted my judgement and my ability.

The Hon. GREG PEARCE: So was your behaviour last week at estimates a good example of your judgement?

Ms KRISTINA KENEALLY: What specifically are you referring to, Mr Pearce?

The Hon. GREG PEARCE: I think you know.

Ms KRISTINA KENEALLY: No, I am asking you to refer specifically to what you are referring.

The Hon. GREG PEARCE: Your behaviour at estimates last week hardly covered you in glory.

Ms KRISTINA KENEALLY: That is your estimation Mr Pearce.

The Hon. GREG PEARCE: It did not show that you had any good judgement.

Ms KRISTINA KENEALLY: That is your estimation, Mr Pearce. I respectfully disagree with it.

The Hon. GREG PEARCE: Have you ever read any decisions of the Court of Appeal or the Land and Environment Court on how you should exercise your discretion for minutes and factors you should take into account?

Ms KRISTINA KENEALLY: I have read the Environmental Planning and Assessment Act, Mr Pearce, and I have read some court judgements from the Land and Environment Court.

The Hon. GREG PEARCE: On how you should exercise your discretion?

Ms KRISTINA KENEALLY: I have read judgements that have made comments about how Ministers should make decisions.

The Hon. GREG PEARCE: So you do not actually have any qualifications, you do not have any experience and you do not really know how you should exercise your discretions?

Ms KRISTINA KENEALLY: Mr Pearce, I have just outlined for you that I have, in fact, read the Environmental Planning and Assessment Act, and I have been appointed to this portfolio by the Premier.

The Hon. GREG PEARCE: I noted from your electoral returns that you received donations from Joe Tripodi.

Ms KRISTINA KENEALLY: Yes, I believe that was in 2003.

The Hon. GREG PEARCE: So you are one of Joe's girls?

Ms KRISTINA KENEALLY: Mr Pearce, I am not even going to dignify that comment with a response.

The Hon. GREG PEARCE: I am asking you why you received donations from Joe Tripodi?

Ms KRISTINA KENEALLY: No, that is not what you asked, Mr Pearce, and your question does not cover you in glory.

The Hon. GREG PEARCE: No, I am asking why you received donations from Joe Tripodi?

Ms KRISTINA KENEALLY: I will answer your question, but I would like to point out for the record that you have just made an observation about my behaviour at the estimates committee hearings.

The Hon. GREG PEARCE: No, I have not.

Ms KRISTINA KENEALLY: You did.

The Hon. GREG PEARCE: Yes, I did.

Ms KRISTINA KENEALLY: You made an observation about your judgement of my behaviour at the estimates committee hearing.

The Hon. GREG PEARCE: Are you going to answer the question?

Ms KRISTINA KENEALLY: I will when I have finished this comment.

The Hon. GREG PEARCE: No, just answer the question.

Ms KRISTINA KENEALLY: The people of New South Wales, and particularly the women of New South Wales and women parliamentarians on both sides of this Parliament, can pass judgement on your comments.

The Hon. GREG PEARCE: You can just answer the question. You have also received significant donations from Mr Sartor.

Ms KRISTINA KENEALLY: Yes, I have, and all of them properly declared.

The Hon. GREG PEARCE: Yes, I am not disputing that. Do you seek advice from Mr Tripodi or Mr Sartor when you are making decisions in relation to planning matters?

Ms KRISTINA KENEALLY: In Mr Tripodi's capacity as Minister for Infrastructure, I discuss with him those matters that overlap into his portfolio. I am the Minister for Planning and he is the Minister for Infrastructure. Of course, as I said in the budget estimates hearings, one example is the Western Sydney Employment Area.

The Hon. GREG PEARCE: From where do you get your advice?

Ms KRISTINA KENEALLY: My advice comes from the department. That is how the Westminster system of government works. Departments in the Westminster system of government need to be able to provide Ministers with fearless and frank advice, not on the views of specific individuals or lobbyists, but on the merits of proposals.

The Hon. GREG PEARCE: So your main source of advice is the department?

Ms KRISTINA KENEALLY: Of course. I would suggest that that would be the case for every Minister in any Westminster system. However, as a Minister I meet frequently with stakeholder groups, local government representatives and, in particular, with the Implementation Advisory Committee, which meets once a month. I chair that meeting. It provides advice on the implementation of the changes to the planning system.

The Hon. GREG PEARCE: So it would be apparent to you why lobbyists like Mr Richardson would want to lobby the department to try to influence the advice going to you. In those circumstances, why have you not taken any action to ensure that the advice coming to you from the department is not impacted by those lobbyists?

Ms KRISTINA KENEALLY: The advice that comes to me from the department is informed by the consultations they do with government agencies and the public. Mr Pearce, I encourage you do go online after the hearing today and look at the Department of Planning website, which contains director general's reports, for example, for major project assessments. You will see for yourself the type of advice provided in a merit-based planning and assessment system.

The Hon. GREG PEARCE: I am trying to get a picture of how you make decisions. You do not have qualifications, you do not have experience and you get advice from the department. What action have you taken to ensure that the advice you are given is not compromised in any way?

Ms KRISTINA KENEALLY: What do you mean by "compromised"?

The Hon. GREG PEARCE: I assume you go to fundraisers.

Ms KRISTINA KENEALLY: No, I do not.

The Hon. GREG PEARCE: You do not go to any fundraisers?

Ms KRISTINA KENEALLY: If you had read the estimates transcript from the week before last as closely as you seem to suggest you have, you would have seen that I answered that question.

The Hon. GREG PEARCE: You do have discussions with your fellow Labor members of Parliament.

Ms KRISTINA KENEALLY: I have discussions with members of Cabinet and with Labor members of Parliament. Mr Pearce, if you would like, I would be more than happy to furnish you with a list of the Liberal and Nationals members of Parliament who have come to me to discuss planning proposals.

The Hon. GREG PEARCE: Yes, entirely appropriate. I am trying to find out what steps you have taken to ensure that in those discussions you are not compromised.

Ms KRISTINA KENEALLY: Again, I would like you to spell out what you mean by "compromised".

The Hon. GREG PEARCE: I think it is fairly clear.

Ms KRISTINA KENEALLY: You seem to have an insinuation. If you do, please put it.

The Hon. GREG PEARCE: I am asking you what processes you have put in place to ensure that you are not compromised.

Ms KRISTINA KENEALLY: The Rees Government has implemented the lobbyists' code of conduct and the lobbyists' register. Mr Haddad has implemented that across the department. I am aware of how he has done that and the steps he has taken to ensure that that happens. In my own office we adhere to the lobbyists' register and the lobbyists' code of conduct.

The Hon. GREG PEARCE: Are you aware that Mr Haddad gave evidence that Mr Johnston had told him he was talking to Mr Richardson and Mr Haddad said that was inappropriate?

Ms KRISTINA KENEALLY: I heard that comment, yes.

The Hon. GREG PEARCE: Do you have any comment on that?

Ms KRISTINA KENEALLY: No. I do not interfere with the director general's administration of the department.

Ms SYLVIA HALE: Do proponents or opponents of developments ever speak to your staff about specific developments?

Ms KRISTINA KENEALLY: Of course.

Ms SYLVIA HALE: How common is that?

Ms KRISTINA KENEALLY: It is not unusual; it is not an everyday occurrence.

Ms SYLVIA HALE: You say that proponents or objectors to developments do speak to your ministerial staff. What guidelines or protocols have you laid down for ministerial staff involved in discussions or meetings about specific developments?

Ms KRISTINA KENEALLY: Whenever we hold a meeting in my office with a proponent we always have a departmental officer present to record the discussion. Indeed, my staff take their own notes of meetings. It is not unusual for opponents to contact my office directly and my staff speak to them. In the case of opponents, we do not always require a departmental officer to be present, often because opponents are usually community action groups who want to ask for clarification or to understand where a proposal is at in the specific process. We are happy to provide that advice to them.

Ms SYLVIA HALE: Do you keep notes on all meetings and phone calls between members of your staff and the proponents of developments?

Ms KRISTINA KENEALLY: Indeed, we do.

Ms SYLVIA HALE: Can you provide a copy of those notes to the committee for the past four years?

Ms KRISTINA KENEALLY: That would be difficult.

Ms SYLVIA HALE: I meant since you became Minister.

Ms KRISTINA KENEALLY: Are you asking for notes on meetings with every proponent we have ever met with?

Ms SYLVIA HALE: Yes—the notes, the date, the time, who the proponent was and what was discussed in the telephone call or meeting. Will you do that?

Ms KRISTINA KENEALLY: I will do that to the best of my ability.

Ms SYLVIA HALE: I do not know whether it is a question of ability but of whether you will or will not.

Ms KRISTINA KENEALLY: We will do it.

Ms SYLVIA HALE: Have any of your ministerial staff had any discussions with any representative of the Medich Property Group about matters relating to the Badgerys Creek land?

Ms KRISTINA KENEALLY: No.

Ms SYLVIA HALE: No member of your staff?

Ms KRISTINA KENEALLY: No.

Ms SYLVIA HALE: How many of your staff were members of Frank Sartor's staff when he was the Minister?

Ms KRISTINA KENEALLY: None.

Ms SYLVIA HALE: Are you aware of how many times Mr Graham Richardson has spoken to a member of your staff about a planning issue in the past 12 months?

Ms KRISTINA KENEALLY: Never.

Ms SYLVIA HALE: Mr Richardson has never spoken to a member of your staff?

Ms KRISTINA KENEALLY: That is correct.

Ms SYLVIA HALE: Or yourself?

Ms KRISTINA KENEALLY: That is correct.

Ms SYLVIA HALE: One wonders how effective a lobbyist he was in that case.

Ms KRISTINA KENEALLY: Considering that his client's land was not rezoned, that is a fair comment.

Ms SYLVIA HALE: Yes, but from the department's admission it was open to Mr Medich to pursue that matter if he so decided.

Ms KRISTINA KENEALLY: As I indicated, it was part of the announcement on 12 August that there is a process in place whereby landowners adjacent to the Western Sydney Employment Area could seek to have their land rezoned, but they would have to meet the hurdles of it being at no cost to government and the relevant environmental considerations.

Ms SYLVIA HALE: You have said that you do not receive any reports as to meetings between departmental staff and proponents of developments. Do you receive regular reports of discussions between your own staff and development proponents about specific planning issues?

Ms KRISTINA KENEALLY: Yes, I regularly speak with my staff about that. I might observe that it would not be common for my staff to meet with a proponent without me also present. I do not often meet with proponents, but when I do it is with departmental officers and my staff present.

Ms SYLVIA HALE: What is the procedure? Say a member of your staff has had a meeting with the proponent of a development, what procedure is in place for your staff to report that to you?

Ms KRISTINA KENEALLY: We have a system in our office whereby the deputy chief of staff requires the other policy advisers to provide advice to him on meetings that they have undertaken and the

contact that they have had, not just with proponents but, indeed, with stakeholder groups. We are very keen that we maintain regular contact with stakeholder groups. They discuss with the deputy chief of staff, and also with the chief of staff, the content of those meetings—again not just with the proponents but also with stakeholder groups, local government, community action groups, and the like.

Ms SYLVIA HALE: How soon after they have had the approach do they inform you of that approach?

Ms KRISTINA KENEALLY: We have weekly staff meetings in our office.

Ms SYLVIA HALE: Would it be possible, since you do it only once a week, for a member of staff to forget or to neglect to tell you about a meeting with a proponent?

Ms KRISTINA KENEALLY: You obviously have never met my deputy chief of staff.

Ms SYLVIA HALE: No doubt. Could you answer the question?

Ms KRISTINA KENEALLY: No. We run a fairly tight ship, Ms Hale.

Ms SYLVIA HALE: You are not aware—I do not suppose that you would be—of any occasion when a member of staff has failed to inform your deputy chief of staff, your chief of staff, or you of a meeting and you have subsequently become aware of that?

Ms KRISTINA KENEALLY: No.

Ms SYLVIA HALE: What Australian Labor Party fund-raising events have you attended since you were appointed Minister?

Ms KRISTINA KENEALLY: I have not attended any Australian Labor Party fund-raising events in the form of dinners or the like. I have attended one Business Dialogue event.

Ms SYLVIA HALE: What was your role at the Business Dialogue event?

Ms KRISTINA KENEALLY: I was the speaker.

Ms SYLVIA HALE: How long was the duration of the event?

Ms KRISTINA KENEALLY: Approximately one hour.

Ms SYLVIA HALE: After that did you talk to the people who were there?

Ms KRISTINA KENEALLY: Of course, Ms Hale, I am a very polite person.

Ms SYLVIA HALE: Did any of the people at that function ever indicate to you that they had a particular interest in any specific project?

Ms KRISTINA KENEALLY: No. In fact, one of the ground rules for the function that I attended was that it not be a discussion of specific proposals. It was a discussion on general planning policy. It was a speech and a function very similar to those that I attend for stakeholders groups, whether it is the Urban Development Institute of Australia [UDIA], the Property Council of Australia, the Urban Task Force, the Planning Institute of Australia, or the Housing Industry Association. I would be more than happy to do such a function for the Greens if they invited me.

Ms SYLVIA HALE: No. I think you have given us a role call of the major development influences in this State rather than of the community. We heard previous evidence from Mr Medich that—

Ms KRISTINA KENEALLY: I have also attended the Local Government and Shires Associations, Ms Hale.

Ms SYLVIA HALE: We heard evidence earlier today from Mr Medich about his attendance at a similar business function where he paid \$15,000 for the privilege. You said that, in your capacity as Minister,

you turned up and simply gave a speech, said hello to people and did not talk about specific proposals. Why on earth would people give \$15,000? Are people at these functions told anything by you that is not made publicly available elsewhere?

The Hon. MICK VEITCH: An outstanding speech!

Ms KRISTINA KENEALLY: No.

Ms SYLVIA HALE: They would pay \$15,000 solely for the pleasure of hearing you speak about policy that is publicly available?

Ms KRISTINA KENEALLY: I would suggest, Ms Hale, that people make political donations because they support the policies of that political party, or they join a group such as Business Dialogue because they support the policies of that party and they want to hear about how those policies are being developed.

Ms SYLVIA HALE: Minister, would you be surprised if I suggested to you that that was not the common perception as to why people attended these Business Dialogue functions?

Ms KRISTINA KENEALLY: I know it is not a common perception amongst members of the Greens.

Ms SYLVIA HALE: I suggest that you ask members of the wider community to find out how common that perception is.

Ms KRISTINA KENEALLY: Thank you, Ms Hale. I take that under advisement.

The Hon. KAYEE GRIFFIN: Minister, could you outline to the Committee your view of the appropriate relationship between the Minister and the director general?

Ms KRISTINA KENEALLY: Thank you, Ms Griffin, I would be more than happy to do that. In the Westminster system of government the director general and the department have to be able provide the Minister and the Government with full and frank advice. I think the phrase is "fearless and frank advice." In particular, in the Planning portfolio and under the Environmental Planning and Assessment Act, the department is required to undertake certain forms of consultation when considering the merits of a planning proposal, be that a major projects proposal, a rezoning proposal, or when it is considering long-term strategies such as regional strategies and subregional strategies. The department and the director general need to be able to put that information out in the community publicly for consultation.

I might note that in the past 12 months we have had some 9,800 submissions from the public to major projects that have been on public exhibition. Public consultation needs to be undertaken in relation to those proposals. Consultation needs to be undertaken with relevant State agencies and, where appropriate, with the Commonwealth and local governments. The department needs to be able to collate that information to make its own judgements about it. In the major projects system and, in particular, under part 3A, it goes back to the proponent. Often it goes back to the proponent and it presents the issues that have been raised in consultation. It requires the proponent to respond to those issues. When the proponent does that the department then needs to make its own judgement about the appropriateness of that response and it must be able to provide advice to the Minister and to the Government of the day on the merits of the proposal.

It would be interference—and I believe political interference—if a Minister, be it in this portfolio or in any other portfolio, were to demand from the director general a list of the meetings, to request or to specify individuals with whom the director general could or could not meet, or to require the director general to furnish notes of those meetings regularly. For example, I think it would be grossly inappropriate for a Minister of one political party, for example, to require a director general to provide notes of meetings that the director general might have had with the political party of members of the Opposition. That would also be political interference. At the end of the day the director general is the person who prepares the director general's report to the Minister that canvases issues relating to any particular planning proposal, and they are then put forward to the Government.

As a Minister—and specifically as the Minister for Planning—I meet weekly with the director general and with the Department of Planning. We meet to discuss matters of policy; we meet to discuss the progress of proposals; and we meet to discuss other matters. For example, whilst it is inappropriate for me, as a Minister, to

direct the director general as to who he should or should not meet with, it is appropriate for me as a Minister to ensure that the director general has implemented government policy, for example, the lobbyist code of conduct and the register.

I might note that I undertake this regular meeting approach not just with the Director General of Planning but also with the Chief Executive Officer of the Sydney Harbour Foreshore Authority, the Chief Executive Officer of the Redfern-Waterloo Authority, and the Chief Executive Officer of the Barangaroo Delivery Authority. I meet with those chief executive officers regularly, usually on a fortnightly basis. Given that Planning is such a substantial part of my portfolio responsibilities, I meet with the director general weekly. Where appropriate, the director general may bring another deputy director general along with him if a specific matter needs to be canvassed.

In that way I, as the Minister, am continually updated, in particular, on contentious matters or on matters of important policy, for example, the Western Sydney Employment Area, State Environmental Planning Policy, or the Affordable Rental Housing State Environmental Planning Policy. Those were proposals that I discussed with the department and the director general as they evolved in the process. It would not be uncommon for the department to update me on issues that were emerging relating to specific proposals, in particular, those that are labelled controversial or of extreme interest to the community. In that way, when a proposal comes before me, I am aware of the issues that are presented along the way. I am confident that the department has canvassed the matters that it is required to canvas under the Act and I then make a judgement, as the Minister, on the proposal that it puts before me.

The Hon. KAYEE GRIFFIN: Are you aware of the views of other organisations and individuals in relation to the release of western Sydney employment lands?

Ms KRISTINA KENEALLY: Yes, I am. The need for employment land in western Sydney was first identified by the Greiner Government in 1988. It was part of its plan for the third century of Sydney, as I believe its report called it. Land was later identified by the then National Party planning Minister, Robert Webster, in the early 1990s as potential employment land for Sydney's growing population. It was further identified in 2005 in the metropolitan strategy and then again in 2007, identified as the western Sydney employment lands investigation area. Over that period there have been calls from various people in the community that we needed to actively work to rezone land in western Sydney for employment purposes. Those have come from groups such as the Property Council of Australia, the Urban Taskforce and, indeed, from the New South Wales Opposition, which has said that promoting land to be developed for job opportunities is what government should be doing. On 12 August Brad Hazzard identified in a press release that western Sydney is the third-biggest population centre in Australia after Sydney and Melbourne, and that jobs are desperately needed.

It has been the case that the Government, since 1988, has identified this land, has worked with landowners, has worked with employment groups, has worked with the property sector and has undertaken a range of studies on the ability of this land to deliver much-needed employment, generating development. What we announced on 12 August is a western Sydney employment area. That area is 826 hectares located at the intersection of the M7 and the M4. It comprises the western Sydney employment hub, which the Government had previously identified, and added to it the 826 hectares of land in the Ropes Creek precinct and the south of the Warragamba pipeline precinct.

This announcement has been welcomed by some of those groups I have just mentioned, the Property Council and the Urban Taskforce. It has been welcomed by local groups such as the Penrith Valley Chamber of Commerce, which also applauded the Government's decision to release this land. I note there are continuing calls from the property sector that we rezone more land for employment purposes, but we have identified that other lands within the new western Sydney employment lands investigation area outside the western Sydney employment hub and stage two, the Ropes Creek precinct and the south of the Warragamba pipeline precinct, present significant infrastructure constraints, and they need to be resolved before we can proceed to rezone that land.

The Hon. GREG PEARCE: I think you were appointed over a year ago. Can you tell us, when were you first briefed on the western employment lands?

Ms KRISTINA KENEALLY: I would need to check my diary on that, but I believe it was part of one of those regular meetings I held with the director general. From memory, Mr Johnston also attended the briefing and provided it. I would need to check my diary, but I believe it was early 2009.

The Hon. GREG PEARCE: Would you have kept any notes of that briefing?

Ms KRISTINA KENEALLY: I would need to check. I had staff present at that meeting.

The Hon. GREG PEARCE: Would you take that on notice, then?

Ms KRISTINA KENEALLY: I would, of course, Mr Pearce.

The Hon. GREG PEARCE: Were their subsequent briefings on the western employment lands?

Ms KRISTINA KENEALLY: Yes, there were.

The Hon. GREG PEARCE: There would have been notes kept of those. Would you be able to provide those to the Committee as well?

Ms KRISTINA KENEALLY: Indeed, I can advise you my office will comply fully with the call for papers from the upper House.

The Hon. GREG PEARCE: You would have seen the department's submission to this inquiry?

Ms KRISTINA KENEALLY: I did see it, yes. It is online.

The Hon. GREG PEARCE: You probably have a copy with you. Could you outline to us the basis for the staging of the western Sydney employment lands that formed part of that decision?

Ms KRISTINA KENEALLY: Sure. As I just outlined in my answer to the Hon. Kayee Griffin, the western Sydney employment area comprises some 2,200 hectares of land. That includes the western Sydney employment hub, which is about 1,400 hectares of land. If you have been to that area—and I am not sure if you have—you will know—

The Hon. GREG PEARCE: Yes, we have. The Committee took a trip out there.

Ms KRISTINA KENEALLY: I know the Committee took a trip to Badgerys Creek. I am not sure that the Committee took a trip to the western Sydney employment area.

The Hon. GREG PEARCE: Yes, we did.

Ms KRISTINA KENEALLY: So you have seen it, the hub, what was previously known as the western Sydney employment hub. Much of that has already been rezoned as industrial and there is development occurring. Businesses are operating on that land at the moment. What we have done is added 826 hectares, which is the Ropes Creek precinct, which comes down in the middle between the Erskine Park lands—forgive me, I do not have a map in front of me—and the land just immediately to the east of the Ropes Creek precinct. It also adds in that southern portion south of the Warragamba pipeline. We have added that because the Government also provided funding in that announcement western Sydney employment lands area, we also provided funding for the east-west section of the Erskine Park link road. That link road will unlock the potential of the Ropes Creek precinct and the south of the Warragamba pipeline precinct. So, we expect with the funding of that infrastructure project we will see that land able to come forward and be developed quite quickly because that was the major infrastructure constraint holding up that land.

The Hon. GREG PEARCE: Stage three?

Ms KRISTINA KENEALLY: I am getting to that. It is important for the Committee, I believe, to understand these issues. We also had in those stage two lands a number of requests for director general's requirements or, indeed, people letting us know that they were looking to lodge part 3A applications. What we wanted to do with the State environmental planning policy was provide a consistent zoning, set aside land for conservation—there are from memory, some 268 hectares of land set aside for conservation—and we also wanted to provide a consistent charge for infrastructure. So, also, as part of an announcement on 12 August we announced there would be a \$180,000 per hectare State infrastructure charge. So, the advantage of the western Sydney employment land area State environment planning policy is that we unlock the potential of those lands

adjacent to where development has already occurred; we fund the major piece of infrastructure that is required to unlock the potential of that land, and we set a consistent charge for infrastructure that will be required into the future.

When you come to stage three, stage three is not physically contiguous with those precincts and, therefore, is not able to build on the infrastructure that is either already in place or will come into place as that south of Warragamba pipeline precinct is developed. So, one, it is not contiguous, it cannot rely on that infrastructure in that area. Secondly, it does have infrastructure constraints, particularly around water, sewerage and road and transport, and, lastly, it is adjacent to the Badgerys Creek airport site. We need to consider the potential of that land, given that the Commonwealth has made public statements that it does not intend to proceed with an airport on that site, but until it has made the changes it needs to make to remove the restriction on that site, it somewhat constrains the future of that land.

There is also the fact that that land is contiguous with the northern part of the south-western growth centre. We have not yet released those precincts that are contiguous with that land in stage three. So, effectively, that land that the Badgerys Creek land is part of is just one part of a much bigger group of lands that have been identified, again since 1988, as potential for employment purposes. That land comes with constraints around infrastructure, it comes with constraints relating to its relationship between—

Ms SYLVIA HALE: Madam Chair, I do not wish to be rude, but a lot of this information is contained in the department's submission. Would you mind if we moved on to ask the Minister some questions?

Ms KRISTINA KENEALLY: I am more than happy to.

Ms SYLVIA HALE: Thank you.

Ms KRISTINA KENEALLY: Mr Pearce seemed to suggest that I was not on top of my portfolio and I thought he might enjoy the opportunity for me to give that information.

The Hon. GREG PEARCE: No, I simply suggested that you did not have any qualifications or experience.

Ms KRISTINA KENEALLY: And what are your qualifications?

The Hon. GREG PEARCE: I will go through them in great detail.

Ms SYLVIA HALE: One of the fundraising events that the Medich group attended and at which it donated \$12,000 was the re-elect Frank Sartor dinner in February 2006. Did you attend that dinner?

Ms KRISTINA KENEALLY: I would have to check my diary, Ms Hale. I cannot recall.

Ms SYLVIA HALE: Would you take that on notice and get back to the Committee?

Ms KRISTINA KENEALLY: I would be happy to.

Ms SYLVIA HALE: I note from the donations return for the 2007 State election that your campaign received about \$20,000 in donations from Mr Sartor's campaign, the former Minister for Planning. I note also that your campaign in turn made donations to other Labor candidates, including Carmel Tebbut and Verity Firth. Can you explain to the Committee who made those decisions about receiving and distributing donations?

Ms KRISTINA KENEALLY: Yes, Ms Hale, I would be happy to. Mr Sartor did donate money to my campaign. And to answer Mr Pearce's earlier question about why Mr Tripodi donated to my campaign, it is because they supported my candidacy. Mr Sartor did donate money to my campaign. It is not unusual that members often raise more money than they can spend in their own campaigns. He donated money to my campaign. It turned out that I did not require money for my campaign budget and so I was able to provide funds to members in other seats.

Ms SYLVIA HALE: So that was a decision made solely by you?

Ms KRISTINA KENEALLY: Indeed.

Ms SYLVIA HALE: Not in conjunction with any other person? You did not take any advice from any other individual?

Ms KRISTINA KENEALLY: No, Ms Hale.

Ms SYLVIA HALE: Not even Ms Tebbutt and Ms Firth as to whether they needed the money?

Ms KRISTINA KENEALLY: From memory, I was invited to two events that those two candidates were hosting and I attended those events.

The Hon. AMANDA FAZIO: Minister, to the best of your knowledge were there any opponents to the proposal concerning the former CSIRO land at Badgerys Creek?

Ms KRISTINA KENEALLY: No. I am not aware of any. Can I just also clarify, in all of my discussions regarding the western Sydney employment land I never discussed any specific block of land or any specific landowner, and I did provide that evidence also at the budget estimates hearing.

The Hon. AMANDA FAZIO: Part 1 (e) of the terms of reference for this inquiry state:

e. legislative reforms to enhance the integrity of, and public confidence in, the planning and development assessment system

Do you have any constructive suggestions for this Committee in that regard?

Ms KRISTINA KENEALLY: Thank you, Ms Fazio. I might encourage the Committee to have a very good look at the changes in the planning system over the past 12 months, particularly in relation to the Planning Assessment Commission [PAC] and the Joint Regional Planning Panels, both of which are bodies that depoliticise planning decisions. That is, in the case of the PAC, I as the Minister have delegated my decision-making authority to the PAC in cases where a proponent has a declared political donation. How do we know if a proponent has a declared political donation? Thanks to laws introduced by the Government that came into effect on 1 October, proponents of planning proposals are now required to declare any political donation made in the two years previous by anyone with a financial interest in the project. So, we are able to know that. In order to depoliticise the planning determination process I have delegated my decision-making authority in those cases to the Planning Assessment Commission.

The Joint Regional Planning Panels are panels that determine applications between \$10 million and \$100 million. Given that level of authority that they have, they in fact will be deciding projects that either would have previously come to the Minister or the local council. The bottom threshold of \$10 million in fact was one that was recommended by ICAC in its report on Wollongong City Council. That is a recommendation the Government has implemented for the Joint Regional Planning Panels, which, again, are bodies of experts, made up of people appointed by both the State Government and Local Government who depoliticise planning decisions. I might note that in my time as planning Minister I have made some decisions on how I would behave in the portfolio. That includes not attending political fundraisers. That includes at the bottom of my press releases, which announce Government decisions, whether they are made by me or by the PAC, the Planning Assessment Commission, a statement about political donations and we direct the reader at the bottom of that to the Electoral Funding Authority's website, and we note when a proponent has made a political donation.

I have also instituted a monthly media release, which provides updates on major projects approvals given by this Government and breaks them down in terms of whether they were done under part 3A, part 4 or part 5, whether they were modifications or project assessments, and whether they were determined by me, by the department or the Planning Assessment Commission. These are all measures designed to increase transparency in the system. This Government has a goal of creating the country's best planning system. One where decisions are transparent, where they are efficient, where they provide certainty and where they are made at the most appropriate level. So, everything we do is focussed towards that. There have been significant changes in the planning system in the past 12 months. They, of course, were started by my predecessor Frank Sartor as part of the legislative changes he brought in in 2008. We are getting on and implementing those, as I have just outlined, in continuing that process of improvement.

CHAIR: Minister, that brings us to the conclusion of this part of the hearing. Thank you for your assistance today.

Ms KRISTINA KENEALLY: Thank you Madam Chair. And thank you to the other Committee members.

(The witness withdrew)

RONALD EDWARD MEDICH, Director, Ron Medich Properties Pty Ltd, sworn and examined:

CHAIR: Have you a brief opening statement you would like to make?

Mr Ron MEDICH: No, I have not.

CHAIR: We will proceed straight to questions.

The Hon. TREVOR KHAN: Mr Medich, could I ask you just a couple of basic questions first. With regards to the Badgerys Creek land, it is the case, is it not, that that land that is owned by you and your brother is owned through two companies, is that right?

Mr Ron MEDICH: That is correct.

The Hon. TREVOR KHAN: One is Ron Medich Pty Ltd?

Mr Ron MEDICH: No, no. Ron Medich Properties Pty Ltd as trustee of a family trust.

The Hon. TREVOR KHAN: And Roy Medich Properties Pty Ltd?

Mr Ron MEDICH: That is correct.

The Hon. TREVOR KHAN: You own it jointly?

Mr Ron MEDICH: That is correct.

The Hon. TREVOR KHAN: The two companies own it jointly, is that right?

Mr Ron MEDICH: Yes, 50:50, that is right.

The Hon. TREVOR KHAN: The company Medich Property Holdings does not hold an interest in the land, would that be right?

Mr Ron MEDICH: That is correct.

The Hon. TREVOR KHAN: It would be wrong to describe any representations that are made by anyone in respect of that land as being on behalf of Medich Property Holdings?

Mr Ron MEDICH: Well, that is probably true.

The Hon. TREVOR KHAN: Because Medich Property Holdings does not have an interest in the land.

Mr Ron MEDICH: That is just the group, the thing that we call our companies combined, you know.

The Hon. TREVOR KHAN: Is that right?

Mr Ron MEDICH: Yes.

The Hon. TREVOR KHAN: Is not Medich Property Holdings a company?

Mr Ron MEDICH: It is not a company that I use, anyway.

The Hon. TREVOR KHAN: It is a company that your brother uses?

Mr Ron MEDICH: Probably, yes.

The Hon. TREVOR KHAN: Probably? It is, is it not? Medich Property Holdings is a property of your brother's.

Mr Ron MEDICH: I think so.

The Hon. TREVOR KHAN: With regard to Mr Richardson, do you retain Mr Richardson yourself to undertake any lobbying on your behalf?

Mr Ron MEDICH: No.

The Hon. TREVOR KHAN: Do I take it that he is retained, as best as you know, by the two companies to undertake lobbying work with respect to the Badgerys Creek land?

Mr Ron MEDICH: Yes, that is true.

The Hon. TREVOR KHAN: Is it the case that Mr Richardson was one of a number of lobbyists that the company retained, or the companies retained?

Mr Ron MEDICH: No, no. That is not correct. We have never used a lobbyist before in our life.

The Hon. TREVOR KHAN: I will use the term more loosely: Planning Workshop Australia is a company that you use with regards to the Badgerys Creek land.

Mr Ron MEDICH: That is correct.

The Hon. TREVOR KHAN: They provide a variety of services, both of a specialist nature relating to planning, but they also, do they not, provide assistance with regard to government relations?

Mr Ron MEDICH: Not to my knowledge.

The Hon. TREVOR KHAN: If you have a look at their website, that is one of their areas of expertise, is it not?

Mr Ron MEDICH: They liaise with the planning department. I do not think they do any lobbying with the politicians or anything like that.

The Hon. TREVOR KHAN: Do I take it in that regard that the Planning Workshop Australia's job was to liaise with the department, whereas Richo's job was to liaise with the pollies?

Mr Ron MEDICH: No, that is not correct. It is my understanding he was liaising with the department as well.

The Hon. TREVOR KHAN: You were paying Planning Workshop Australia a good deal of money, were you not, to do that liaising?

Mr Ron MEDICH: They were preparing reports and doing other things, and dealing with consultants as well.

The Hon. TREVOR KHAN: You were paying them a lot of money to liaise with the department, were you not?

Mr Ron MEDICH: One thing I am going to tell you is that my brother is the one that was actually dealing with this site. I did not deal with this site very often.

The Hon. TREVOR KHAN: When was Mr Richardson first retained to do work with regard to the Badgerys Creek land?

Mr Ron MEDICH: My brother retained him on behalf of the group. I will have to look at the chronology that we had to find that date for you.

The Hon. TREVOR KHAN: Have you got a chronology that you can assist us with?

Mr Ron MEDICH: I think we have, somewhere. I think it was in 2005 some time.

The Hon. TREVOR KHAN: You are aware he was being paid money?

Mr Ron MEDICH: Yes, I was because my brother paid it through the company.

The Hon. TREVOR KHAN: Through your two companies, I take it.

Mr Ron MEDICH: Yes, correct.

The Hon. TREVOR KHAN: Did you ever inquire what Mr Richardson was doing for the moneys that he was receiving?

Mr Ron MEDICH: Well, he was supposed to be lobbying, you know, and dealing with the planning department, and liaising to find out what is going on.

The Hon. TREVOR KHAN: I hear that you say he was "supposed to". Did you make any inquiries as to precisely who Mr Richardson was speaking with?

Mr Ron MEDICH: No, because my brother was handling that.

The Hon. TREVOR KHAN: I asked you earlier with regards to other lobbyists, and you made the point that you have not used anyone else. Have you used anyone else to assist in property transactions, putting aside real estate agents?

Mr Ron MEDICH: No. The only thing we have ever done is use consultants, you know, to do work like Planning Workshop, and architects, for instance.

The Hon. TREVOR KHAN: Have you approached Ministers from time to time with regards to various projects and the like that you are undertaking?

Mr Ron MEDICH: Never. On the CSIRO site, I have never spoken to one parliamentarian about it.

The Hon. TREVOR KHAN: Is it the case that during 2008, for instance, you had a series of luncheons, or lunches, or dinners, with Ian Macdonald?

Mr Ron MEDICH: With Ian Macdonald?

The Hon. TREVOR KHAN: Yes.

Mr Ron MEDICH: No. I did not have those lunches. I was in at the restaurant where he was having a lunch, and the restaurateur there, Mr Frank Moio, I said to him that I would not mind, you know, having a word with him because I had not met him before. There was a reason why I would have liked to have spoken to him, and he organised that I could go over to the table, which I did.

The Hon. TREVOR KHAN: And you just had a chat with him, did you?

Mr Ron MEDICH: Yes, I did because there was something I wanted to ask—a favour.

The Hon. TREVOR KHAN: What sort of favour were you asking Macka?

Mr Ron MEDICH: It was to do with a cancer treatment because he is the State Development Minister and would he put some funds in. I was asking that on behalf of Albert Wong and Neville Wran.

The Hon. TREVOR KHAN: Neville Wran is—

Mr Ron MEDICH: Because they were the ones that were raising funds for it. It is a company called Biosceptre.

The Hon. TREVOR KHAN: Neville Wran is a gentleman with whom you have been a fellow director. Is that the case?

Mr Ron MEDICH: Yes. We are over there in a company called the Tambour Group, which we— which I invested money in.

The Hon. TREVOR KHAN: What does that do?

Mr Ron MEDICH: These days it is involved with pizzas.

The Hon. TREVOR KHAN: Were there other directors involved in that group, apart from you and Neville Wran?

Mr Ron MEDICH: Yes. At one stage there was Michael McGurk and a couple of other people.

The Hon. TREVOR KHAN: Did Mr McGurk have particular expertise in that area?

Mr Ron MEDICH: No. There was some theft of some shares that belonged to me. You see, this is all part of court matters at the moment, so I cannot say too much about it. I have been well and truly had things stolen from me.

The Hon. TREVOR KHAN: If I could just move on, I take it that therefore you would deny a proposition that you have had a number of lunches with Ian Macdonald during 2008.

Mr Ron MEDICH: No, no. I had a second one where he actually called me over.

The Hon. TREVOR KHAN: Right.

Mr Ron MEDICH: We have a common interest in horseracing.

The Hon. TREVOR KHAN: Right.

Mr Ron MEDICH: Okay?

The Hon. TREVOR KHAN: Yep.

Mr Ron MEDICH: What actually happened was that he wanted me to speak to someone on the AJC committee that is a very close friend of mine.

The Hon. TREVOR KHAN: About a horse?

Mr Ron MEDICH: I beg your pardon?

The Hon. TREVOR KHAN: About a horse?

Mr Ron MEDICH: No. It was not to do with that at all. It was to do with the amalgamation of the two clubs, and this guy is one of the higher-ups at the moment who has been in the press quite a lot lately under this new regime that has come into the AJC. He was having a few problems with wanting to do this amalgamation, which the government wants to do, and he is a personal friend of mine and he actually asked me would I speak to him.

The Hon. TREVOR KHAN: So a Minister of the Crown of New South Wales is asking you to do him a favour with regards to an amalgamation of a racing club. Is that the general drift?

Mr Ron MEDICH: Yes. That is exactly what happened.

The Hon. TREVOR KHAN: Did you involve anyone else in those discussions, apart from yourself? For instance, was Neville Wran or anyone else involved?

Mr Ron MEDICH: No, definitely not. He was always there with some other people, in actual fact, and he let me sit down.

The Hon. TREVOR KHAN: So we are now up to two lunches with Macka. Have there been any others?

Mr Ron MEDICH: No, none that I am aware of.

The Hon. TREVOR KHAN: Well, you would remember if you have had lunch with a Minister of the Crown.

Mr Ron MEDICH: I have never had any lunches. They were only because I happened to be in that particular restaurant on those evenings.

The Hon. TREVOR KHAN: What was that restaurant, by the way?

Mr Ron MEDICH: It is the Tuscany restaurant in Leichhardt.

The Hon. TREVOR KHAN: The Tuscany restaurant in Leichhardt. Have there been other occasions when you have been in that restaurant? It is a common place you go to?

Mr Ron MEDICH: We built the shopping centre and my office is upstairs and that restaurant is down there. I put the tenants into the restaurant. And it is a very good restaurant, I might add.

The Hon. TREVOR KHAN: Do I take it that from time to time notable Labor figures attend there, at the Tuscany restaurant?

Mr Ron MEDICH: I have seen Liberal, Labor, you name it, attend there because it is a very popular restaurant and a very good one.

The Hon. TREVOR KHAN: I take it you agree with me that notable Labor figures attend there from time to time. Is that right?

Mr Ron MEDICH: As I just said, Labor, Liberal and others. I can give you the names of a couple of Liberals that are there too, if you like.

The Hon. TREVOR KHAN: That is excellent. Can I ask you this: Has there been an occasion when you have attended there and expressed a concern that bribes had been paid with regards to a property transaction?

Mr Ron MEDICH: Never.

The Hon. TREVOR KHAN: Never?

Mr Ron MEDICH: Never. That is rubbish.

Ms SYLVIA HALE: Mr Medich, you said that Graham Richardson was retained in 2005. Could you give me the exact date?

Mr Ron MEDICH: Hang on, I was just about to look that up. Let me see, where is it? I think it is July 2005.

Ms SYLVIA HALE: July 2005?

Mr Ron MEDICH: Yes.

Ms SYLVIA HALE: So it was after that occasion that on 9 September 2005 the group made a donation of \$11,500 to the Labor Party, and that was the first really significant donation to the Labor Party?

Mr Ron MEDICH: I am not sure because usually my brother handled that with our secretary.

Ms SYLVIA HALE: So you do not think it had anything to do with Cox Richardson preparing a submission to the Department of Planning over the rezoning of the Badgerys Creek site?

Mr Ron MEDICH: Definitely not.

Ms SYLVIA HALE: No connection whatsoever?

Mr Ron MEDICH: None whatsoever.

Ms SYLVIA HALE: Can you account for the sudden enthusiasm for the Labor Party from September 2005 onwards, or very significant enthusiasm in excess of \$218,000? There seems to be much more enthusiastic support after that date than prior to it. Do you have any explanation for that?

Mr Ron MEDICH: No, I do not, and in actual fact some of those donations would be auctions and different things that happened. We declared anything that was spent at the functions.

Ms SYLVIA HALE: Yes, but ultimately it went to the Labor Party?

Mr Ron MEDICH: Yes.

Ms SYLVIA HALE: Including attendance at dinners, functions, business dialogues and whatever?

Mr Ron MEDICH: I find that they are very good networking places, to meet other people.

Ms SYLVIA HALE: What do you mean by "networking"? What does networking allow you to do?

Mr Ron MEDICH: Well, you meet other property developers, bankers—all sorts of people.

Ms SYLVIA HALE: What about Cabinet Ministers or members of Parliament?

Mr Ron MEDICH: On the odd occasion you might have one on your table, but I have never ever heard any business ever discussed at any one of them.

Ms SYLVIA HALE: For example, when you were attending the "Re-elect Frank Sartor" dinner, which I understand cost your group \$12,000, were you at Mr Sartor's table?

Mr Ron MEDICH: I do not think I was at that one. When the company donates to them, we do not always go to all of them anyway. We might send representatives or friends to go to them.

Ms SYLVIA HALE: I think your brother was suggesting that he had been to all of them, but you are saying—

Mr Ron MEDICH: No, I did not go to all of them.

Ms SYLVIA HALE: I want to ask you a question to clear the record, if I may? Did you have any involvement in the murder of Michael McGurk?

Mr Ron MEDICH: You've got to be joking. You're a shocker.

The Hon. AMANDA FAZIO: That is an entirely inappropriate question.

Mr Ron MEDICH: That is a disgrace.

Ms SYLVIA HALE: This is your opportunity to put it on the record.

CHAIR: Order! I am going to rule that question out of order.

Mr Ron MEDICH: I think this is a bloody disgrace.

Ms SYLVIA HALE: What is your relationship with Mr Lucky Gattellari?

Mr Ron MEDICH: I have known him for 40 years. He comes from Cabramatta, where I come from.

The Hon. AMANDA FAZIO: He used to run the fruit shop opposite the railway station.

Mr Ron MEDICH: The fruit shop—

Ms SYLVIA HALE: Is Mr Lucky Gattellari the brother of Rocky Gattellari?

Mr Ron MEDICH: He is.

Ms SYLVIA HALE: Have you employed him?

Mr Ron MEDICH: Pardon?

Ms SYLVIA HALE: Do you employ him at all in any capacity?

Mr Ron MEDICH: We have some electrical companies that I put money into.

Ms SYLVIA HALE: So does he provide any security services for you?

Mr Ron MEDICH: No, there are no security services. These are proper electrical companies around Australia. They would have gone into administration, but we have saved the jobs of the people through friends that he brought to me and I have lent money to them.

Ms SYLVIA HALE: So you are saying that any suggestion that he provides bodyguard services for you is false?

Mr Ron MEDICH: That is totally false.

Ms SYLVIA HALE: When you were talking about electrical companies, are those companies some of the Medich group of companies of which he is a director?

Mr Ron MEDICH: These are companies that he is a director of, but I am the shareholder of all the companies and I lent the money to the companies.

Ms SYLVIA HALE: But he is a director of those companies?

Mr Ron MEDICH: Yes, he is.

Ms SYLVIA HALE: And you are the shareholder?

Mr Ron MEDICH: Yes.

Ms SYLVIA HALE: Could you provide the Committee with the names of those companies?

Mr Ron MEDICH: I cannot really, there are about eight of them.

Ms SYLVIA HALE: But take it on notice?

Mr Ron MEDICH: Take it on notice; we can do that.

Ms SYLVIA HALE: Did you mention to Mr Gattellari at any stage the tape that Mr McGurk had played to Mr Richardson?

Mr Ron MEDICH: That played for Mr Richardson?

Ms SYLVIA HALE: The tape that has been the subject of much comment in the media?

Mr Ron MEDICH: He knows about it because it has been in the media and everywhere.

Ms SYLVIA HALE: Did you mention the tape to him?

Mr Ron MEDICH: I cannot recall that I did.

Ms SYLVIA HALE: You presumably spoke to Mr Richardson about the contents of the tape?

Mr Ron MEDICH: No, someone else rang my brother to tell him about it. Graham Richardson rang him because Richie Vereker, a guy, brought that to the attention—

Ms SYLVIA HALE: Did you ever discuss Mr McGurk with Mr Gattellari?

Mr Ron MEDICH: Not really.

Ms SYLVIA HALE: You have never had any cause to mention any problems you may have had with Mr McGurk?

Mr Ron MEDICH: He knew about it, because he can read the press and everything else.

Ms SYLVIA HALE: Apart from what he has been able to read in the media or hear on the television, you have never had any specific discussions with him about Mr McGurk?

Mr Ron MEDICH: No, definitely not.

Ms SYLVIA HALE: So you would never have asked Mr Gattellari to take any action in relation to the McGurk tape or given any indication to him that you would like some action taken?

Mr Ron MEDICH: Definitely not.

Ms SYLVIA HALE: Thank you.

Mr Ron MEDICH: This is a ridiculous line of questioning.

Ms SYLVIA HALE: Did you ask Mr Gattellari to speak to or in any other way contact Mr McGurk?

Mr Ron MEDICH: Definitely not.

Ms SYLVIA HALE: Did you ever have the opportunity to listen to the sound recording that Michael McGurk made that featured yourself and him having a discussion?

Mr Ron MEDICH: No, never heard it and I don't want to hear it because it is a load of crap.

Ms SYLVIA HALE: Do you know the names of the public servants who are supposedly allegedly mentioned on that tape?

Mr Ron MEDICH: What, there is more than one?

Ms SYLVIA HALE: Well, one or any more?

Mr Ron MEDICH: There is only one that I have been told about, and that is Mr Sam Haddad.

Ms SYLVIA HALE: No other suggestions of any other person?

Mr Ron MEDICH: I actually know when he took that tape and he took it illegally at a time when we were talking about all this money he defrauded from me.

Ms SYLVIA HALE: Could you tell the Committee when that conversation was recorded?

Mr Ron MEDICH: No, I can't, because I did not keep a date, I do not keep a diary, but I remember it was in the boardroom of a solicitor—it was just him and me—called Rob Hugh.

Ms SYLVIA HALE: Was it six months ago, 12 months ago?

Mr Ron MEDICH: I could not tell you. It was some time ago, and what actually happened, he had a pad in front of him and he said, "Do you mind if I record this?" We were about to go into these issues where he has stolen my money and so the reason he said, "Do you mind if I record this", and I am thinking he is going to write it down on a piece of paper, was because he wanted to record. He pressed the button on a tape recorder.

Ms SYLVIA HALE: You saw him press the button on that tape recorder?

Mr Ron MEDICH: No, I did not see anything. I did not think he was recording anything.

Ms SYLVIA HALE: So you only became aware after the event that he actually—

Mr Ron MEDICH: Well, one day I was told, because the reason I was there at that meeting was to go through these issues. I want my money back, and this is all part of the legal action that is going on at the present time. So in actual fact he has already stolen the money. Like in the press it says it is fraud and blackmail, et cetera. Now I got a call from a solicitor to go to a solicitor's office, and luckily one of my solicitor friends was there, and he wanted me to come to the office and said, "Now listen, if you don't forget about this case and drop all these proceedings, what I'm going to do, I'm going to go to the tax department, I'm going to say that I've got evidence on a tape, you know, that is going to bring the Government down"—all these types of things. "I'm going to say that you blabbed all around town you've got political connections and things like that", and that is what actually happened. So you know what I did? I went to the police because I knew that I hadn't said anything and I hadn't any dealings with anybody.

Ms SYLVIA HALE: So when did you become aware that this tape was in existence? Was it when Mr McGurk referred to having made the tape?

Mr Ron MEDICH: No, I only found out about this when apparently Richie Vereker told Graham Richardson and he said, "You'd better go and tell Roy because Ron's obviously not fallen for this business of the tape", because as I said I was going to report it to the police, so he went to Roy.

Ms SYLVIA HALE: And he told—?

Mr Ron MEDICH: And told him, so Roy said to him, "Well, you'd better go and listen to the tape", which apparently was organised by Richie Vereker at the bowlers' club in Sydney.

Ms SYLVIA HALE: Did you try to go and listen to the tape?

Mr Ron MEDICH: I didn't want to listen to it because I knew it was bullshit.

Ms SYLVIA HALE: So do you know anyone else apart from Graham Richardson who listened to the tape?

Mr Ron MEDICH: No, and I do believe there are other people involved in this extortion besides Michael McGurk.

The Hon. MICHAEL VEITCH: It was reported in the media that Mr Richardson was on a \$25,000 retainer but we have heard today it was actually \$5,000?

Mr Ron MEDICH: It was only \$5,000 plus GST, to my knowledge.

The Hon. MICHAEL VEITCH: So it was not \$25,000?

Mr Ron MEDICH: That I think is a figment of Michael McGurk's imagination.

The Hon. AMANDA FAZIO: Can I clarify with you your business relationship with Lucky Gattellari because I think some of the questions that were asked were trying to paint him—

Mr Ron MEDICH: The only relationship I have with Lucky Gattellari is that he came to me looking for funds for these companies, for friends of his that got into trouble. The company is a major electrical contracting company called Rivercorp. They had about 300 employees. It was actually going into administration

and into a DOCA [deed of company arrangement]. If I did not put in the funds the company would have gone under. They were friends of his. So we took some security and different things, and I have risked my money to put into these companies. We have acquired other companies in a similar vein right around Australia. We have about seven or eight companies. What we are doing is trying to make these companies profitable.

The Hon. AMANDA FAZIO: So you own shares in these companies?

Mr Ron MEDICH: I have all the shares at the moment and I am taking mortgages over the loans I have put into these companies.

The Hon. AMANDA FAZIO: Apart from having grown up in Cabramatta with Mr Gattellari, you have no other—

Mr Ron MEDICH: He had an involvement with us when we had the Macquarie Function Centre at Liverpool; he was our tenant. I also helped him when he went to the Eling Forest Winery at Sutton Forest. I have known Lucky for many years. I also knew Rocky and I knew his father, who is dead, Mr Gattellari, who used to play bowls with my father at the Croatian Club at Edensor Park. We know the Gattellaris, Frank, his brothers, the whole lot of them, if anyone needs to know that.

The Hon. AMANDA FAZIO: In relation to the land at Badgerys Creek, you said your brother dealt with most of the dealings.

Mr Ron MEDICH: He did a lot of the dealings. When the Badgerys Creek Consortium was formed I went to the meetings. My brother used to fill me in on what was happening. He was also dealing with the other property, the Lowes Creek property. Boral is the holder of the bulk of the lands. He lives out in the area and he was attending the meetings. My brother handled most of those things.

The Hon. AMANDA FAZIO: To the best of your understanding that was just being dealt with in the normal way in which you would deal with a property proposal like that?

Mr Ron MEDICH: One hundred per cent. The only way you can deal with this particular property is to use consultants. We have spent a lot of money on this; we have spent a couple of million dollars just to get to the stage we are at now, providing studies to the Planning Department and everything else, to prove the case. This land was identified many years ago. We bought it as a strategic site.

The Hon. AMANDA FAZIO: Would you consider your purchase of the site speculative? You thought you could make money if it was rezoned and if it was not you would hang onto it?

Mr Ron MEDICH: It was in those days. Even when we easily won the expressions of interest it still took quite a while because they were running around trying to get a better price for it and they could not. It was speculative in those days. You did not know whether there was an airport going out there or what was going to happen, but we were happy to own that parcel of land. We thought it was a nice parcel of land. We have run cattle before, we have run farms.

The Hon. AMANDA FAZIO: Is that what you are doing with the land at the moment?

Mr Ron MEDICH: We have tenants out there but at one stage cattle were on it.

The Hon. AMANDA FAZIO: Can I go back to the issue of the Tuscany Restaurant? A lot has been made in the media about the fact that you dare occasionally to dine at a restaurant below your office.

Mr Ron MEDICH: What is wrong with that?

The Hon. AMANDA FAZIO: That is what I was going to ask you.

Mr Ron MEDICH: Why would I run 10 kilometres away when we can go downstairs, have our lunch and go back upstairs to continue working? By the way, Frank Moio is a very well-known restaurateur who used to have Botticelli in Double Bay for about 10 years. He came back to Leichhardt and was at Dante's in the Italian Forum and we were the ones who induced him to come up to Tuscany, because he is a very good

restaurateur who provides very good food. There are a lot of Labor people in the area and it does not surprise me that a lot of Labor people and Liberal people—we have entertained them in Leichhardt.

The Hon. AMANDA FAZIO: In relation to the need to employ consultants or lobbyists, do you just regard that as being part of the normal business process?

Mr Ron MEDICH: As I have just said today, I have never employed one in my life. My brother decided to employ Graham Richardson for these two projects and I do not know whether he did anything for him in any other capacity. The only way this property can be dealt with is by using proper consultants and working with the Planning Department. These lands have been identified and the studies were there, if you look at the chronology.

The Hon. MICHAEL VEITCH: Do you and your brother have two separate companies?

Mr Ron MEDICH: Yes.

The Hon. MICHAEL VEITCH: Is that how the CSIRO site is being dealt with?

Mr Ron MEDICH: Yes, my family owns 50 per cent of the property and his family owns 50 per cent. Those companies are trustee companies for family trusts.

The Hon. MICHAEL VEITCH: How long have you operated like that? Was it just for this site?

Mr Ron MEDICH: No, we have had other companies, straight companies. It just depends on the situation. We want to include our children in the trusts so that is why we bought them that way. We saw this as a long-term project.

The Hon. AMANDA FAZIO: Can I ask you about political donations?

Mr Ron MEDICH: Yes.

The Hon. AMANDA FAZIO: Again, some of the lines of questioning make much of the fact that your companies have donated more to the Labor Party than to the Liberal Party. Earlier today your brother said he was a member of the Labor Party's Business Dialogue and that even though the Liberal Party had a similar group they had not bothered to invite him to join that. Do you regard making political donations as either part of business life or as part of—

Mr Ron MEDICH: I think it is part of business life. Honestly, say the Liberals were in in two years time, or whatever, and suddenly from head office I get an invitation to go, because the Liberals have the same type ones. I probably would go to them as well.

The Hon. AMANDA FAZIO: But you go to those with no particular expectation—

Mr Ron MEDICH: There is no expectation by going to them. Do you mean to tell me that if they send you that, you do not go? I actually enjoy going to them because, as I said, you meet a lot of people there. They are very enjoyable functions.

The Hon. AMANDA FAZIO: So you see it as a business networking opportunity?

Mr Ron MEDICH: Yes, I do. I actually see a lot of my friends there, whether they be Liberal, Labor or not. I do not think Liberal/Labor comes into it, to be honest with you. If you go to the Business Dialogues and the urban task force and those types of places there are Liberal and Labor people there. It is not all Labor people. I have been out to dinner with Paul Nicolaou and people in the Liberal Party that are friends of mine.

The Hon. AMANDA FAZIO: In relation to the coverage of recent events by the media, have you got any comments to make about that and how it might have impacted on your business activities?

Mr Ron MEDICH: Beg pardon?

The Hon. AMANDA FAZIO: In relation to recent media coverage of the McGurk matter.

Mr Ron MEDICH: I think it has been very bad and I have been thoroughly disgusted with it because it is causing me a few problems and a lot of upset, to be honest with you, because a lot of the stuff that has been printed in the press has been rubbish and untrue. Because I have cases running at the present time I have to be very careful what I say. I have been told that if you keep your mouth shut it will go away, but this has extended a lot longer than I could have imagined.

The Hon. AMANDA FAZIO: Apart from the ICAC inquiry, the police investigation and of course this inquiry, are you aware of any other inquiries into these sorts of matters?

Mr Ron MEDICH: No, I am not aware of any. I welcome any inquiries because I know I have never done anything. I have not dealt with any politicians about this site or any other site for that matter.

The Hon. AMANDA FAZIO: So you are happily cooperating with all the inquiries?

Mr Ron MEDICH: I am happy to cooperate with any inquiry that is there. That is why I am here today. I think this whole thing has been totally unfair.

The Hon. MICHAEL VEITCH: Following on from your comments about the media commentary around this issue and the way you felt you have been unfairly treated, do you think it is going to have an impact on the future of the former CSIRO site?

Mr Ron MEDICH: I am frightened that it will, because the first thing that happens when you get publicity like this is that everyone runs for cover. All this is totally unfair because this is a site that we have worked on for many years and it is a site that should be rezoned, I believe, and employment created in the west. I think the Liberal Party, or any other party for that matter, would agree. Victoria and Queensland have had releases of this magnitude, 4,000 hectares. I am not favouring just my site; I think the whole 4,000 should be released. The same as happened in Victoria and in Queensland. What happens down there is companies will locate down there because you can get the land for half the price. If you only have small land releases what will happen is the price will go up because there is not enough land. To create employment, they should release the whole 4,000. That is my personal view. So I do not know what is going to happen.

The Hon. GREG PEARCE: What did Mr McGurk say about Sam Haddad in the conversation that was taped?

Mr Ron MEDICH: I do not know because I never heard the tape. Someone told me—

The Hon. GREG PEARCE: It was a conversation with you, though, so you heard the conversation.

Mr Ron MEDICH: I beg your pardon?

The Hon. GREG PEARCE: It was a conversation with you so you must have heard the conversation.

Mr Ron MEDICH: Do you mean on the tape?

The Hon. GREG PEARCE: Yes.

Mr Ron MEDICH: What actually happened, all he said was did I know Sam Haddad. I said I knew of him. But I have never actually met Sam Haddad ever, or ever spoken to him.

The Hon. TREVOR KHAN: Have you at any stage had a relationship with Moses Obeid?

Mr Ron MEDICH: Never, but I have met him, I think, twice in my life that I have ever met him, and that was just a handshake agreement and once in Leichhardt.

The Hon. TREVOR KHAN: A handshake agreement? Do I take it—

Mr Ron MEDICH: Sorry, I just shook his hand. He was with somebody else and I was with someone.

The Hon. TREVOR KHAN: Who was that other person he was with?

Mr Ron MEDICH: Actually I cannot remember. It was once at the Westin and I was with some other people. I cannot remember who it was, and he came up to talk to the other person.

The Hon. TREVOR KHAN: So he has never had a business relationship or received a retainer or anything from you with regards to a business dealing?

Mr Ron MEDICH: Never.

The Hon. TREVOR KHAN: Has he been involved in any business dealing in which you have also had an interest?

Mr Ron MEDICH: Never.

The Hon. TREVOR KHAN: None at all?

Mr Ron MEDICH: None.

The Hon. TREVOR KHAN: So you have not been, in a sense, on parallel tracks with regards to any business dealing?

Mr Ron MEDICH: None. I have never had a business dealing; I have only spoken to him, I said hello to him that time and once I said hello to him because he was at the Tuscan restaurant in Leichhardt having lunch.

The Hon. TREVOR KHAN: With regard to the tape that has now become a centre of discussion—

Mr Ron MEDICH: Yeah, I am sick and tired of hearing about it.

The Hon. TREVOR KHAN: —were there any other names of persons mentioned on that tape?

Mr Ron MEDICH: None that I am aware of. You have to remember I was there to talk about my business dealings and how I was going to get my money back.

The Hon. TREVOR KHAN: That is precisely—

Mr Ron MEDICH: By the way, during that time, I thought it was very strange at the time. He threw in a name and mentioned the CSIRO site and said, "Oh, that would be worth a lot". I was wondering why he was mentioning those things. I just fobbed them off. I am telling you there is nothing on that damn tape.

The Hon. TREVOR KHAN: How long after you became aware of the existence of the tape did you go to the police?

Mr Ron MEDICH: To be honest with you, I cannot tell you. I do not know what the length of time was, but I reported it—

The Hon. TREVOR KHAN: A day? A week? A month? Three months? What sort of time frame are we talking about between when you became aware of the existence of the tape and when you turned up at a police station?

Mr Ron MEDICH: I think it was after Graham Richardson had heard the tape and reported it back to my brother.

The Hon. TREVOR KHAN: Can you be any more precise than that?

Mr Ron MEDICH: I honestly cannot. I never keep a diary of those things because I knew there was nothing to it. It was probably after I spoke to those two solicitors, when they gave me that warning that if I do not play ball and drop the case where he has stolen all my money, I went straight to the police after that, I can tell you, because that is blackmail and extortion.

Ms SYLVIA HALE: When you did go to the police did you give them details as to when you believed the tape had been made?

Mr Ron MEDICH: No. I can think of when that happened because it was the only time he mentioned these names. He mentioned the names on the tape.

Ms SYLVIA HALE: I am talking about when you went to the police. What did you tell the police? Did you tell them the contents of the tape?

Mr Ron MEDICH: I told them that he claims he has dynamite on the tape and something is going to bring down the Government and all this type of bullshit.

Ms SYLVIA HALE: You cannot remember when you went to the police?

Mr Ron MEDICH: No, I cannot, but he will remember probably. It was Detective Ray Hetherington from Redfern police who was handling these other matters.

CHAIR: Order! We do not want to go into the process of the police investigation.

Mr Ron MEDICH: Actually I do not really want to get into those things, to be honest with you. I think we are here for the CSIRO site.

Ms SYLVIA HALE: How well do you know the member for Fairfield, Joe Tripodi?

Mr Ron MEDICH: How well? Remember, I used to live in the Cabramatta Fairfield areas and we used to do a lot of development out there, and I occasionally saw him at functions. But I have never had to ever deal with him on any matter. In the last year I probably saw him once or twice. Once was at a wedding. He happened to be on the same table as I was, and I was the only one who went from my family to that particular wedding.

Ms SYLVIA HALE: You said that you attended functions like the Business Dialogue because it was a networking association and if the Liberals were in office you would probably do the same.

Mr Ron MEDICH: We all work together to get good results from the Government, try to keep the levies down and things like that so you can develop economically.

Ms SYLVIA HALE: Your brother was suggesting that why your donations to the Labor Party were so significant was because of a lifelong association with and belief in the ideals of the Labor Party. Does that play a role in your thinking?

Mr Ron MEDICH: No. There is a lot of truth in that, too, because we grew up in the west and we were always dealing with Labor people. My father was actually a member of the Labor Party.

Ms SYLVIA HALE: But you were not.

Mr Ron MEDICH: I actually was for a short time when I was a member of the Cabramatta branch before I moved out of the area.

Ms SYLVIA HALE: Is that when Joe Tripodi was in the Cabramatta branch?

Mr Ron MEDICH: He was not in that branch. The person who was a member in that branch at the time was a fellow by the name of John Newman who got assassinated.

The Hon. MICHAEL VEITCH: In your testimony to the Hon. Trevor Khan's questions you mentioned that not only had you met Labor politicians at Tuscany; you also met some Liberal ones and you were prepared to name them. I was wondering whether you would be—

Mr Ron MEDICH: I am not naming anyone anymore I can tell you.

(The witness withdrew)

(The Committee adjourned at 5.46 p.m.)