

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE No. 4

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

At Sydney on Monday 19 October 2009

The Committee met at 9.40 a.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 second public hearing of the inquiry into Badgerys Creek land dealings and planning decisions by General Purpose Standing Committee No. 4. Before we commence hearing evidence I wish to make some comments about procedural matters. I refer to my previous comments relating to the sub judice convention. The convention is applied strictly only to prevent discussion of the precise nature of the matter before the courts. The convention does not prevent discussion of related matters, in particular, where issues are being widely canvassed in the media. The convention does not apply to matters being investigated by the Independent Commission Against Corruption [ICAC].

I refer also to my previous comments relating to the immunity of proceedings from questioning in the courts. I remind witnesses that anything said outside this hearing will not be covered by parliamentary privilege. Further, I note that the freedom of speech accorded to witnesses is not intended to provide a protected forum for witnesses to make false statements or adverse reflections about others. In relation to the current police investigation into the murder of Mr Michael McGurk, I emphasise that this 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 might 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 any area of that investigation. If a member asks a question directly about the conduct of the current police investigation I will rule it out of order. In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. In recording the proceedings of this Committee members of the media must take responsibility for what they publish or for what interpretation they place on anything that is said before the Committee. The broadcasting guidelines are available from Committee staff.

I note that at the last hearing I ruled a question out of order. I remind members of the media who are present today that the broadcasting guidelines require hearings to be reported in context. If I rule a question out of order that should be reflected in the media coverage of the question. Any messages from audience members should be delivered through parliamentary staff. I remind all those present to turn off their mobile phones. I welcome our first witness, Frank Sartor, the former Minister for Planning. Mr Sartor, you do not need to be sworn in because you have already sworn an oath to your office. I understand that you have a brief opening statement.

Mr FRANK SARTOR: Thank you, Madam Chair. While I was Minister for Planning my policy relating to meetings with developers and their representatives was as follows. Firstly, meetings with developers occurred only with representatives of the Department of Planning present in addition to my ministerial staff. Secondly, if encounters with developers occurred at functions I avoided discussing substantive matters relating to any specific development. Thirdly, developers were asked to lodge a formal letter requesting each meeting and listing the matters to be raised at the meeting so that the department could come to the meeting prepared. Finally, I did not discuss the planning merit issues of a developer with lobbyists, although occasionally they would accompany a developer to a meeting.

From what I can establish, I met with Roy Medich, his consortium and his advisers on four occasions during my three years as planning Minister. The meetings occurred between September 2006 and May 2008 and variously discussed three matters: the Lowes Creek Development Precinct under the Precinct Acceleration Protocol; the location of Schofields railway station in the north-west growth centre; and the Badgerys Creek development ambitions. I did not personally take notes of meetings with proponents as I relied on the department to keep a record and to follow up any actions that might arise from meetings. I have prepared a brief summary of the four meetings based on a compilation of facts gleaned from two members of my former staff, from my own recollections, and from an inspection of departmental records. I am now happy to circulate my record of those meetings.

Motion by the Hon. Amanda Fazio agreed to:

That the documents be tabled.

Documents tabled.

Mr FRANK SARTOR: I will not go through them in great detail except to say that the first meeting, which occurred on 11 September 2006 at my office, was attended by me, the director general, my chief of staff and other staff, Veronica Young and Bob Meyer of Cox Richardson, who I think was representing the

developer. The second meeting, which occurred on 15 August 2007, was at my office at Governor Macquarie Tower. Present with me were Gail Connolly, Neil Ackland from my office, Roy Medich, Sonia Lyneham from the Planning Workshop, David Bennett who I think might have been with the Planning Workshop, although I am not sure, and Peter Lowry representing the landowners consortium. The third meeting, which was on 14 December 2007, was held at my office. I was present together with the Director General of Planning, Jason Perica from the department, Angus Dawson, the chief executive of the Growth Centres Commission, Neil Ackland, Roy Medich, Sonia Lyneham and Bob Haywood from APP, which I think was with the consortium.

The final meeting was on 5 May 2008. I was present together with the Director General of Planning, my chief of staff Zoe Allebone, Anna Chubb from my office, Angus Dawson, David Richmond, the Coordinator General, Roy Medich and Sonia Lyneham. The details of the meetings, roughly what was raised and the outcomes are in the documents that I have circulated. I will not go through them unless you want to ask me about it later. I want to say a few words about the context of all this. The Medich-CSIRO land request needs to be seen in the context of the Government's broader concern about industrial land availability at the time.

During 2005-06 the Government came under pressure to release more industrial land as the price of industrial land had risen significantly higher than comparable land in Melbourne. Premier Iemma and I announced the Western Sydney Employment Hub, land near the intersection of the M4 and M7, and the Government placed several parcels of government-owned land on the market to help meet the demand for such land during that time. Work was done also by a whole-of-government task force, the Employment Lands Task Force, which identified a gap in the supply of employment lands. That task force was constituted during 2006 and arose from a commitment in the Sydney Metropolitan Strategy adopted by the Government in 2005.

In March 2007 the Employment Lands Task Force completed an employment lands action plan. Consistent with that action plan, in March 2007 I announced the Western Sydney Employment Lands Investigation Area, which I will refer to as WSELIA. This is an area of about 7,000 hectares. To put that into perspective, it is 70 square kilometres, or the amount of land was 10 kilometres by 7 kilometres—quite a large precinct that we wanted to investigate—and it extended generally from the Western Sydney Employment Hub in a south-westerly direction towards Badgerys Creek and the south-west growth centre. In August 2007 the department formally proposed a study of this area. As the department had limited resources I sought, and eventually obtained from Treasury, \$2 million to fund the study. After it became known that funds would be forthcoming, on 29 October I approved the study of the area comprising some 7,000 hectares. The Treasurer formally advised of the allocation of funds by letter dated 21 November 2007, and I have been advised that the study commenced in January 2008. I was provided with a PowerPoint presentation on 25 June 2008. I do not recall receiving a copy of the report on the study before I left the ministry in September 2008.

The Medich land was simply one site under review as part of a much broader policy initiative by the Government. Despite four meetings with the Medich group, I was not convinced that the land should be released and that their development concept should be allowed into the assessment process under part 3A. My reason for this reluctance was based on several concerns. First, the site was outside the south-west growth centre boundary, the north-western part of which had substantial lands designated for industrial use, so I wanted to be satisfied that releasing this land would be consistent with the growth centre strategy. The second concern was that the site was not contiguous with, nor adjacent to, the western Sydney employment hub, that is, near the intersection of the M4 and M7, which itself had some infrastructure issues and I did not have available an independent assessment of what the infrastructure implications might be for the Government.

The third concern was that there was uncertainty about the future of the Badgerys Creek airport plans, noting that the major political parties at the Federal level were involved in a political election campaign and had differing views on the issue and an election was due in late 2007. Fourthly, there was no substantial independent advice available about possible environmental implications of the development of this site. It was for this reason that I insisted on waiting for the WESLIA study to be completed. Despite the enthusiasm of Medich and his consultants, I determined not to allow them to lodge an application until two pre-conditions were met: that the WESLIA study was completed and that the WESLIA study satisfied me that the development of their parcel of land was both feasible and desirable in the context of other lands that might be released in the 7,000-hectare WESLIA study area.

As this did not occur, I did not allow the consortium to proceed, despite a departmental minute being prepared that recommended that steps be initiated to accept the application into the system and run a parallel process to the WESLIA structure plan. A file note written by the director general on 6 May 2008, one day after my last Medich meeting, stated:

I discussed with Minister. These nominations are not to proceed at this stage pending the processing of further concept and structure plan work.

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As far as I can tell, that was my last dealing with the Medich CSIRO land issue as planning Minister. I am now happy to take questions.

CHAIR: Did you ever meet with Graham Richardson when you were the planning Minister?

Mr FRANK SARTOR: Not in relation to any planning matter, no.

CHAIR: But you met with him?

Mr FRANK SARTOR: No. I have probably encountered Graham Richardson about once a year but never about planning matters. He never attended any meetings I had on planning matters. He never raised planning issues with me, and I did not discuss planning issues with him. In fact, it was consistent with what I have just said about my policy in relation to lobbyists.

CHAIR: So during the Badgerys Creek or Medich discussions he was not—

Mr FRANK SARTOR: I do not think I have at all encountered him during that time. He certainly never raised that with me—never came to any meetings, no. He kept quite clear of me.

CHAIR: He kept clear of you.

Mr FRANK SARTOR: Yes.

CHAIR: Do you think that was deliberate?

Mr FRANK SARTOR: I have no idea. You would have to ask Graham that.

CHAIR: To your knowledge did the director general, Mr Haddad, meet with Mr Richardson when you were the Minister?

Mr FRANK SARTOR: No, I was not aware of who he was meeting with while I was the Minister. No, I was not.

CHAIR: You were not aware of who Mr Haddad was meeting with. Was that a rule in your office that the director general would not inform you of lobbyists' meetings?

Mr FRANK SARTOR: No, but I think we need to bring a bit of sanity to this debate. There are two types of people involved in a development process. There is the applicant and their technical advisers. Then there is a whole bunch of people who give them other advice, like public relations companies, government relations people, lobbyists and so on. The difficulty you have in starting to buy into that is that you cannot just have a rule for Graham Richardson. You have to have a rule for everybody. So what do you do? Do you start to direct your department that they cannot meet with any of these types of people? That seems a bit extreme to me. Do you say to them that they cannot meet with people if they were or are members of the Labor Party? That seems a bit extreme to me. Some of them are obviously liberals. It is a difficult issue.

I think that where the Committee can add, in my view, or humbly suggest, some value to this debate is to have rational and sensible guidelines about the role of lobbyists in these matters. The rule I had in my office worked well for us. I did not want to discuss the merit issues of a development with lobbyists. A few developers brought the lobbyists along, which usually I did not like very much but I could not stop them because they would bring along who they liked. But I always found that you got a lot better results by dealing with the applicant directly, with your technical people there. They had their technical people there. They would have their debate across the table, and things could be advanced.

If a lobbyist does not add value to the merit discussion, then I do not see the point of having him there. Having said that, government relations people, public relations people and lobbyists can play a role in advising

their clients, for example, about the process of government, because I find some developers had no understanding of the processes of government—the role of Cabinet, the way things actually worked in government. Therefore, it is possible they can add value to their client. But in my view they did not add any value in discussions on merit matters. Indeed, the fact that they were a lobbyist or the fact that they were known to you, you almost resented rather than actually helped you because you did not want to get into those issues at all. You did not want extraneous issues to come in.

The good thing was that I was fairly confident that the department had a very healthy scepticism to all non-technical and non-merit lobbying that they were subjected to. In fact, in my opinion the department came under more pressure from objectors and community groups and from the media on development matters than they probably ever did from lobbyists. But they had a pretty healthy scepticism. They stuck to the merit issues, the planning issues, their assessment of the issues. I would not say that the planning department was perfect, but I always felt that they dealt with things on their merits, and for that reason what was I to do? Start vetoing some lobbyists?

With the benefit of hindsight, as I said in the media a few weeks ago, there may be some benefit in the department adopting a similar policy to me. Lobbyists, government relations people and public relations people can try to track a development process, help find where it is up to, because they do get lost in black holes. Rightly, people who want to invest a lot of money need to know where they are and what is happening, but maybe they should not meet with them on any merit matters. That was something I did in my office, and that is something I offer only with the benefit of hindsight. I did not require that in my department at the time. I am not standing here saying I am holier than thou; I am simply saying that it was just an issue that I did not quite know how you could deal with. But perhaps that simple rule that I followed in my office might actually help the department as well.

The Hon. GREG PEARCE: Can I be clear on this: Did you ever have any discussions with head office in relation to any property proposals?

Mr FRANK SARTOR: No.

The Hon. GREG PEARCE: So you never discussed the planning system or any potential developments with Mr Arbib or Mr Bitar?

Mr FRANK SARTOR: No. I did attend business dialogue, just like you have your own Liberal Party arrangements, and sometimes they would come up to you. My general rule was, to be honest, if they came and got in your ear at a function or at something like that, and some of them had bad breath anyway, you would not remember what they said the next day. My view was, "Look, if you want a formal meeting, ask for one and we'll get the bureaucrats there and we'll see what the issue is". I found it really unhelpful for developers to come up and try—and some would try and get in your ear about things—at the business dialogue functions. Sometimes they would say, "so and so wants to talk to you". Then I would just direct them to approach the office. It just was not helpful; it never advanced their projects. They are much better off coming into a room with the bureaucrats present, because there is always two sides to these arguments.

If a developer says something to you they will always embellish their argument. If you have two neurones in you head you will never accept that advice until you go to your department to get their point of view. So the best thing to do is to put them all in the same room at the same meeting because what you found is that the level of exaggeration just shrunk. Both sides got much more sensible about what are the real issues here. So you could tease out the real issues. That was always my policy. It was the same whether I had the Local Government Association in, although they were probably harder to deal with than developers—congenitally out of control.

The Hon. GREG PEARCE: This is not meant to be churlish, but do you subscribe to the ministerial convention that Ministers are responsible for the actions of their department and senior officers?

Mr FRANK SARTOR: I am not now a Minister, so maybe I should be sufficiently humble not to say anything about this.

The Hon. GREG PEARCE: Would you have been expected to be responsible when you were the Minister?

Mr FRANK SARTOR: There has been a lot of debate in various parliaments around the world on the Westminster convention and Ministers' responsibilities but, at the end of the day, it has to be reasonable. If you feel that your department is not performing, or you are getting consequences or intended outcomes, I think it is incumbent upon a Minister to act. There is a big distinction between acting and meddling. And it is very important for a Minister not to meddle. I do not think there is any code that absolutely specifies the exact boundary between what a Minister does and does not do. Generally you use enough nous to know that where there is a problem you get involved, and when there is not you stay away. You do not direct them as to advice. You want them to tell you the advice as frankly and fearlessly as they can. In fact, I used to get a bit cross when sometimes they did not argue with me, because I actually wanted to hear their genuine point of view. I did not want mumbling and agreement; I wanted to hear their argument.

The Hon. GREG PEARCE: From what you said earlier and your suggestion to the Committee it is clear that you think there should be some action taken now in relation to the role of the lobbyists.

Mr FRANK SARTOR: It should be well crafted; it cannot just apply to lobbyists. It has to apply to government relations people, PR people, and all the people other than technical ones—the technical expert that meets with the department bureaucrat to talk about impacts on native vegetation or threatened species. Clearly, they should be able to have free discourse with the department. You have to remember that the planning system, despite what some argue that it is a system of justice or a system of democracy for the sake of democracy, it is actually a property system. People, developers and applicants want to deal with their property issues, and if they need to interact with the department there is nothing wrong with that. The critical issue is that when the key issues are raised they are raised transparently and that people with an alternative point of view have an input into that. We just have to be sensible about this, or we will scare away all investment from the State. We have to be really sensible about where the boundaries are.

The Hon. GREG PEARCE: Just to change tack, the initiation of the study or consideration of the Badgers Creek land actually came from the Medichs around about September 2006?

Mr FRANK SARTOR: No, not them. Their land only got studied as part of the big study. There was never a specific study about them. They wanted to lodge their application, for me to declare it State significant, under section 75—something that it was a 3A project, and for me to agree to accept a concept application.

The Hon. GREG PEARCE: That started in December 2006.

Mr FRANK SARTOR: It actually started earlier than that. I think they came to me in that first meeting in September 2006 and outlined their case. And two months later there was a letter from Meyer that outlined all their arguments, some of which I think were pretty weak. In fairness to them—and I am certainly not here to defend them, because I think they hate me anyway—there had been a long history of discussion of additional employment land. I remember other companies, nothing to do with Medich, saying to me, "Minister, Melbourne's prices are half that of Sydney's industrial land. We have a problem." I was concerned about that and that is why we sold a few parcels of land. That is why we set up the employment lands task force, it reported at the beginning of 2007 with an employment lands action plan, which I have a copy of in my folder. I declared the WSELIA precinct of 7,000 hectares would become a study area. But it took some time to garner the resources and the money to do the actual work.

Ms SYLVIA HALE: I briefly return to the questions of accountability under the Westminster system.

Mr FRANK SARTOR: That is unlike you.

Ms SYLVIA HALE: I have an interest in these general principles. Given that your department was being lobbied by people such as Graham Richardson, and also including David Tamevski, Michael Easson and the Medichs, significant players within the Labor Party in terms of the amount of money they were contributing to Labor funds, do you think it would be appropriate for you as Minister to be very concerned as to the influence those people were exerting upon the Department of Planning and the decisions that it made?

Mr FRANK SARTOR: Look, you have raised three or four things there, all of which go towards colouring this particular argument; firstly, significant amounts of money. Well, it turns out they were very significant amounts of money, but I only became aware of the quantum probably when you and that guy that was running around with the democracy website started publishing it all. It is not an issue that I involved myself with, whatever. I knew that some of these would be donors to the Labor Party, because I would see them at

functions, but the quantum was something I was not aware of. I did not really become aware of the extent of the donations from some individuals until 2008, when it started being published in the papers.

Secondly, I know that Tamevski was involved with the Urban Taskforce, and the Urban Taskforce and the Property Council and the UDIA would meet with Haddad quarterly. Right. One of the difficulties I had with the Urban Taskforce was that I never knew whether the lobbying was industry related or more specifically related than that, and I found them the most difficult of all industry bodies to deal with. In fact, I will not make further comment: it might get me in the newspapers. I will leave it there.

The Hon. GREG PEARCE: No, please do.

Mr FRANK SARTOR: No, I really do not want to be in the paper tomorrow morning. I am saying that I was not aware. I assumed that some of these government relations lobby-type people would occasionally talk to the department. I also was concerned about MPs lobbying the department. I often referred MPs to the department, but I did not like people trying to press the department on merit issues generally. But I was not aware of that going on. In any event, as I said, some of those key bureaucrats had a pretty healthy scepticism about non-merit issues. When it came to my office we were pretty good fullbacks, really.

Ms SYLVIA HALE: So that you are fully aware of the position, between 2003 and 2007—

Mr FRANK SARTOR: Are you trying to get into the papers tomorrow?

Ms SYLVIA HALE: —four clients of Mr Richardson, Walker Corporation, Bradcorp, Medich Property and Hardie Holdings, jointly donated \$827,797 and between 1999 and 2009 just under \$1,400,000. That is a significant sum of money by most peoples'—

Mr FRANK SARTOR: Sylvia, you are being pejorative, because you have bulked them all up and added them all together. They are all unrelated. Yes, they were significant amounts of money on their own, each of them. But you are really trying to get a headline by talking about \$800,000.

Ms SYLVIA HALE: I am talking about over a million.

Mr FRANK SARTOR: And quite a number of them. The quantum of the donations was larger than I would have expected. From a planning Minister's point of view, that is never helpful. Basically, a planning Minister has to focus on merit issues and that is what I did. You have to remember that, as I said in my introduction, the property industry was faltering and the Government and the Premier of the day are concerned about investment. Any Premier, be it Labor, Liberal—or, God knows, one day there may be a Greens Premier—will be concerned about jobs and investment. That is the major driver. I know that it is much sexier to write about developer donations, and hopefully quite soon we will have laws totally capping them and removing this as an issue, but I doubt it will change the fundamental driver—governments are concerned about jobs and investment.

Ms SYLVIA HALE: Undoubtedly in relation to the Medich land, and Medich being major contributors, there was a strong push within the department for that land to be accepted and there be rezoning for industrial employment purposes to take place. That whole process seems to have ground to a halt and then a completely opposite view seems to have predominated.

Mr FRANK SARTOR: In my office it was consistent, despite the Medich letter in 2007 claiming that it had a positive meeting and could come up with it in a certain time, that was their wishful thinking. The view in my office was always consistent for the reasons I have consistently said. If Medich gave donations expecting something back, they failed dismally. They did not get anything.

Ms SYLVIA HALE: This is a draft. It is dated—

Mr FRANK SARTOR: Can I say also that I do not think there was a concerted push within the department. I think there was some debate about whether they had a reasonable case of letting them run a parallel process. There was some debate within the department, but I do not think there was a push. The bureaucrats did not come to me urging me to sign this off. They would come to me and say, you know, that one is as pushy as two semi-trailers Sonia Lyneham or someone would come along and pester them. They would

argue that they should run a complementary process. And there was some debate within the department. When it got to me it stopped.

Ms SYLVIA HALE: I have a draft that was released among the public papers. It is not dated but it is presumably to be signed by you. It states, "Frank Sartor, Minister for Planning". In it you say you have formed the opinion that it is not a development of a kind that is described in schedule 1 of the SEPP major projects policy. Could you tell me why, if you thought the project was so unacceptable, that draft does not—

Mr FRANK SARTOR: No, Sylvia, you are trying to verbal me. Go back to what I said. I said that I had four key concerns and two pre-conditions before I would make a decision about that. I did not say that it was not a project that was necessarily able to be dealt with as a major project. They were saying they were going to invest a billion dollars, massive jobs, whatever. I was saying that I had four concerns and until the WSELIA study was completed, and provided that study persuaded that those four concerns had been or could be adequately addressed, I would not consider signing off on a major project. So why should I sign that? You see, I was very consistent.

Ms SYLVIA HALE: Could you give some indication—

Mr FRANK SARTOR: You are trying to ambush me about a paper I have not seen.

Ms SYLVIA HALE: No, I am asking you when that draft was prepared?

Mr FRANK SARTOR: I do not know.

Ms SYLVIA HALE: You do not know?

Mr FRANK SARTOR: Sylvia, I have not seen that draft.

Ms SYLVIA HALE: That was one very distinct opinion that it would not be a part 3A contribution, but on 5 May 2008 the Department of Planning prepared a document that was a proposed major declaration for employment lands in Elizabeth Drive, Badgerys Creek. That is dated 5 May 2008.

Mr FRANK SARTOR: That is right.

Ms SYLVIA HALE: That is completely contrary—

Mr FRANK SARTOR: Maybe the department wanted to see which way I wanted to go.

Ms SYLVIA HALE: You say that—

Mr FRANK SARTOR: No, I did not see that document before. I do not know when it was prepared.

Ms SYLVIA HALE: This is 5 May 2008.

Mr FRANK SARTOR: Yes, they do not know a lot about it, because I was at the meeting and I told them no.

Ms SYLVIA HALE: Thank you.

Mr FRANK SARTOR: And they were very unhappy. From what I heard around town, they kept saying wonderfully kind things about me for months afterwards.

The Hon. TREVOR KHAN: Who is "they"?

Mr FRANK SARTOR: The Medich Group.

Ms SYLVIA HALE: Okay. Getting back to this influence that people have made significant donations to the Labor Party, there is an email dated 18 April 2008, while you were the Minister, which says, "With Australand Part 3A, it will not take long before it leaks that they have a problem. There are 70% of landowners

... tied to option agreements for millions of dollars. I suggest we (a) firstly provide a brief verbal or otherwise to Minister. Michael Easson was with the Minister not long ago on proposal".

Mr FRANK SARTOR: Sorry, I missed the introduction. What are you talking about?

Ms SYLVIA HALE: Michael Easson, as you would know, a former senior vice president, Labor Party, former—

The Hon. AMANDA FAZIO: Everyone knows who he is. Stop wasting time.

Ms SYLVIA HALE: Okay.

Mr FRANK SARTOR: What was the introduction again? I missed the first bit.

Ms SYLVIA HALE: It is in the context of the influence that lobbyists, for significant development interests, may exert on the department and you have said you ignored that and you also said that you did not take notice of people who approached you. But here is an email—

Mr FRANK SARTOR: From whom to whom?

Ms SYLVIA HALE: Sam Haddad.

Mr FRANK SARTOR: Dated?

Ms SYLVIA HALE: Dated 18 April 2008, 4.36 p.m., which says that Michael Easson was with the Minister not long ago on proposal. Could you explain?

Mr FRANK SARTOR: What proposal?

Ms SYLVIA HALE: It says, "With Australand Part 3A it will not take long before it leaks that they have a problem".

Mr FRANK SARTOR: Which Australand part 3A?

Ms SYLVIA HALE: That is what I am asking you to tell me.

Mr FRANK SARTOR: I have no idea what you are talking about. I am sorry. Take Easson for example. I remember him coming to see me on developments, and this is outside the terms of reference by the way, but because you are so nice to me I will be very generous in dealing with it.

Mr FRANK SARTOR: They are really about Badgerys Creek?

Ms SYLVIA HALE: No, they are not, they are about the integrity of the planning system.

Mr FRANK SARTOR: I am going to answer your question. Don't be horrible today, Sylvia. For once in your life just go to work and be nice to people. You don't have to be horrible all the time. You could be a really wonderful person.

Ms SYLVIA HALE: It's the company I keep.

Mr FRANK SARTOR: I do not remember the Australand thing. I have no idea what you are talking about. But they did own land in those sorts of areas. However, having said that, there was one case of Easson coming in to see me—I forget what it was called—was it Twin Creeks? It was up in the sort of Ropes Creek general area, and they came to see me and they did not get what they wanted: I knocked it back, even though Minister Beamer previously had said she supported it. Easson got no favours. They did not get favours. Why do you think so many people hate me out there?

The Hon. MICHAEL VEITCH: I don't hate you, Frank. A bit earlier, I think it was in response to Greg Pearce's question, you made a suggestion about the lobbyist codes and maybe a constructive way forward for this Committee would be to look at those sorts of things, and you went on to talk about the lobbyists working

on behalf of the proponents for the Badgerys Creek land. Did you ever meet or are you aware of lobbyists who were working for the opponents of the Badgerys Creek land?

Mr FRANK SARTOR: I was not aware of who the opponents were.

The Hon. MICHAEL VEITCH: No environmental groups or local residents or—

Mr FRANK SARTOR: There would have been. The opponents generally had a very effective lobby group called the Greens in the upper House and they also had the Environmental Defenders Office—publicly funded—that ran all sorts of cases on their behalf. So the opponents were well aided as well. That is what they did. It did not get to a public process because I was the gatekeeper: I stopped it at the gate. I said that until I am satisfied that letting them into this assessment process has some reasonable prospects that it might work I was not going to let them in because I knew what would happen.

If Medich had gone and spent \$3 million, or whatever they were going to spend, doing all this work and then he found as part of the WSELIA study that we just did not want them to do it, there would have been all sorts of angst and lobbying and pressure on the Government to roll over, and I said, "No, I am not going to let you in because if I let you in then you will put a lot more pressure on me to give you some sort of approval later on". That was why I was concerned: I just did not know enough about the site. And remember, there was a Federal election. Federal Labor was saying they might scrap Badgerys Creek: there might be a complete rethink. There were other people running around saying we should turn it into an airport freight hub. There were all sorts of views around. I said there was just too much uncertainty for me to know what they should be allowed to do. I am sorry I cannot answer your direct question about the objectors, but they were always there too.

The Hon. AMANDA FAZIO: Can I ask you about an issue in the terms of reference that was referred to by Ms Hale, and that is (e), which talks about legislative reforms to enhance the integrity of in public confidence in the planning and development assessment system? Have you got any constructive suggestions for the Committee in that regard?

Mr FRANK SARTOR: I have already made one, and that is that maybe there needs to be some sort of guideline for the department. You can go away and ban lobbyists but then you have got to ban all sorts of other non-merit type people. It is an issue you need to think through—everyone does. But I think some sort of guideline to avoid merit discussions with lobbyists and certain rules about it is probably a good thing. Lobbyists can add value when it comes to processes because some of them do know government well, as do some government relations and other people. But I think fundamentally, and I have said this before when the planning reforms were going through the upper House, which Sylvia welcomed with open arms and she lavished me with praise about them—

Ms SYLVIA HALE: Minister, would you admit that you are indeed verballing me?

Mr FRANK SARTOR: With pleasure.

The Hon. AMANDA FAZIO: I hate to interrupt your little tête-à-tête, but your time for questions has finished.

Mr FRANK SARTOR: I also gave a reference to the Legislative Council Committee on State Development to look at whether we need a new planning Act, and they have been doing a whole lot of work, and I think in June this year I made a detailed submission on a totally new planning framework for the State. I think people have to come to terms with the fact that the expectations of people in relation to local development matters are such these days that the political process is ill-equipped to deal with it. Let us cut through all the party-political rubbish here. The simple fact is that when a local council gets a development application and a few objectors call a public meeting and the local councillors are involved they get put on the spot to commit to opposing the development, whether it has got merit or not. There is no assessment, there are no independent processes, there is no arm's-length proper assessment of merit. It therefore follows that the system at local government—as well as you could argue at State and Federal, in my opinion, to a lesser degree—is flawed because politicians by their nature have to engage communities, and whether they be applicants or objectors or whatever they have to make political judgements.

In my view—and some may disagree with this—if the planning of this country is purely political we have got a problem. There has to be more independent, arm's-length assessment and determination processes for

development applications. So, as I said in my submission—it is on the record; it is on my website—that all consents, State, Federal and local, should be done by expert bodies. Where people are going to argue that in fact these people are not accountable because they are appointed, the way to deal with that is to expand third-party appeal processes so that people who are not happy with the decision can go to an independent body for a second opinion, so to speak. The problem with that is that the current Land and Environment Court system has become an indulgence of lawyers: it is a ticket to early retirement for lawyers. It is adversarial and it should not be adversarial. We need a much more cost-effective appeal system.

I foresee a system where for \$500, provided there is a breach or a variation of a planning rule—there have got to be some limits—an objector that might reasonably be affected by development should be able to get it reviewed by an independent senior expert body. What I am saying is we need to get expert bodies making all these decisions at State, Federal and local level; we need to then make sure the community feels they have still got appeal rights, so we need to expand those. But to do that we have got to reform the appeal process. I also think that strategies, like the one that is being undermined by the Land and Environment Court by death by a thousand cuts at the moment—

Ms SYLVIA HALE: Major whacks, I think.

Mr FRANK SARTOR: It is really bad law, Sylvia. If a government decides that it wants as a regional strategy—we did a whole series of them—to allow development in certain areas, to me that should be put in the Act, otherwise some judge will find that because it is not in the Act it therefore cannot exist in the universe, even though it was government policy. We need to strengthen the role of strategic planning in the Act by making sure that is where infrastructure plans are prepared and that infrastructure plans are not separate from LEPs; they should be part and parcel of the strategies in the LEPs, so that they are thought of at the time, and they should be tied to growth targets and population targets.

There is a whole bunch of other things I recommended in my submission as well, but we need to depoliticise the process, because when I go to the supermarket and they catch me with my trolley and my little boy is sitting on the trolley and he wants to go for the chocolates and the juice and they want to talk to me about opposing some local development, the fact is that politicians are subject constantly to unequal amounts of lobbying from all sides by their nature, and I think, to be honest, it should be independent. Imagine if the criminal justice system was based on political decision-making. Imagine if you did not give the sentence that people wanted for something. Politicians come under pressure. The judiciary do it and people grizzle for a day but they respect the process. We need to move to a system where the process is respected, because as politicians we are players and we are advocates. We cannot be carrying out an arbitral function while we are also being advocates.

There is an inherent conflict in the role of politicians. In land release maybe politicians need to be involved because it has got infrastructure requirements. But the technical assessment of development applications should be right away from politicians, in my opinion, even though for years I have done it. But I think we really need to move to a different approach. The Liberal Party is running around promising everyone everything, that they will devolve everywhere, but you will burn yourselves like you would not believe. But you probably will not get into government so you will not have to worry about it.

CHAIR: Earlier you said that hopefully soon there will be laws totally capping corporate donations to political parties and it will get rid of some of this issue relating to the perception of donations or decisions that is talked about. In fact, what has happened is that Mr Iemma made that commitment, Mr Rees says he is in favour of it, but we have been sitting around waiting for Mr Rudd to do something about and he has done nothing about it. When will New South Wales see a ban on corporate donations?

Mr FRANK SARTOR: Madam Chair, if you think I speak for Nathan Rees you are sadly mistaken. I cannot possibly comment on what the Government—

CHAIR: You said hopefully soon there would be some laws.

Mr FRANK SARTOR: The Federal Government is talking about legislation this session. But whether your counterparts—they will probably have another big row with Wilson Tuckey about that too for four months.

CHAIR: Do you believe that the New South Wales Parliament and the New South Wales Government has to wait for Federal action?

Mr FRANK SARTOR: Ideally a Federal law is a lot better because there are ways around some of these things if they are State-based. If they are Federally based it is a lot more robust. So obviously the idea of having a Federal system is better. Constitutional law tells us that the ban that Iemma wanted would be constitutionally difficult. So what follows from that logically, without me pushing any barrow, is that there should be caps so that you can never have a situation where there is \$100,000 for any political party. It should be a few thousand dollars per annum perhaps. The amount of money any developer can give in any four-year period would be, at most, \$10,000 or \$20,000, and possibly it should be limited to individuals. They are the sorts of issues the green paper canvassed, and in that way any amount of money that a political party could receive is trivial in the context of their total budget.

I think it is a matter of degree. Once that happens I think that you get away from Sylvia being able to bulk all these developers together and call it millions—because the Greens always think big. But you need to get to the point where people have a right to support whom they want to but the quantum is such that you cannot infer anything else from what they do. That is my view. It should happen sooner rather than later because I think this is a distraction. There will always be controversy and debate about development because States want to compete for their share of growth and development and population.

The Hon. TREVOR KHAN: Were you ever lobbied in respect of developments by either Eddie Obeid or Joe Tripodi?

Mr FRANK SARTOR: I do not think it was in the terms of reference, was it? I did not prepare for this.

The Hon. TREVOR KHAN: Well, think about it.

Mr FRANK SARTOR: Tripodi—he was Minister for Infrastructure, I think—we had a number of discussions about things. I am trying to remember. I honestly do not remember. We had arguments and differences but they were more of a policy nature. He ran regulatory reform and he was not of my view of planning. He had a different view, and that was fine. We had a policy difference. I think that is outside your terms of reference.

The Hon. TREVOR KHAN: I invite you to answer. You have dealt partly with Mr Tripodi.

Mr FRANK SARTOR: All I can say to you is if any member raised issues in relation to specific developments they were very rare and very inconsequential and very minor. There was no pressure brought to bear on me by either of those two.

CHAIR: Sylvia, have you got a question?

Ms SYLVIA HALE: Could I clarify one thing? A principal concern, among the many that you have enumerated, about the Medich land at Badgerys Creek was the lack of infrastructure to service that land?

Mr FRANK SARTOR: I would just like to explain why I was concerned. We had announced the employment hub and introduced the State policy, which is the M4, M7 land, and there are various companies up there—Goodmans and I think Australand and a few others—and I had one hell of a problem trying to get Treasury to support the building of the link road. I think Keneally recently announced it was going to be built and they actually found some money for it. But I had an enormous battle with Costa because he thought the private sector would do it and then they would come up with these schemes that were not viable, in my view—they were a bit silly some of them.

So, given the experience I have had about just connecting even that parcel of land, which is probably only 800 hectares, I was very apprehensive about what the infrastructure implications would be in releasing other land. The last thing I wanted to do was get someone to go through a lot of money getting development approvals, or getting close to development approvals when I could not guarantee that we could support it with infrastructure, given the infrastructure commitments we had to the growth centre in the south and the growth centre in the north. The competing motivation though, of course, was that we did have a higher price on industrial land. So there was an argument to release more, there is no question, and that is well documented. I just was concerned to build up expectations in this developer that would lead to a lot of money being spent without being sure, confident enough at that stage that the Government could back it up with real infrastructure.

Ms SYLVIA HALE: But under the rapid acceleration of release of land proposals if the manage company had been prepared to come up with the money itself for that infrastructure you would have been prepared to have released that land?

Mr FRANK SARTOR: Yes, but I needed to get an idea of what that infrastructure was because we had the precinct acceleration protocol of the growth centres. That was introduced because people like Medich and others complained that, say, two precincts in the south had been scheduled for immediate release and theirs was not scheduled for immediate release, and they wanted to go now. So they came to the Government and said, "We are prepared to put in all the money, let's go now." A committee was set up with Richmond, Haddad and Treasury to look at a precinct acceleration process where they would fund all the linking infrastructure, advance fund it, and then when other development happened some of it would be repaid and some would not.

My experience with that has been that it has not been super successful, because they come in with a lot of promises but as time goes on they chip and chip and want to cut back on what they are going to provide. They were precincts that were well within the growth centre where the Government had a commitment to build the infrastructure. Remember that this area we are looking at is 70 square kilometres. This would involve substantial tracts of road and all sorts of things. The quantum seemed to me to be such that they may well promise, but would they ever deliver? I needed the study. I was not saying "no", I was simply saying, "Look. I just want to be persuaded that this is doable or, even if it is a good idea, it will be stillborn and the Government will get egg on its face because it is not doable. It has got to be able to be done." That was my concern. I think all that this Badgerys Creek inquiry is going to show—I do not want to pre-empt it—is basically that we actually gave weight to all these key considerations. That is what we did.

The Hon. KAYEE GRIFFIN: I think this was mentioned previously in a question to you and perhaps you could answer further: Why did Mr Medich in his letter to you as Minister after your meeting with him on 15 August 2007 indicate that you were favourably disposed towards the development?

Mr FRANK SARTOR: I think his words were—I need to try to find it—

Ms SYLVIA HALE: I have it here. "We were pleased to hear your comment that June 30, 2008 was an achievable time frame for the gazettal of the BCJV lands as part of a state significant site."

The Hon. KAYEE GRIFFIN: Excuse me.

Ms SYLVIA HALE: I wanted to quote it in full.

Mr FRANK SARTOR: I have found it now.

The Hon. KAYEE GRIFFIN: Ms Hale, I did not ask you the question, I asked Mr Sartor.

Ms SYLVIA HALE: But he was floundering, obviously.

Mr FRANK SARTOR: Sylvia, why do you have to be so horrible?

Ms SYLVIA HALE: I am getting persecuted by you, Mr Sartor.

Mr FRANK SARTOR: Are you congenitally horrible?

Ms SYLVIA HALE: No, I am just helping you out by telling you what your—

Mr FRANK SARTOR: I am trying to answer your question. I have gone outside the terms of reference.

Ms SYLVIA HALE: It was Mrs Griffin's question.

The Hon. KAYEE GRIFFIN: Point of order: This is the Government's time and I do not think it is time that can be used for debate with someone who has already had an opportunity to ask questions.

Mr FRANK SARTOR: Can I answer that question? All they have said is, "We were pleased to hear your comment that June 30, 2008 is an achievable time frame for the gazettal of the joint venture lands as part of a state significant site." Sonia Lyneham turned up at the meeting in her Sonia Lyneham kind of way. Has anyone here met Sonia Lyneham? Hands up those in the audience who have met Sonia Lyneham.

CHAIR: Order!

Mr FRANK SARTOR: The word "pushy" would be a very euphemistic term for Sonia Lyneham. She just rolled out this timetable and said, "Can it be done by whatever?" I said, "In theory it can, but it's got preconditions. I want the study." I had not at that stage got the money out of Costa. "I want the study done and the study has to persuade me that I can address these key issues before we get ourselves set up." Most developers are optimists by nature and it would not be the first time a developer has walked out of a meeting thinking that the consent authority has said X when in fact it has said Y. There was no commitment given and the people at that meeting have the same memory as me. It simply said, "Look, it's theoretically possible, all other things being equal, if all these preconditions are met."

It was an ambitious timetable, but if we had done the study and found it was a really good idea then why would we try to hold it up? You might say it was a bit like what you have tried to do to me today, Sylvia; it is a bit like trying to verbal me about that issue. The reality is that I consistently had reservations and, as the meeting on 5 May showed and Haddad's note on the next day showed, I was not going to budge until these preconditions were met. If they had been met, maybe the timetable would have been met. As it turns out, it clearly was not. The proof of the pudding is in the eating, isn't it, Madam Chair?

CHAIR: It could well be. You never know. Thank you very much for your assistance with the inquiry today. You may go.

(The witness withdrew)

(Short adjournment)

ANGUS BARRINGTON DAWSON, Program Director for implementation of Integrated Program Office, Department of Education and Training, and former Chief Executive Officer, former Growth Centres Commission, sworn and examined:

CHAIR: Do you wish to make a brief opening statement?

Mr DAWSON: Yes, if I may. I understand I have been called to give evidence in my previous role as the Chief Executive Officer of the Growth Centres Commission. For the purposes of some context, I thought I might outline before we get into the rest of the hearing why the Growth Centres Commission was established and some of the work it did.

The Growth Centres Commission was established in 2005 to improve the rezoning process and infrastructure coordination in greenfield land in western Sydney. The commission was established in the context of the Metropolitan Strategy and its area of operation was the north-west and south-west growth centres. Over approximately 25 to 30 years the commission was looking at rezoning in the region of 181,000 dwelling lots and associated town centres and community facilities, and coordinating the infrastructure to do that.

The thing that was slightly different about the Growth Centres Commission was that it was a specific agency to coordinate the matching of lot production, land use planning and infrastructure, and in particular to, if you like, rezone and produce for the market as much land as could be rezoned with the best use of government resources. That was primarily around coordinating infrastructure across the whole of State Government and indeed local government.

Within the context of the Department of Planning's planning instruments, the Growth Centres Commission would prepare precinct plans. Our normal modus operandi was to do so in consultation with council; we took a project management view to that. Before we started doing that, between October 2005 and June 2006 the commission prepared what was described as a business plan, where we reviewed the work of the Department of Planning in the Metropolitan Strategy and what it prepared for the Growth Centres Commission. In particular we reviewed—and were asked by the Minister of the day to review—the levies associated with the provision of infrastructure for land release, and the sequence of land release in the context of the most appropriate use of government resources, that is, to take a whole-of-government approach to infrastructure and make sure that the sequencing of land release best matched the sequencing of infrastructure for the least cost, so that we could get as much land to the market as quickly as we could for the best use of government resources.

Once that was approved in 2006, the commission commenced the rezoning process. With the approval of the business plan, the Government announced the release of the first precincts within the growth centres—there were 31 in all—which constituted the release of 42,000 lots. We commenced precinct planning. A precinct plans outcome under the growth centres was a rezoning, in accordance with the department's planning instruments, an infrastructure plan for State infrastructure for that particular precinct, and, in the context of the overall infrastructure for the growth centres, a local infrastructure plan, better known as a section 94 plan from the local council, and a development control plan. Usually those last two things were done some time after rezoning.

At the time that the Growth Centres Commission was absorbed into the Department of Planning, we had rezoned by this process about 24,000 lots and had the balance of those 42,000 in the process of rezoning. I know that two other precincts, Riverstone and Alex Avenue, of approximately 39,000 lots, have been on exhibition and there is more planning work to come. I think that sets the context. I am very happy to answer questions and to help the Committee as much as I can.

CHAIR: For the record, can you tell us why the Growth Centres Commission was absorbed into the Department of Planning?

Mr DAWSON: The Minister for Planning announced in the House that she would like to bring the expertise of the Growth Centres Commission and its systems and model within the department so that they could use that model and those systems across the State.

CHAIR: And that accounted for your going elsewhere?

Mr DAWSON: Yes. As part of that and the transfer, the commission was effectively absorbed within the department and my job as the chief executive officer of a separate agency became redundant. I went on the unattached list and sought another job.

CHAIR: Can you outline to the Committee your connection with any discussions about the Badgerys Creek lands? Obviously you were involved in some discussions at about that time in some capacity. Could you tell us about your role, if any?

Mr DAWSON: In my role at the Growth Centres Commission I had a number of meetings with Norman Johnston. Could I preface my remarks by saying that my appointment diary from the Department of Planning is no longer available, so I have prepared for this hearing using my own personal notes—and indeed I have asked the Department of Planning to provide me with meetings where they could, and they have very kindly done so. The first recollection I have of the western Sydney employment land investigation area is some mention that we may be asked to coordinate with the Department of Planning in an area north of the South West Growth Centre. Then I had a total of five or six meetings with Norman Johnston over the period of his preparation of that work between January 2008 and October 2008. When I say five or six meetings, one of my personal notes does not actually mention whether I was in a meeting or not. So certainly the commission was aware of the work.

In the early discussions with Mr Johnston, because of the amount of work we had done on infrastructure in the South West Growth Centre, I invited Mr Johnston to attend our office at his convenience and to work with our team, particularly our infrastructure team, and look at the work we had done to date on sequencing of infrastructure and land release. Mr Johnston took that up. He was in our office from time to time early in his arrangements. The only other meetings I had with him—and I can list them here—were usually presentations on what he had to do.

At the time I left the growth centres, we had been asked by the Director General of Planning if we would assist by working with Mr Johnston in looking at a coordination of the infrastructure between the south-west growth centres and the Western Sydney employment land area, but I think that occurred after I left in December 2008.

CHAIR: In those discussions, did you ever meet with Mr Graham Richardson or the Medichs?

Mr DAWSON: I have never met with Graham Richardson, and I have never met with Ron Medich. I have met with Roy Medich in my capacity in the Growth Centres Commission, and I attended two meetings with Minister Sartor at which issues of the Growth Centres Commission were discussed, but also two meetings which Roy Medich attended at which, as I understand it, issues in relation to Badgerys Creek were discussed.

CHAIR: Mr Sartor was at the meetings?

Mr DAWSON: Yes, he was, amongst a number of other people.

CHAIR: Can you give us your impression of what Mr Sartor described this morning as Mr Medich's ambition for the Badgerys Creek lands? What did you think of what they wanted to do from the Growth Centres Commission point of view?

Mr DAWSON: In giving an impression on Mr Medich's vision for Badgerys Creek, I do not actually have any impression on it. I was at those meetings for other issues that were in respect of some land holdings of Mr Medich's within the growth centres and was probably more or less an observer in the Badgerys Creek area. In terms of its context with the growth centres, I was pleased that the Department of Planning was coordinating with us. In fact, the examination area included the north-west corner of the South West Growth Centre, where there are some employment lands in the growth centre area. But in my mind there was no significant issue or impression of Mr Medich's vision for his particular parcel of land.

The Hon. GREG PEARCE: The Growth Centres Commission is an interesting concept. Is it the case that it was effectively established to break through the deadlocks and the lack of coordination that had been occurring in the past in terms of land release?

Mr DAWSON: I think that is probably a fair assumption. The issue was to try, as I have said—and I do repeat it a lot because that was really the remit of the growth centres—to closely relate land use planning,

particularly lot production, with the rollout of State infrastructure. State infrastructure that goes with land use planning and lot production is reasonably expensive. If you can coordinate that instead of doing it by individual agencies—for example, Sydney Water looking at their program, Integral Energy looking at their program and the Roads and Traffic Authority looking at their program—if you can get all of those three together, the sequence of land release may not be cheapest for one of those three major State agencies. When you look at it as a whole, it might be better if the sequence were slightly changed to get a better production of land for less cost to the taxpayer.

The Hon. GREG PEARCE: I seem to recall that some time ago we passed legislation which allowed the Roads and Traffic Authority and others to come onto the board of the Growth Centres Commission. Is that something that you put forward?

Mr DAWSON: There were a number of amendments made to the commission through 2008. I was checking that last night; if I may again check that. I do not have it with me. I think in around June 2008 some legislation was passed which changed the corporation to be a corporation governed by its chief executive officer, as opposed to governed by a board. At the same time we recommended that a CEOs group be formed for referral by the growth centres CEO, and that included the CEOs of the Roads and Traffic Authority, Sydney Water and Integral Energy as needed, as well as others.

The Hon. GREG PEARCE: The growth centres is really about trying to property sequence to make sure it is whole of government, and really to break away from what we have seen with the Medich land, which was a proposal that came in almost out of the blue and then an enormous amount of resources over two or three years trying to evaluate and assess that.

Mr DAWSON: I do not want to comment on how much Mr Medich had pushed that particular thing. Your proposition about the growth centres is correct. I would say that the western Sydney employment land, from my observation, was a great deal of land including a significant part of the Growth Centres. I do not believe it was all Mr Medich's land. But I would have to check; I do not know the landholders in that area.

The Hon. TREVOR KHAN: With regard to meetings you attended with Mr Sartor and others, can you tell us the dates of those meetings?

Mr DAWSON: Yes. There were two meetings, one on 14 December 2007, where my reference was about the precinct of Alex Avenue, and another on 5 May 2008, where my references say Lowes Creek, Alex Avenue and Badgerys Creek.

The Hon. GREG PEARCE: With regard to the meeting of 5 May 2008, you were present at the entire meeting?

Mr DAWSON: I was.

The Hon. TREVOR KHAN: And you were obviously listening to what was being said?

Mr DAWSON: Yes.

The Hon. TREVOR KHAN: Was Minister Sartor, as he then was, speaking on various issues?

Mr DAWSON: Yes.

The Hon. TREVOR KHAN: Do I take it that he was frank and forthright in his views?

Mr DAWSON: From my recollection, yes.

The Hon. TREVOR KHAN: It would be out of character if he were not.

Mr DAWSON: He was always very clear.

The Hon. TREVOR KHAN: Dealing specifically with Badgerys Creek, was Minister Sartor expressing a view that the land was not a goer at that time?

Mr DAWSON: I do not know about the language used.

The Hon. TREVOR KHAN: He probably did not use the term "a goer".

Mr DAWSON: I will quote from my personal notes of the meeting. I stress that I was there from the Badgerys Creek point of view as an observer only. I have very brief notes referring to Lowes Creek and Alex Avenue. I would need to double check, but they are headed "General update on Badgerys Creek" and state that "the Minister said he would not accept a 3A application before the SEPP was in place". That is my handwritten note.

The Hon. TREVOR KHAN: Using your handwritten notes as an aid memoir, can you flesh out what Frank Sartor said about the progress of Badgerys Creek?

Mr DAWSON: Apart from that I would not like to speculate.

The Hon. TREVOR KHAN: I am asking you to remember it, not to speculate.

Mr DAWSON: That reflects to me my best memory of the meeting, albeit that it was only nine months ago. I have attended a large number of meetings since then and processed an enormous amount of information. That was not in the growth centres area at the time, so I have made a casual note in my diary. I was quite surprised to see that in my diary because I was not dealing with Badgerys Creek. I have made a casual note and moved on, but I think it reflects the sentiment.

The Hon. TREVOR KHAN: I am not being critical.

Mr DAWSON: Be as critical as you like; I do not mind.

The Hon. TREVOR KHAN: That will come later.

Ms SYLVIA HALE: Was Mr Haddad at that meeting?

Mr DAWSON: From my notes, Mr Sartor and Mr Haddad were there.

Ms SYLVIA HALE: Can you recall Mr Haddad's attitude to the Badgerys Creek land?

Mr DAWSON: I am sorry; no, I cannot.

Ms SYLVIA HALE: Do you have no recollection whatsoever? Did you get the impression that he was strongly opposed to the rezoning of the land or that he strongly supported it?

Mr DAWSON: I have been in a large number of meetings with Mr Haddad. I would have not got the impression either way, but I do not think that that would be unusual for me.

Ms SYLVIA HALE: What is your view of the disbanding of the Growth Centres Commission given its strategic role in the release of those lands?

Mr DAWSON: I think it is a point of view. I see the amalgamation of the Growth Centres Commission into the Department of Planning to spread those systems and processes statewide and to take the expertise of the commission into the department as a positive step forward for the commission. Obviously I was personally disappointed not to continue the work we were doing, probably to the end of the first releases, but that is the nature of the business that I have been in for 30 years—you get in and do a project and move on.

Ms SYLVIA HALE: Do you have any evidence or do you know of your procedures spreading throughout the department? Have they adopted the models that you developed and pursued?

Mr DAWSON: Yes, indeed. Apart from the precinct planning process being driven predominantly from a project management point of view as opposed to a number of different professionals trying to do it by committee, a large number of initiatives came out of the commission that I understand are now used statewide. One is the more detailed advice in terms of infrastructure planning for land release areas and the other is the biodiversity certification. That was a very good thing.

We worked with our colleagues from the Department of Environment and Climate Change to get biodiversity certification across all the growth centres instead of using a DA-by-DA process. That resulted in a much better environmental outcome and gave everyone involved in the process certainty in terms of the outcomes from a biodiversity certification and cost point of view. The development control plans used, particularly for the first precinct released, included a complying development for single dwelling houses, which cut down enormously the approval time for single dwelling houses in various areas provided they met councils' criteria. The overarching coordination between State infrastructure and local infrastructure in section 94 is now expanding throughout. I think it was a good thing.

Ms SYLVIA HALE: Were you aware while you were heading the commission of any pressures from within the Government for the commission to be disbanded?

Mr DAWSON: I do not think I was aware of any pressures from within the Government. I was certainly aware that from time to time there was a debate about whether or not the growth centres should be within the department.

Ms SYLVIA HALE: But you were not aware, for example, of Minister Tripodi or Mr Obeid being keen to see the commission disbanded and its approach to the sequenced release of land abandoned?

Mr DAWSON: I am not aware specifically of any particular Minister or member having that resolve. I am certainly aware of debate about the sequencing of land and whether the land should be identified and then people try to identify the infrastructure and other things. That debate has raged in New South Wales for 20 years.

Ms SYLVIA HALE: But do you remember who were the proponents on either side of that debate?

Mr DAWSON: No. Debates like that were generally represented to me either by my Minister or ministerial staff or, indeed, people within the Department of Planning. The only time that I heard discussion on that would have been in various meetings with not only bureaucrats but also representatives from various industry associations such as the Urban Development Institute of Australia, the Housing Industry Association and others.

Ms SYLVIA HALE: Were they of the view that if the market wanted to develop it should be permitted to do so?

Mr DAWSON: Not necessarily. Some associations thought that the sequencing of land in line with infrastructure was a good outcome and others thought differently. In response to that, when our business plan was developed in 2006 it was developed with a document entitled the "Precinct Acceleration Protocol", which I think addressed the other side of that debate reasonably well and in an open and transparent way.

Ms SYLVIA HALE: The view has been expressed that the \$180,000 levy is too high and that it will encourage people to leave the State rather than to develop areas within the State. What is your view of that? Did you form a view of that when you were looking at infrastructure costs?

Mr DAWSON: I have a personal view of that as a former practitioner in the industry. That view supports reasonable levies on new land and infrastructure.

Ms SYLVIA HALE: Did you think \$180,000 reasonable?

Mr DAWSON: During the course of my time in the Growth Centres Commission there were three different scales of levies. On each occasion, given my view of the market, I recommended to the Government that the levies were acceptable.

Ms SYLVIA HALE: At what time did you become aware that the south-west rail link from Glenfield to Leppington would not be proceeding despite the go-ahead having been announced on 6 March 2008?

Mr DAWSON: I think when it was publicly announced. If my memory serves me correctly, and I could be wrong, it was in the mini-budget of that year.

Ms SYLVIA HALE: Was the commission's policy that rezonings and land releases should be staged outwards from the south-west rail link as the key transport infrastructure for the first stage of the growth area?

Mr DAWSON: No. The first land releases in the south west were at Oran Park and Turner Road in the south. Edmondson Park, albeit that it was in the growth centre, had already been rezoned by the Department of Planning and Liverpool council. We did extensive work with Liverpool council on re-jigging that rezoning. However, given the head start with Edmondson Park when the growth centre was established, our approach to the total infrastructure potential and map of the south west growth centre was to start at the southern end. There were two significant infrastructure reasons for that.

Ms SYLVIA HALE: What were they?

Mr DAWSON: The first was that with the advent of Edmondson Park the capacity of the south-west water and sewerage system had been used up and a new sewage treatment plant would be required in the south west. That takes approximately four years and, if my memory serves me correctly, it costs about \$180 million. The sewage treatment plant at Camden West, to the south and slightly west of the bottom tip of the South West Growth Centre, had the capacity to cater for between 2,000 and 4,000 lots. The road infrastructure from Campbelltown up through the new release areas around Currans Hills and places like that was already in place.

With the first front being at Edmondson Park in the north east of that precinct and the ability to release between 2,000 and 4,000 lots or to have 2,000 to 4,000 lots sewered in the first four years, which meant we would not have to wait four years before more land could be released, and given that the road infrastructure worked up to the intersection of Northern Road and Camden Valley Way, it was a relatively simple economic choice to say that we could release that land and that it could be supported by Camden West until the first sewage treatment plant was built in the south west sector.

Ms SYLVIA HALE: Did you have any views about the redevelopment of the Oran Park land, given that it was the location, I think, of the largest dairy farm in the southern hemisphere and it was zoned 1A as prime agricultural land? Did you have any misgivings about the dedication of that land for purposes other than agriculture?

Mr DAWSON: No, I did not. I was working to the State Government's strategy for rezoning that land. But I had no vocational or personal misgivings about that.

Ms SYLVIA HALE: The director general at the time, Jennifer Westacott, stressed on a number of occasions the importance of the retention of prime agricultural land.

Mr DAWSON: I will make some comment about that. The growth centres were identified with a particular boundary. If you look at maps of Sydney you will see there is extensive urban agricultural land outside those boundaries, and it remains. When you are trying to make land and housing more affordable in Sydney—and from my experience supply is one of the greatest tools to make it affordable in the long term—sometimes things are lost. My view of the western Sydney strategy in that case is that if you take, for example, biodiversity certification we were going to lose some minor things. However, when we looked at it as a whole and at both the growth centres and the biodiversity certification program, we would come out with an improved outcome. I think that when you take two specific growth areas in one basin, like we have in Sydney, and say that this is for housing people well into the future, we still had significant biodiversity both inside and outside the area. We also had significant farm holdings and urban farm holdings and that was fine. So I had no problems with that.

The Hon. MICHAEL VEITCH: Mr Dawson, what was your background before you went to the Growth Centres Commission [GCC] as the chief executive officer?

Mr DAWSON: A builder and housing developer.

The Hon. MICHAEL VEITCH: For how long?

Mr DAWSON: For about 18 years I was a builder and a housing developer. I then joined the New South Wales Government to go to Honeysuckle and to look at the redevelopment of the harbour-front land in Honeysuckle in 1998.

The Hon. MICHAEL VEITCH: How long were you in your role as a chief executive officer with the commission?

Mr DAWSON: For three years—from 2005 until 2008 when it was merged with the department.

The Hon. MICHAEL VEITCH: As part of your role as the chief executive officer at the commission were you involved with stakeholders involved in land release strategies?

Mr DAWSON: Over my three years in that role I was involved with an enormous number of stakeholders.

The Hon. MICHAEL VEITCH: And local government?

Mr DAWSON: Indeed, local government, landowners, landowners who were developers, developers who were not landowners, community groups, industry associations and consultants—an enormous number of people.

The Hon. MICHAEL VEITCH: What issues would be raised by the whole gamut of those organisations relating to the development of your strategies?

Mr DAWSON: There are couple of answers to that question. Referring to the metropolitan strategy, that was put about out before we were established. That was put out for public comment and there was an enormous amount of comment on it.

The Hon. MICHAEL VEITCH: That is the City of Sydney metropolitan strategy?

Mr DAWSON: Yes, its metropolitan strategy. With everything that the Government does there is a process in this context of both formal and informal public consultation. We would deal, certainly to the letter of the law and sometimes beyond, with the public consultation as we would. Often that would invoke certain approaches from all sorts of people. During the course of my tenure at the Growth Centres Commission I could have telephone calls or meetings with an individual quarter-acre block landowner up to Ministers and chief executive officers of organisations and other companies.

The Hon. MICHAEL VEITCH: You mentioned the City of Sydney's metropolitan strategy. How did that impact on your role? What elements did you have to draw out of that for the commission?

Mr DAWSON: In effect, the metropolitan strategy was the map for the commission to meet its objectives. It was a precursor to the commission and it recognised that the commission should be established. That was the plan that pointed towards the establishment of the Growth Centres Commission.

The Hon. MICHAEL VEITCH: The submission of the Urban Taskforce talks about how land release stimulates economic development or economic activity. I guess it is one of the main drivers for that in those regions. Was that one of the elements of the commission? What were the other elements at which you had to look as part of your role?

Mr DAWSON: I will go back to what I said before. The easiest way to describe the commission's objective was to get as much land rezoned for the market as quickly as possible with the best use of government resources. In meeting those objectives, in my experience as a land developer from 10 years ago and other things that would do two significant things. First, it would contribute enormously to affordability in Sydney, which is an issue. Second, I think it would also contribute enormously to the economy. One has only to look at economic indicators to see that housing is treated as one of the tests for how economies are going. Housing brings with it a great deal of employment, jobs and stimulus to the economy.

The Hon. MICHAEL VEITCH: One of the issues that was raised by someone else—I think by former Minister Sartor—related to supply and demand and to the fact that land releases are not meeting demand requirements.

Mr DAWSON: In my career, while I was running the two housing companies that I ran in the 10 years before I joined the Government, I was also involved in the Urban Development Institute of Australia. It was certainly my view and its view—and it is quite clear from the statistics—that New South Wales and, in

particular, Sydney have gone through periods of lack of supply in greenfield land in western Sydney. That lack of supply generally is followed by, or generally includes, price increases. It is a basic economic principle of supply and demand. If there is not enough supply the prices will go up. I have long held the view as a practitioner in land development and land work that at the very least we should meet land supply demand in any market in which we are working.

The Hon. MICHAEL VEITCH: In response to an earlier question from Ms Sylvia Hale about biodiversity certification you talked about your involvement in that area. What are some of the things that we need to do to protect biodiversity certification? When large-scale tracts of land are released obviously there will be an impact.

Mr DAWSON: The Threatened Species Act protects, quite rightly, species that are threatened in New South Wales. Under the Act the Scientific Committee determines that list of threatened species, or it certainly was when I was practising in industry. It is enormously important. Before the Growth Centres Commission the way that mechanism worked is that while there was reference to the Department of Environment and Climate Change under the Threatened Species Act at various stages in the planning process, the real work was done at development application stage. When you are producing 181,000 lots, that would probably transfer to somewhere between 20,000 and 25,000 new developments. It may be more or it may be less, but let us say that it is 25,000 new developments.

When you deal with a particular issue in threatened species 25,000 times, clearly it will be expensive but, far more importantly, it does not give a strategic or holistic approach to the conservation of threatened species. It is doing it on site-by-site basis, or a landownership-by-landownership basis. The biodiversity certification model was looking at the whole of the growth centres and at what was being retained in those growth centres. In some respects it guided the planning so that very valuable ecosystems were retained within the growth centres. It then identified that some things that would normally be listed and worked through with the Threatened Species Act might be lost and offset that by allowing either for purchase or for allocation of land outside the growth centres that would give a better outcome and more strategic outcome across the board. I think that was one of the cornerstones of what I understand is now a statewide process in land supply for New South Wales.

The Hon. MICHAEL VEITCH: What would you suggest to improve that process?

Mr DAWSON: I have not studied that or contemplated it. The biodiversity certification process, which is an enormous improvement from where we went, is one of the few things I have seen in my career in both the private sector and in government that protects both sides of an argument. It gives a better biodiversity outcome and, at the same time, it provides certainty and less cost for the industry that is trying to produce these houses for people in Australia. I think it is a good thing.

CHAIR: Mr Dawson, you mentioned your notes of the meeting on 5 May. Would you be able to table your notes?

Mr DAWSON: Yes.

CHAIR: You mentioned also five or six meetings with Mr Norman Johnston. Do you have some notes of those meetings?

Mr DAWSON: Very brief ones that I can relay to the Committee straightaway.

CHAIR: It would be good if you could do that.

Mr DAWSON: These are quotes from my personal notes. On 15 January 2008 there was a discussion with Norman Johnston. The notes state only, "will do a precinct plan". I think that was very early in Norm's tenure. On 21 February 2008 I attended a presentation by Mr Johnston to western Sydney councils at the Growth Centres Commission office. On 8 July 2008 Mr Johnston presented to GCC staff on the western Sydney employment land area. That was attended by Mr Johnston and his consultants and at least Ian Reynolds from the GCC. He gave us a general outline of numbers, jobs and areas in the land release area. On 3 September 2008 Mr Johnston presented to the metropolitan CEOs group on WSELIA. I was one of quite a number of CEOs that used to attend that meeting every quarter.

At that point I believe, from memory, Mr Haddad advised the group that Mr Johnston's team and the growth centres team were going to get together and look at coordinating the infrastructure for both areas. On 21 October 2008 I met with Mr Johnston and he provided some details of his work for me to pass on to the growth centres team to look at. I have an odd note in my notes on 24 October 2008 that does not mention with whom I was meeting or what I was doing, but it mentions land areas and employment numbers.

CHAIR: You said that Mr Johnston's consultants were at one meeting. Do you know who his consultants were?

Mr DAWSON: I would have to refer to the documents that I have seen in the past. I remember that Sinclair Knight Mertz was probably the prevalent consultant in that group.

The Hon. GREG PEARCE: You referred a fair bit to the debate about whether land release should be sequenced or simply identified and left to individual proponents. One of the concerns we are hearing is that if you do not go the sequencing route the land release issue becomes clouded with the proposition that influence is more important than the planning process itself. There is certainly an element of that in having the Medich proposal separately assessed. Do you have any comment on that issue?

Mr DAWSON: I do not think I said the alternative to sequencing land release was land release by proponents. I think I said that one was sequence of land release governed by an overarching infrastructure plan. I am sure that I did not say the other was land release by proponents. What is in my mind is the way that land release used to be done in Sydney, which is usually proposed by councils as opposed to particular proponents. Of course, when councils are proposing things they certainly have a view within their council area, but they do not have a view of a global State infrastructure, which is significantly more expensive than local council infrastructure to get land to the market. I think those were the two sides to the debate. I do not believe that I mentioned land release led by proponents.

The Hon. GREG PEARCE: What progress have we made, given that we had an experienced Minister who had gone down the route of establishing the Growth Centres Commission and addressing these issues and we now have an inexperienced Minister who has reversed that. Are we making any progress?

Mr DAWSON: I will not make any comment on the experience of Ministers or anything else, having worked for both Ministers. I will not make any comment on their experience or otherwise. Referring to progress, New South Wales has made enormous progress in land release in the past 10 years. As I said to Ms Sylvia Hale earlier, I was very pleased that the hard work done by everyone, not just within the growth centres but everyone across government, local government and community stakeholders, was recognised when the commission was drawn into the department to take that work and expertise statewide. I think we have made enormous progress. I think I probably outlined a lot of that right now.

The Hon. GREG PEARCE: Have you ever been lobbied by Mr Obeid or Mr Tripodi?

Mr DAWSON: No. I do not think I have ever been lobbied by anyone.

The Hon. GREG PEARCE: Have you met with them or had discussions with them?

Mr DAWSON: I have had a number of meetings with Mr Tripodi with my relevant Minister of the day, as I imagine anyone would. I think I have given a briefing to backbenchers on issues from time to time at which Mr Obeid attended. I have never had a one-on-one meeting with either of those gentlemen.

Ms SYLVIA HALE: Mr Dawson, what is your opinion of the quantity of employment land that is now available in the wake of Minister Keneally's announcement in August? For how long do you think Sydney's needs would be able to be met?

Mr DAWSON: Ms Hale, I am not being obstructive but I have no opinion of that, predominantly for two reasons. First, I have been in a completely different job for six months. I have not really looked at the residential or industrial markets for that amount of time because I have been fairly busy with the job that I have at the moment. Second, my personal interest is not particularly industrial, so I have no opinion of that.

Ms SYLVIA HALE: Given the value that accrues from an upzoning of land, say, from agricultural often to employment lands, for example, and that this generally flows onto the owner of the land, rather than the

Government, which is responsible ultimately for the rezoning of that land, do you think it would be appropriate for a body such as the Growth Centres Commission or an equivalent organisation to acquire a bank of land and do the rezoning itself and supply the infrastructure, regardless of how that is supplied, and then sell on to the community to the private market for development? Do you think that would be an appropriate way in which the Government could capture the upzoning value?

Mr DAWSON: I do not think it would be appropriate for the Growth Centres Commission to do that. The opinion of government involved in development is a separate thing, but Landcom exists, they do that, and my understanding is that Landcom operates on a level playing field with other industry developers right down to paying tax equivalents and other things. That already occurs, so I do not believe an organisation like the Growth Centres Commission should do that.

Ms SYLVIA HALE: So that was never envisaged as part of its role?

Mr DAWSON: No.

CHAIR: You are going to table your notes, is that right?

Mr DAWSON: Yes, my notes on the meeting. I have some other notes. Can I take that on notice?

CHAIR: Yes.

(The witness withdrew)

(Luncheon adjournment)

KEN MORRISON, Executive Director, New South Wales branch of the Property Council of Australia, affirmed and examined:

CHAIR: Do you have a brief opening statement?

Mr MORRISON: I do. Thank you for having me here today. Once again I apologise for this morning's mix up. The Property Council's submission focuses on the policy basis behind this inquiry, namely, the importance of employment lands and the need for better frameworks to produce it. We are not able to assist the inquiry with terms of reference relating to individual sites or individual rezoning applications. For the record, I note that neither of the Mediches are Property Council members. Our primary message today is that the efficient supply of employment lands is vital for Sydney's economy and that a lot more needs to be done to provide for this supply. There is no doubt that employment land is a vital part of any city and serves very significant economic and employment roles.

The Property Council has had longstanding concerns in relation to the supply of employment lands in Sydney. I will summarise those. There is not enough new stock of employment lands being created. As a result, industrial land is too expensive in New South Wales. To give some context, the price of industrial land in Sydney is around twice that of industrial land in Melbourne. Planning assessment processes are too complex and slow. Infrastructure servicing and coordination processes are very inefficient, and there are very high infrastructure costs which are pushed to the applicant and therefore to the end price of the built product. To give some context, in August the Minister announced a \$180,000 per hectare levy to be applied to land released in the Erskine Park area, whereas in Melbourne fully serviced industrial land can be purchased for around \$150,000 per hectare. That is quite a difference.

We have been raising these sorts of issues since 2002. The 2005 metropolitan strategy was a big step forward in that it recognised the importance of employment lands for the first time. In 2006 the Government established an employment lands task force to advise it on how to improve employment lands policy, and I was a member of that task force. This reported to Government towards the end of that year. In March 2007 the Government released its employment lands action plan. This had five actions. They were very worthy actions. The Property Council's key concern is that not enough is being done to action that action plan. The first one was creation of an employment lands development program to monitor current and future supply of employment land, and \$1 million was allocated to that task. No employment lands development program has been produced.

Number two is release more employment land, and it identified the western Sydney employment lands investigation area as a site for that release, which made a lot of policy sense. In August 2009 some land was released adjacent to that area, and we are aware that further planning work on the investigation area has occurred but that has not been finalised and we are not aware of when that is due to be finalised. The third action was encourage the regeneration of brown field sites, and there has been no progress on that action item. In fact, we would argue that the current situation has reversed over the last two years; it has actually got worse in terms of delivering on that action.

Action four was more efficient processes for rezoning and developing employment land. Last year's reforms which went through Parliament will see some significant improvements, particularly the creation of the planning panels, but also hopefully the LEP gateway process. Infrastructure servicing, state concurrent processes and the very high infrastructure charges remain big concerns, however. The final action was better coordination within government and outside of government, particularly the creation of a ministerial advisory council on employment lands. That advisory council has not been created.

In conclusion, the Property Council encourages this inquiry to emphasise the economic importance of ensuring that Sydney has sufficient employment lands, recommend that planning for the western Sydney employment lands investigation area be given a high priority within government, recommend that other actions from the employment lands action plan be implemented, and recommend that the reforms of last year be retained and strengthened. We would also recommend that any future reforms that this Committee might consider be considered in a strategic and holistic manner, particularly given that there is another upper House inquiry looking at the broader reform task for the planning system. I am very happy to take questions.

CHAIR: You say in your submission that the Property Council does not lobby for individual member interests.

Mr MORRISON: That is correct.

CHAIR: Is that a particular policy position of the council that it will only lobby on behalf of the development industry rather than an individual?

Mr MORRISON: Yes, that is correct. We are here to provide or try to influence policy positions for the good of industry as a whole; we are not here to hire ourselves out as individual lobbyists on individual projects.

CHAIR: You have mentioned the employment lands action plan, which was announced in February 2007, which was during the last State election campaign—

Mr MORRISON: Yes.

CHAIR: —and the lack of action on the action plan, in many respects.

Mr MORRISON: Yes, that is right.

CHAIR: What is your understanding of why there has been so little action on the action plan?

Mr MORRISON: I think a lot of the Government's focus did shift to development assessment reform, and we certainly welcomed a focus in that area. But I think as to why this was allowed to slip off the agenda, as well as pursuing necessary reforms in that area, I am not really able to answer that. Certainly it was an issue we raised or have been raising since 2007 as we became increasingly frustrated that there was not enough action on the action plan.

CHAIR: Did you raise that with the Government?

Mr MORRISON: We have raised that with the Government at ministerial level and at departmental level.

CHAIR: What was their response?

Mr MORRISON: The response, under the former Minister, was that there was a need to focus on the DA reform agenda that was going through. Under the current Minister, she has said that she has tried to pick up this work and progress it further. However, in 2½ years since the employment lands action plan we have not seen enough action on that action plan. I would have thought that was sufficient time to achieve more of those action targets than what has been delivered in that time.

CHAIR: As you would no doubt know, the question of access to Ministers and different planning Ministers and questions of donations to political parties has arisen in the context of this and other inquiries. In relation to the Select Committee on Electoral and Political Party Funding your council submitted that while it did not oppose a ban on corporate donations, you thought a better way to go about it in terms of bringing about reform would be adoption of full public funding of election campaigns. Do you still believe that that is the way to go?

Mr MORRISON: Yes. At that time and subsequently there has been a lot of discussion about singling out the development community and trying to ban that section of the business sector from donations. From a practical purpose, I do not think that will work. Those of ill will will be able to run rings around whatever system is set up which tries to define "developer" and therefore exclude a category called "developer". So if governments wanted to address this issue and move away from corporate donations, then yes the only result of that has to be that the public picks up much more of the cost of political campaigns.

CHAIR: Mr Sartor was here today and he indicated it would be a good idea if the reform occurred sooner rather than later. Would you agree with that?

Mr MORRISON: Yes. There is definitely a lot of community concern about this. From the industry's point of view, the industry wants a system that is interactive, which is certain and efficient but is also transparent. No-one wants to have a reputation risked by lodging a DA. Businesses that are investing in the State

want to be able to go through a process which the community respects. This is a key reform area that we would like to see some action on earlier rather than later.

The Hon. GREG PEARCE: It has been put to me that some people in the property industry at least believe that in order to improve their chances of proceedings with developments they need to be either linked to Labor formally and directly or have an indirect link through an organisation. Is that the sort of concern you have heard from people in the industry?

Mr MORRISON: Where we sit at the moment in New South Wales is our processes are very complex, and they are also very, very slow. So whether you are talking about development application processes or rezoning processes, these are very complex matters where you can put an application in and you can literally not hear a result for some years. In that environment obviously you will look for how you can get better results than that out of the system. When you have processes which are not transparent or efficient, then there will be some people who will believe that it is better to be seen to be doing the right thing by the prevailing political party to assist with that process.

The Hon. GREG PEARCE: Do you think that is happening?

Mr MORRISON: Do I think that that assists with the assessment of those applications?

The Hon. GREG PEARCE: Yes.

Mr MORRISON: No. I do not think so. I do not think we have a situation in New South Wales where you need to be a political donor to have your application assessed. What I do think is happening in New South Wales is that we have a planning system which is still in significant need of reform. The measures from last year were very good and will create change in those areas, but there is a need for broader reform and the pace of reform probably needs to quicken, not lessen.

The Hon. GREG PEARCE: You would have been following this inquiry—

Mr MORRISON: Sure.

The Hon. GREG PEARCE: —and seen that it is possible that the Medich people believed that by employing Graham Richardson they would get better access and it seems that that actually was the case and that Mr Richardson was able to arrange meetings with the head of the Department of Planning. Do you think that is a good sign of how things are going?

Mr MORRISON: What you would prefer to see would be a system where, whether it is a rezoning application or a major project application, there was some sort of certainty about the time frames in which that was to be considered, and hopefully those time frames could be quite efficient—obviously, the bigger the project, the longer it will take to assess—and there would be opportunities for you to hear what the reasons for not proceeding with your rezoning request, if that were the case, through some sort of formal channel. It would be better not to have to knock on the door and ask for that advice; it should be advice that came to the applicant.

The Hon. GREG PEARCE: So if we could do something to improve that situation in relation to transparency—

Mr MORRISON: I should also say that one of the reforms introduced last year—and many of these reforms are only just commencing now—was the LEP gateway process, which was designed to streamline the consideration of larger, more complex plan making changes versus more simple rezonings. Part of that process which we were always concerned about was a seeming lack of feedback mechanisms out of that. If the LEP gateway process streams an application one way, recommends to proceed or not proceed, or proceed with variation, then you need to have, as a matter of procedural fairness, some degree of feedback to the applicant as to what happened.

The Hon. GREG PEARCE: At the beginning you were very firm that your organisation does not lobby for individual projects and developments?

Mr MORRISON: Correct.

The Hon. GREG PEARCE: In an article from the publication *Punch*, former Minister Frank Sartor is quoted as saying, "The Urban Taskforce is just concerned with short-term greed. It should be blackballed. They are the non-violent equivalent of terrorist organisations". Do you have a view on your competitor organisation, the Urban Taskforce?

Mr MORRISON: I am not going to speak for the Urban Taskforce. Our view in relation to this issue is that our members want an organisation to come forward and work with governments and policymakers to get better policy frameworks. If we tried to lobby for individual projects we would do nothing else, there are plenty of single-issue lobbyists that can do that job. We are here to interact with government on a policy basis.

The Hon. GREG PEARCE: You mentioned also that you are a member of the employment task force?

Mr MORRISON: The Employment Lands Task Force, that is correct.

The Hon. GREG PEARCE: How did the Medich land get into the process of being identified and studied by that task force?

Mr MORRISON: The task force did not go through land stocks on a detailed basis. The purpose of the task force was to identify real problems in New South Wales and identify solutions at a more systemic level. One of the problems was obviously a lack of future employment land. Particularly if you do those benchmarks to Melbourne those are very striking. A number of reports were commissioned for the task force, one of which was a supply audit that looked at where the future stocks of employment lands could come from. I cannot remember precisely, but it is likely that the Medich lands would have been part of that study. Our recommendations were that there needed to be future stocks of employment lands brought on within Sydney with a fairly high degree of priority. We did not actually get down to the exercise of drawing lines on maps; that was left for government.

The Hon. GREG PEARCE: So you did not draw lines on maps?

Mr MORRISON: Correct. Having said that, it does make a lot of sense to be in the employment lands investigation area that the Government has identified. It adjoins the existing employment lands hub, it is very well serviced obviously by the M4, M5 and M7 and needs to be supported further by rail freight certainly. It is part of the Government's objective of moving jobs to western Sydney. There is a lot going for that general location for our future major employment land stocks.

The Hon. GREG PEARCE: To clarify that, you referred to lands that the Government has identified. There are other suggestions that the land was identified by the task force. Was it identified by the Government or by the task force?

Mr MORRISON: It was identified by the Government.

Ms SYLVIA HALE: Mr Morrison, the Property Council of Australia is not a registered lobbyist?

Mr MORRISON: Yes, we are.

Ms SYLVIA HALE: You do not appear on the printout.

Mr MORRISON: It is a registered lobbyist, even though the Property Council is not required to be a registered lobbyist because we are an industry association. We decided to register ourselves in any case.

Ms SYLVIA HALE: Was that recent?

Mr MORRISON: No, that was when the legislation commenced.

Ms SYLVIA HALE: Do you know if the Urban Taskforce is registered at all?

Mr MORRISON: I do not know.

Ms SYLVIA HALE: Okay. Given that you are a lobbyist and given that you say you are representing the views of industry and you wish to make those known to the Government, when you make a submission to an inquiry such as this would you usually be at pains to tell the director general of the Department of Planning that you have made such a submission?

Mr MORRISON: Normally I would do that as a courtesy if it were in the area. If we were making a submission to an inquiry like this in a planning area, yes I would normally do that as a matter of courtesy.

Ms SYLVIA HALE: Why would you do that? So that the director general knows the line that the Property Council is pursuing?

Mr MORRISON: We generally take the view that if we write something significant on planning matters, per se, generally as a matter of courtesy we send that to the department or the Minister or, indeed, to the shadow Minister.

Ms SYLVIA HALE: You said that your group represented the interests of industry. If that is the case, do you think it appropriate that a whole range of government bodies assured the members of the Property Council? For example, the Barangaroo Delivery Authority, the Department of Lands, the Glebe Administration Board, the Newcastle Port—

The Hon. AMANDA FAZIO: Point of order: My point of order is that the question is not relevant to the terms of reference. The inquiry is about the Badgerys Creek land dealings, not the involvement of the Property Council in other organisations or the membership of the Property Council itself. The question is inappropriate and is outside the terms of reference.

Ms SYLVIA HALE: To the point of order: The heart of the inquiry is the influence that may be exerted by lobbyists on the making of government decisions, particularly in areas related to planning. Therefore it is pertinent to ask Mr Morrison questions as some people could see a potential conflict of interest between the membership of the organisation that he represents and the role that he plays as a lobbyist.

CHAIR: The question should be directed generally within the range of the Badgerys Creek context. Mr Morrison can answer in that context.

Mr MORRISON: To answer in that context, the Department of Planning is not a member of the Property Council but we have other agencies that are, and you have listed some, Ms Hale. Some organisations may well have formed the views of Property Council policy developed over time. As I said, we have been in this area for some time: 2002 was our first major paper on the need for employment lands as part of a broader paper on future issues for Sydney. It is likely that some members of public agencies probably saw drafts and perhaps commented on drafts, so would have formed some of those views on the way through.

Ms SYLVIA HALE: Presumably those government agencies have access to government policies and proposals?

Mr MORRISON: Yes.

Ms SYLVIA HALE: Yet they may also see lobbying proposals that your organisation might put forward. Do you think that represents a potential conflict of interest?

Mr MORRISON: No, I do not. Just to clarify my earlier comments, the way the Property Council develops its policy if we are doing a major paper such as the initiatives for Sydney, which we did in 2002 and which raised employment lands as a significant issue, or the precursor work we did on the metro strategy, which also raised employment lands as a very important issue, then for a major paper like that it may well be circulated and will be circulated around our committee membership and perhaps some broader membership. But day-to-day responses to government on things, day-to-day development of policy occurs through our committees, and in relation to those issues there would be pretty limited government representative input to those.

Notwithstanding that, I do not see a conflict of interest here. What the Property Council is putting forward in this area is a number of recommendations to help manage the supply and delivery of employment lands in a much more effective way than is being done at the moment.

Ms SYLVIA HALE: You do not think it is a case of Caesar's wife must be above suspicion: there must not even be the possibility of the perception that whenever an authority such as the Barangaroo Delivery Authority or the Sydney Harbour Foreshore Authority, or whatever, has input into Property Council proposals, that that could be seen to be improper in the eyes of many people?

Mr MORRISON: The Property Council would not seek the Barangaroo Delivery Authority's input into a matter involving Barangaroo. We would, of course, have discussions with them on the basis of that policy. We would not send them a draft policy in relation to Barangaroo and ask them what they would think of that as a member. That is not something we would do.

Ms SYLVIA HALE: More generally on your views about lobbying, what is your view of the appropriateness or otherwise of lobbying by former members of Parliament and former staffers? I am thinking of people such as Bob Carr, Neville Wran, Carl Scully and Graham Richardson. Do you think it an appropriate form of activity for former members of Parliament to engage in?

Mr MORRISON: The Property Council does not have a policy in this area. My view would be that it is not an inappropriate thing to do. Clearly it is an issue of transparency. There has been a lot of debate around cooling-off periods and policies around cooling-off periods for former public officials to limit their ability to jump into a lobbying role immediately after they resign. I think that is sensible policy. Again this is not an area that the Property Council has put pen to paper on.

Ms SYLVIA HALE: I imagine that the Property Council is a fairly strong supporter of public-private partnerships. Is that correct?

Mr MORRISON: That is correct, yes.

Ms SYLVIA HALE: You would have been happy to see the development of the M7 and you would see that as useful to the subsequent development of employment lands at western Sydney?

Mr MORRISON: There is no doubt that that has been an absolutely effective piece of infrastructure and has had a transformational effect on investment in western Sydney and the economic and employment activities happening in western Sydney.

Ms SYLVIA HALE: You would be aware also that with most motorway schemes usually there is a clause in the contract that prevents governments from creating roads that would compete with the private consortium's roads?

Mr MORRISON: I am aware of clauses of that nature.

Ms SYLVIA HALE: What would your view be if such clauses were to impact on and prevent the servicing of the employment hub in western Sydney lands with roads that might be critical to its success?

Mr MORRISON: You do not need another M7 in western Sydney. However, you do need a lot more servicing of infrastructure, including transport infrastructure, to support the investment that is going on there. We have been quite critical of the lack of coordination, a lack of supportive investment, and also the policy of this Government of trying to push those costs on to the applicant. As you framed the question, I do not think having the M7 delivered under that PPP arrangement prevents the Government from doing the job it should do and investing in the infrastructure that is needed to facilitate further employment in the area. The M7 is a fantastic piece of infrastructure and has done a great job for the western Sydney area.

Ms SYLVIA HALE: A document dated 2 July 2008 on the impact of the M7 Project Deed on the road design of western Sydney employment lands investigation area states, amongst other things, "The Department of Planning has prepared a road design network for the WSELIA which has a series of new roads within what is known as an exclusion zone. As such the implementation of the network could trigger Clause 19 'Material Adverse Affect' of the current Project Deed. This would require negotiations and possibly payment of monies if an adverse impact was determined". It then goes on with a notation from the director general to the person sending it, "Norm, I prefer this is not in writing. Can we discuss". I can see why it is potentially embarrassing to the Government. Would you care to comment on that conflict of interest with the development of essential roads and the dominance of the M7?

Mr MORRISON: You would not want to see sensible planning put to one side for the final road network that we are going to need in that area, for that not to occur because of some exclusion clause.

Ms SYLVIA HALE: So you would be in favour of paying compensation in order to get the road?

Mr MORRISON: If that were required. But I do not pretend to be an expert on the clauses around the M7, so I am not sure to what extent those would actually preclude those investments, or the planning for the road servicing network. Certainly if it was, it would be a very stupid outcome.

The Hon. AMANDA FAZIO: You have said in your submission that you support the existing planning reforms, including the joint regional planning panels and the Planning Assessment Commission, and that you recommended the Committee consider future reforms to the planning system in a strategic and holistic manner. Did you want to elaborate on what future reforms the Property Council thinks are required?

Mr MORRISON: I think the steps New South Wales has made into independent planning panels is a very important step and one we have seen in the other States—most recently Western Australia has picked up the regional planning panel model but with much lower thresholds than what we have adopted in New South Wales. So there is no doubt the move to depoliticise decision-making in development decisions is a trend that is going on around the country and one that as we watch the regional planning panels work we should look at closely and look to extend. So that is one area.

Also, in relation to that, before I move on, the Planning Assessment Commission has a more limited application than it was envisaged when the reforms were first set up, and we always said that if you have a planning assessment commission it should do the full job, not just where there was a conflict of interest with the Minister. So depoliticising decision-making is very, very important. Part of last year's packages was the creation of codes to ensure that simple matters can get dealt with in 10 days and not have to go through the full rigmarole of a full development application. I think there is also a role to look at how that can be extended, what other States have greater as-of-right development where there are low impacts. I am thinking of housing in housing zones, employment land investment in employment land zones, where the environmental impacts or the neighbourhood impacts are very minimal and can be dealt with through the planning scheme upfront. There is no doubt those should be looked at.

There is also, I think, a big issue which is at the heart of some of the discussion of this inquiry, which is: How does our planning system deal with innovation? Currently our planning system deals with innovation through the application of SEPP 1 or through a rezoning application. They are fairly long-winded processes to deal with innovation and we are in an environment where even if we were in a planning nirvana where we had our plans up to date, which we are certainly not in this State, you would want the private sector to come forward with innovative ideas to tackle problems. So there should be some further work done in that area.

The two remaining ones would be around infrastructure financing where pushing the cost of infrastructure financing to the development process clearly does not work. We have not got enough housing supply, we have not got enough employment land supply and we need to find alternatives. Lastly and very importantly, as a State we need to go back and look at our strategic planning needs. The metro strategy is four years old. It has had some successes; it has got a lot of failures. Let us look at what needs to be refreshed from that strategic planning level and let us have a debate around what the future growth of Sydney should be and how we facilitate it.

The Hon. AMANDA FAZIO: Earlier this morning Frank Sartor said he thought that there was a useful role for lobbyists in explaining the processes of government to their clients. Does the Property Council provide that sort of assistance to its members? Do you explain the processes of government to them?

Mr MORRISON: Our members involved in our committees that develop policy, I am constantly surprised by the lack of understanding of government processes that exists in some sections of the business community. Certainly, when we are having those discussions about how we deal with policy issues we also have the discussions about how we can best effect the change that we are seeking through those policy processes.

The Hon. AMANDA FAZIO: Do you think the reforms that have been put in place in relation to the planning processes will help to make the process more streamlined so that developers in the future might not have to employ lobbyists to work their way through the system?

Mr MORRISON: There is no doubt that last year's reforms will be a big step forward. There is also no doubt there is a lot more to do. So New South Wales will still remain a very complex State in which to get a decision made on a development application or for a community to understand what is going to happen in its area in the future. I think we should not pretend that last year's reforms, welcome as they were, are going to fix all our problems, because they will not.

The Hon. MICHAEL VEITCH: In response to an earlier question you used the phrase "right to develop". I happened to be on the other upper House inquiry into the planning reforms over the past 12 months and we heard that phrase there as well. What does that phrase "right to develop" mean?

Mr MORRISON: When you acquire property, whether you are an individual or whether you are a company, that property comes within a policy framework, a legislative framework and a planning framework. Within that framework that gives you particular rights to do improvements to that property. It can often be in a situation where you can see the benefits of doing something that does not quite fit within that framework, and that goes to my earlier comment about how does a system deal with a concept which does not necessarily sit within the rules, particularly in a State where we know that many of our LEPs are well out of date, and where we have this objective of reviewing them all every five years. I think in the last eight years they have issued three revised LEPs consistent with the new template. So we know most of our LEPs are old and wrong.

The Hon. MICHAEL VEITCH: You mentioned this in one or two of the submissions to this inquiry but also in some of the media there is an inference that property developers making profits are almost taboo. Certainly there is a bit of a high risk around property development. Ms Hale was talking earlier about one of her constituents. How do property developers go about assessing the risk of a development such as Badgerys Creek?

Mr MORRISON: Development is high cost, high risk. It can be high return, but obviously it is high risk, and part of that is because the time frames are very long. The assessment process is part of the big risk factors that any developer needs to consider and attempt to manage. So where you do not have confidence in the time frames you are dealing with that is a significant issue because it makes it difficult for you to price a period of time in which it is going to be required to get your approvals. If the certainty of the planning framework is also not there then there is a higher risk factor also because you are not sure whether your scheme will actually be approved, whether it fits within the planning controls or whether it is in line with the broader planning policy for an area.

So if you had in New South Wales a better system for dealing with innovation then you have a better feel for what sort of innovative concepts were likely to get up and what were not. In that scenario what that means in New South Wales is that there is a higher risk premium in doing business in New South Wales and making investments in New South Wales than there is in other States. At the margins that will mean that some of that investment will go elsewhere, and we have seen that, I think, with our growth rates in New South Wales over a period of time—forgetting about Western Australia and Queensland, but comparing ourselves with Victoria, with a similar type of economic base. They have been more successful in capturing investment.

The Hon. MICHAEL VEITCH: This morning Mr Sartor was asked a question about what more reform he would like to see in the Department of Planning reforms and he spoke about third-party appeals. What is your organisation's view of the introduction of third-party appeals to development?

Mr MORRISON: We do not agree with third-party appeals. We believe that the merits process gives adequate opportunity for people to have their views listened to. We note that in other States where third-party appeals are in place they do cause a lot of delays and a lot of legal action. So our preference would be that there is the investment done in the upfront planning and then you have a rigorous merits review process which is able to deal with the issues.

The Hon. KAYEE GRIFFIN: You spoke earlier about the employment lands action plan, and one of the things in that was to encourage action on brownfield sites. You made the comment that there had been some changes in the last two years in relation to brownfield sites. Could you elaborate on that?

Mr MORRISON: The objective in the action plan was that where you had employment lands which were not required for employment uses or perhaps for the old industrial uses that it was previously put to, that should be actively regenerated, particularly where we have a policy of urban renewal—we are going to need a fair bit of that land for housing. Obviously, a lot of that more strategic land should be retained for employment uses but there will be a lot which will not need to be. My comment related to the process the local government

has had dealing with their creation of new LEPs for the LEP template. As part of that they issued an assessment of employment lands graded by three different grades: the strategic lands that should be retained in employment uses, the lands which should be allowed to be rezoned and reused, and the lands in the middle of that spectrum which you could make a case for having some sort of higher use.

We feel the department erred on the cautious side with a lot of those employment lands. I am not saying this as someone who has come to the table with a let-it-rip view of these lands. In fact, the Property Council—you can go back and look at what we have written over a number of years—has said we need to make sure we hang onto a fair bit of this more strategic employment lands. But clearly there is a lot of employment land that can be redeveloped and should be redeveloped for housing, for other employment uses, as part of a transit-orientated development urban renewal strategy, and we are not seeing enough of that happen. So our view is that what has happened in the last couple of years has been far from facilitating and is, in fact, taking a step backwards from the objective of that action plan.

The Hon. GREG PEARCE: What was the Property Council's view of the Growth Centres Commission and the approach to sequencing development through releases and linking it in with infrastructure?

Mr MORRISON: We are very supportive of the Growth Centres Commission. I think the original objective of the commission was not quite matched by the way it was initially set up. The Growth Centres Commission initially was to have direct infrastructure coordination powers and in the end that did not really occur. They did not really control the money and the infrastructure delivery in the same way that the Government first announced, and I think that limited their effectiveness.

Having said that, the Government did not meet its targets through the Growth Centres Commission. They were supposed to have housing coming out of the ground this year. That has not occurred. Part of that is because the Government had a couple of rethinks about its approach using the Growth Centres Commission within that period. So the idea of having dedicated expertise coming in to do a better job was a sensible thing to do, particularly since we have been coming out of an environment where we have virtually switched off land release in Sydney.

The Hon. GREG PEARCE: What do you think about the move of the Growth Centres Commission back into the Department of Planning?

Mr MORRISON: The reason makes sense. To say let us use this expertise and use it more broadly, I think is a very valid reason to do that. We certainly want to see that evidence that we were actually moving land releases. A good one, I think, is West Dapto down in the Illawarra. A very large land release has been just around the corner for about 20 years and it certainly needs the State's help to get it going.

The Hon. GREG PEARCE: Do you know what happened to the staff of the Growth Centres Commission?

Mr MORRISON: Angus Dawson left the department and I believe that most of the other staff within the Growth Centres Commission went to the department.

The Hon. GREG PEARCE: Do you see the department as continuing that sequencing role or do you see it slipping back to the former process, which was very much driven by proponents coming in with their land and trying to get it rezoned either through council or directly through the department?

Mr MORRISON: We were looking to the release of the western Sydney employment lands investigation areas as one of the key answers to that question. West Dapto is another. To plan for a major release like this requires a lot of planning effort and a lot of infrastructure effort and a lot of financing effort, and you really need the arms and legs of State government to do that. We were looking to this outcome as being one that indicates whether that is working or not, and we have not seen it yet.

The Hon. GREG PEARCE: You have not seen it yet?

Mr MORRISON: No, because that employment lands investigation work has not been put out.

Ms SYLVIA HALE: What we see occurring, and I think Badgerys Creek is a prime example of it, is the significant developers acquiring land relatively cheaply because of its zoning and then lobbying very fiercely

for it to be rezoned for a more valuable purpose and then retaining the windfall profits from that rezoning. Is that a process that the Property Council supports or do you think the Government should be the beneficiary of that upzoning of land?

Mr MORRISON: You are always going to get people speculating around planning decisions. That is part of what will happen, so whether you like it or do not like it that is what is going to happen. In terms of the upzoning issue and the cost issue, this Government has attempted to capture a part of that uplift through the use of development levies.

Ms SYLVIA HALE: But you have said they are too high.

Mr MORRISON: They are too high and there is no doubt they have acted as a handbrake on the very growth that these plans have tried to facilitate. We need to change those. We have put forward a proposal to pick up tax increment financing out of the United States, which is a mechanism for picking up the tax uplift which comes to governments when you have a growth area, and wrapping that taxation uplift back into the funding of the infrastructure. We believe that would be a far more effective mechanism. It was one of the recommendations we made to the upper House inquiry dealing with the planning system.

Ms SYLVIA HALE: Do you think that would limit land speculation because obviously that speculation lies behind a lot of Sydney's ills?

Mr MORRISON: You always get a lot of speculation. Speculation happens and that is going to be a matter of fact in whatever planning system you set up. If you have a planning system that has a pretty clear strategic direction about what it wants to see happen and it makes decisions a lot faster than ours does, then you will see less of that speculation or perhaps the speculative behaviour will be less of an issue, and less of an issue for those speculators too. At the moment there is a lot of risk in punting a decision of government.

The Hon. AMANDA FAZIO: It has been put to me by a number of people that they think one of the problems in planning any growth area, whether residential, industrial or employment lands, is the predominance of what has been termed "world class nimbyism" in New South Wales. Do you think that that is having an adverse impact on the ability to plan strategically in New South Wales?

Mr MORRISON: There is no doubt that that is the case and not just with these major land releases. When it comes to urban renewal you see a lot of nimbyism. Part of the success of Sydney over a long period of time has meant people have not perhaps been as hungry for the economic growth and the jobs as in other States where we have seen lower performances going back a decade. There is no doubt that we have a big task in New South Wales to re-engage with the public about the need for growth. Growth is going to happen in Sydney and New South Wales and we should be welcoming it with open arms and facilitating the quality outcomes on the ground. We need more people on the front line talking up the need for growth.

CHAIR: Thank you for your assistance to the inquiry.

(The witness withdrew)

CHAIR: Before Mr Richardson gives evidence I emphasise that the terms of reference for this inquiry require the Committee to examine land dealings and planning decisions concerning land owned by Mr Roy Medich and Mr Ron Medich at Badgerys Creek. It is not an inquiry into the circumstances surrounding the murder of Mr Michael McGurk. However, it is possible questioning may touch on matters in which Mr McGurk was involved. I will not rule out of order questions related to the activities of Mr McGurk but I ask members to be cautious in ensuring 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. Thank you, Mr Richardson, for being here.

GRAHAM FREDERICK RICHARDSON, lobbyist, sworn and examined:

CHAIR: Do you have a brief opening statement?

Mr RICHARDSON: I put in a submission, which I assume has been distributed to the members of your Committee, Madam Chair.

CHAIR: Yes.

Mr RICHARDSON: In that submission I referred to the fact that I did not believe I had any special relationship with Sam Haddad, in fact far from it. I said he was very difficult to see. The *Sydney Morning Herald* and even some members here have tried to make something of the fact that the meeting Roy Medich and I had with Sam Haddad on 2 September, I think it was, was the day before McGurk was murdered. I believe the meeting I had with Sam Haddad was actually scheduled for 31 August but, as usual, was postponed—I might say on that occasion at only a couple of hours notice. It was put off until 2 September. I wonder what significance would be made of it if it had been held at the time it was supposed to have been held. I think that is one of the irritations of this. The media, in particular the *Herald*, seem to make suggestions about these things that are improbable at best and ridiculous, and I have to put up with them on a constant basis. Other than that I am here to answer your questions.

CHAIR: Mr Medich told the Committee that you were—

Mr RICHARDSON: Which Medich?

CHAIR: Mr Roy Medich. What was your brief from that Mr Medich?

Mr RICHARDSON: To advise them on how to go about trying to get approval for the rezoning of the employment land at Badgerys Creek. That has been my main brief with them for the last few years.

CHAIR: He said, among other things, that you would advise on which part of the Government to go to on particular matters. Did you lobby any departments other than Planning on his behalf; if so, which ones? Also, did you lobby any Ministers in relation to Badgerys Creek?

Mr RICHARDSON: I do not believe I lobbied any Ministers and I cannot think of any other department I went to for that one, no. I know that there had been questions raised about infrastructure on it and when I had a discussion with Norm Johnston, which I think has been referred to in the Committee before, I did raise some of those issues with him, but at that stage I believe he was employed as a consultant to the Department of Planning, so it was still within Planning.

CHAIR: As a political adviser with a Labor background was part of your political advice that donations should be directed to the ALP?

Mr RICHARDSON: In the case of Roy Medich you would never have had to make that statement because he has always been a pretty strong Labor supporter. I think I first met him at Labor Party functions probably a quarter of a century ago, a long, long time ago, in the western suburbs. He has been a long-term Labor supporter and has continued to so be.

CHAIR: Did you ever meet Mr Sartor on the Badgerys Creek matters?

Mr RICHARDSON: No.

CHAIR: You have been engaged by Mr Medich since 2005 and the development was knocked back as a State significant site in May 2008. Can you explain the gap between then and when you first started to meet with Mr Haddad?

Mr RICHARDSON: I think it is a matter of waiting until the time is right. You have to go through a whole lot of processes and it is probably not worth my time trying to see people at that stage. You wait until you think it is significant. I waited until, I do not know, some time in the last year or two—I cannot give you an exact date—until I started to work intensely on the project.

CHAIR: What made the time right then?

Mr RICHARDSON: Once it got to the stage of a part 3 application being actively considered I think it was time to take up the cudgels and do what you could.

CHAIR: Did you ever stay clear of Mr Sartor?

Mr RICHARDSON: Did I stay clear of Mr Sartor? Well, I suppose like a number of people I might have been guilty of that on occasions, so I will have to plead guilty. I have not spoken to Minister Keneally at all since she has had the job. I think in the last 18 months to two years of Frank Sartor having the job I probably saw him only once. We had a rather convivial dinner to discuss our differences, which were many, but that was all, I think. I took the view that by that stage, in the last 18 months of his tenure, and with Kristina Keneally, these Ministers see themselves really as being involved in policy settings more than anything else and not in the detail of developments. They tend to rely on their departmental advice. So there is not much point in talking to them. You might as well go to the department.

CHAIR: Have you ever met or had discussions, including telephone discussions, with Kristina Keneally on any matter?

Mr RICHARDSON: None.

CHAIR: Never?

Mr RICHARDSON: No contact of any kind, ever.

The Hon. GREG PEARCE: In your submission you describe Mr McGurk as a highly dubious source. Could you explain to the Committee why you were meeting him and was that in your capacity as a lobbyist for the Medichs?

Mr RICHARDSON: I do not think you can lobby people like McGurk, can you? I was asked to listen to the tape. What happened was that I was approached by a fellow called Richie Vereker, which I think is now well known. I gave a statement to the police about this four or five months ago. He mentioned this tape and I mentioned it to Roy Medich and Roy said, "I'd like you to have a listen to it", so I did. That was the only capacity. I spent 10 minutes with Mr McGurk. That is the only 10 minutes I have spent with him in my life, the only contact. I never spoke to him on the telephone or had any other contact whatsoever.

The Hon. GREG PEARCE: You say in your submission you met with Mr Haddad four times this year. Do you have the dates of those meetings?

Mr RICHARDSON: No, I do not.

The Hon. GREG PEARCE: Do you keep a diary?

Mr RICHARDSON: The answer is no. The diary that I keep, Mr Pearce, is shall we say much more up here than it is down there. I work on my own. I am my business. I just try to keep it in my head most of the time. Sometimes I write it down but a lot of times I do not. In fact, to check what date the meeting with Sam Haddad was scheduled to be—I informed you 31 August—I actually rang his office last week to find out because I did not have a record. I just knew it had been postponed.

The Hon. GREG PEARCE: You have been engaged by the Medichs since 2005?

Mr RICHARDSON: Something like that, yes.

The Hon. GREG PEARCE: Did you give them invoices or were you just paid—

Mr RICHARDSON: Yes, I give them an invoice every month.

The Hon. GREG PEARCE: And those invoices would not contain details of what you had done that month, of meetings and such?

Mr RICHARDSON: No, nothing.

The Hon. GREG PEARCE: Just "Please send us \$5,500"?

Mr RICHARDSON: That is right.

The Hon. GREG PEARCE: During 2008, according to the evidence from Mr Johnston of the Planning department, you had a meeting with him in February and several telephone conversations occurred after that. Do you recall those contacts?

Mr RICHARDSON: Yes, I think that is right.

The Hon. GREG PEARCE: There were telephone conversations on 14, 20, 25 and 30 August 2008. What was happening in August 2008 that caused you to have such a flurry of phone conversations?

Mr RICHARDSON: I cannot recall but I suspect that around that time I was told it might be going to Cabinet and I was told his report was being finalised. So I was trying to make sure that what was going in his report was something that we could live with and, secondly, to find out when he was going to finish it. I think I failed miserably on both of those missions, but that was what I was attempting.

The Hon. GREG PEARCE: And you were told by him that it was likely to go to Cabinet shortly? Is that where you—

Mr RICHARDSON: I cannot recall.

The Hon. GREG PEARCE: After the change in Ministers you shifted your attention from Mr Johnston to Mr Haddad this year. What was the reason for that?

Mr RICHARDSON: No, I had already spoken to Mr Haddad a number of times but I think the reason for the change—

The Hon. GREG PEARCE: Prior to Mr Sartor being sacked?

Mr RICHARDSON: I think I had spoken to him once or twice.

The Hon. GREG PEARCE: Before Sartor was sacked?

Mr RICHARDSON: Before Sartor was sacked.

The Hon. GREG PEARCE: Meetings or phone calls?

Mr RICHARDSON: I think they were phone calls. There may have been a meeting. Do not hold me to that. It is too far back to remember. Certainly I would have been trying. As far as Norm Johnston was concerned, though, he was the one writing the report. I think once that report was completed, or I believed it to have been completed, there was not much point in talking to him because I do not think he was going to have a role beyond the fact that he had written a report which was going to Mr Haddad and he would look at it and decide what to do with it.

The Hon. GREG PEARCE: Mr Haddad says that he did not speak to you until March of this year.

Mr RICHARDSON: I think I had had meetings with Mr Haddad before March of this year. As to exactly when they were, I really would not know. I think I have only had four meetings with him this year, but I think I would have had a few last year. I do not really remember.

The Hon. TREVOR KHAN: The meetings you had in March, June and September of this year, would you agree, followed a similar pattern, in the sense that you would go through a number of potential developments that you considered important to get an update on?

Mr RICHARDSON: Yes, that is correct.

The Hon. TREVOR KHAN: In a sense, there was therefore nothing different in terms of the way you sought to progress each of those meetings with Mr Haddad?

Mr RICHARDSON: No, not really.

The Hon. TREVOR KHAN: That is, you would go through issues on Badgerys Creek, or Lowes Creek, or Leppington East?

Mr RICHARDSON: Lowes Creek I did very little on, because Lowes Creek is more than 50 per cent controlled by Boral. I do not represent Boral, so I did very little on that. I might have said to him, "How is it going?" But I did not lobby directly on it because I know there has been some dispute about the requirements package for acceleration with Lowes Creek, but I know none of the detail. I do not know what Lowes Creek submitted they should be doing, and I do not know what the department have submitted what the department think they should be doing. I could not lobby on it—I did not even know what it was.

The Hon. TREVOR KHAN: There is no trick in it—

Mr RICHARDSON: I have seen Lowes Creek in the paper. I just want you to understand that I did not lobby on Lowes Creek because I am not across any of its detail.

The Hon. TREVOR KHAN: I hear you. In each of those three meetings, they were essentially the same in terms of going through a number of developments?

Mr RICHARDSON: Yes.

The Hon. TREVOR KHAN: And each of those meetings involved Badgerys Creek, is that correct?

Mr RICHARDSON: Probably. I am not sure if the first one was. But it is more than likely that it was, so I will say yes. There were minutes taken each time, so perhaps you could get the minutes of them and ask. Usually there was a note taker there, so you can find out.

The Hon. TREVOR KHAN: With regard to Mr Johnston, is it the case that the final attempt you had to make contact with him, he did not return your telephone call?

Mr RICHARDSON: I do not recall.

Ms SYLVIA HALE: With regard to those meetings with Mr Johnston, were they in person or were they telephone conversations?

Mr RICHARDSON: I think I had one meeting with him; otherwise they were just some telephone conversations.

Ms SYLVIA HALE: Where did that meeting take place?

Mr RICHARDSON: They were fairly brief. To tell you the truth, I do not recall. I am not being evasive. I would have had a coffee with him somewhere. I just do not recall.

Ms SYLVIA HALE: Not within the Department of Planning?

Mr RICHARDSON: I do not think he even had an office there. My understanding was that he was a consultant to them, not an employee. I did not even know that he had an office there. I would have rung his mobile and I would have organised to have a coffee with him.

Ms SYLVIA HALE: If you had had a coffee with him, would anyone have taken notes of that meeting?

Mr RICHARDSON: No.

Ms SYLVIA HALE: So it was a private meeting?

Mr RICHARDSON: Yes.

Ms SYLVIA HALE: You obviously lobbied the Government quite extensively in relation to your clients' interests. Is this usually done by private meetings—coffee meetings—or is it done by phone, or is it done by formal meetings within the department?

Mr RICHARDSON: The only person I meet with in the department formally is Sam Haddad, and that happens very rarely. I try to make sure that when I meet him—I try to give notice of what I want to talk about so that he has some idea of what I am looking to talk about.

Ms SYLVIA HALE: Everyone else you meet with in the department—

Mr RICHARDSON: I do not meet anyone else in the department. The only two people I meet in the department other than Norm Johnston—who was not in the department, as I said; I think he was a consultant—are the two people who work directly with Sam Haddad, and that is Michael Comminos and Andrew Abbey. I have met with them—had a coffee with them.

Ms SYLVIA HALE: Is that only on one occasion?

Mr RICHARDSON: I think it may be two with Andrew Abbey. I am not sure about Michael. It was a couple of times—two or three. I do not keep a record of that.

Ms SYLVIA HALE: Since Mr Abbey is an employee of the Department of Planning, what was the substance of your meetings with him? What were they concerned about?

Mr RICHARDSON: I do not think they were concerned about Badgerys Creek. I was not talking to him about that; I was talking to him about other matters.

Ms SYLVIA HALE: Such as?

Mr RICHARDSON: I am not sure that it is totally relevant here. I think there was a question in relation to the Hunter economic zone that I discussed with him.

The Hon. TREVOR KHAN: Sweetwater.

Mr RICHARDSON: No, it is not Sweetwater. You are wrong.

Ms SYLVIA HALE: Did you lobby anyone in the department to persuade the Minister not to proceed to defend the Sweetwater action group case, as reported in this morning's *Herald*?

Mr RICHARDSON: I never lobbied anyone about the case.

Ms SYLVIA HALE: It would be a major setback, I would imagine, for your client for that development to be declared null and void?

Mr RICHARDSON: I think that probably what might happen is that it will be declared null and void. But I would be surprised if there was not some attempt to do it all again. I think there is a feeling that there has been some form of mistake made and that that mistake might have to be corrected. I do not know. I have made no inquiries about that so far today; I will do that later on.

The Hon. TREVOR KHAN: With whom?

Mr RICHARDSON: I have made a deliberate policy of not trying to call Sam Haddad since this whole thing came about. So I have not spoken to him. But I will certainly try to speak to someone like him, or someone in his office, to find out what is occurring with it. But I have not yet.

Ms SYLVIA HALE: You said earlier that you were not surprised that the Medich Brothers were keen supporters of the Labor Party and very generous donors. I think they have donated something in the vicinity of \$280,000 over the last 10 years or so. Of the groups that you represent—Hardie Holdings, Medich Properties, Bradcorp and the Walker Group's Australand—

Mr RICHARDSON: I do not represent Australand.

Ms SYLVIA HALE: Okay, the Walker Group. The Walker Group was part of Australand, was it not?

Mr RICHARDSON: They worked for what it was.

Ms SYLVIA HALE: There seem to be donations to the Labor Party in excess of \$1.2 million or \$1.3 million.

Mr RICHARDSON: Yes.

Ms SYLVIA HALE: Do you generally advise your clients to donate so generously?

Mr RICHARDSON: I think the generosity that they show—I do not push them on amounts. I always tell them they should donate. I also tell them they should donate to the other side as well.

Ms SYLVIA HALE: But, whilst they donate to the other side, usually the amounts are very tokenistic—nowhere near—

Mr RICHARDSON: But again, I do not tell them how much. They work that out themselves.

Ms SYLVIA HALE: Why do you tell them to donate?

Mr RICHARDSON: I do not think it is a great secret around the table that I am a Labor supporter. I think that is fairly well known.

Ms SYLVIA HALE: Of what benefit is it to these clients to donate?

Mr RICHARDSON: Thus far it has proven to be to their detriment—if you donate you get punished. So far, I would have thought, none whatsoever.

Ms SYLVIA HALE: You would think Bradcorp has been punished for its very, very generous donations over the last decade of \$385,000?

Mr RICHARDSON: You mention Bradcorp. I do not quite see what the relevance of this is to the inquiry we are having. I think 40 per cent of the money that Bradcorp donated was just being part of the business dialogue. They were not big, separate donations; they were an ongoing part of the business dialogue, which is a group that the Labor Party has to, I suppose, keep its tentacles in the business as best it can. Another 40 per cent of it was going to dinners. Over the last five years the Labor Party has had an endless round of dinners. I might say, I have been to none, but they have had God knows how many of them and people like Bradcorp have been buying tables at all those dinners. So that is another 40 per cent of it. So the amount that is in direct donations is comparatively small.

In the case of Roy Medich, you said he has donated \$300,000 in the last decade. He has given more than that to charity. These people are not poor. They do not have my income; they have much bigger incomes, and they are able to make donations to political parties and to charities that are far greater than the rest of us could ever dream of.

Ms SYLVIA HALE: But clearly, you must recognise the concern that when very substantial donations are going to the political party which will be making decisions in relation to land owned by those people who are making the donations, there is a very common perception that favours are being bought?

Mr RICHARDSON: I think there is a perception that some people have—and that certainly people like the *Sydney Morning Herald* are trying very hard to foster, but that does not make it true. In my experience, as I said, it tends to mean to me that people are punished for donations rather than rewarded.

Ms SYLVIA HALE: Do you think it is a correct summary of your clients' modus operandi to go out to areas—whether it be in the Hunter economic zone, in Wollondilly with Bradcorp, or in other such areas—buy land that is zoned for agricultural purposes or that is of great environmental value, then lobby very hard to have the land rezoned for either residential or employment purposes, and as a result of those activities—accompanied as they are by significant donations—for your clients to tend to profit very handsomely?

Mr RICHARDSON: I do not think there has ever been a law passed against developers making a profit. If there has been, it has managed to escape me thus far. So they are allowed to make profits. As to the amount of profits they make, that is always in the eye of the beholder. I read in the *Herald* that the land at Badgerys Creek if rezoned would be worth \$400 million. I think the Medichs would love that to be true. It is not—not that the *Herald* would acknowledge the falsity of it. So it is something you just have to wear. The idea that my clients have donated money and then got rewarded I find almost bizarre, because they have not been.

Ms SYLVIA HALE: The calculation was made—I think this was a calculation that appeared in the *Australian Financial Review*—that if the Medichs had followed the accelerated land release protocol, if they had paid the developer levies of \$180,000 per hectare, that would have meant that they would have had to outlay just under \$62 million, but in return for that they would have land that, as you have said, has been estimated to have been worth \$400 million after rezoning—

Mr RICHARDSON: That sounds like a very dubious source. It is not really anything like that. I am not quite following you. My understanding about acceleration procedures is that they were for land within the growth centres. Badgerys Creek was not, so it would not be subject to that. They would have to set a new regime, would they not? So there was no acceleration whatsoever involved.

Ms SYLVIA HALE: But certainly there was a proposal, was there not, to have this land treated under part 3A?

Mr RICHARDSON: Yes.

Ms SYLVIA HALE: Given special treatment under that?

Mr RICHARDSON: Special treatment? Let us go back a couple of steps. You are inquiring into dealings in the land. There have been none since 1995. You are inquiring into decisions made about the land. There have been none in the last 20 years. I think we should always remember that with this land. It was identified in 1991, I think, as future employment land by the Greiner Government. It was redone by the Iemma Government in 2005 or 2006—I forget which, but it was one of those years. So the fact that an application would be made is, I would have thought, staggeringly obvious: of course they would.

You note that land almost next door has been rezoned. But all of that land that was identified—that will all get rezoned over the course of time. These days, the main thing that holds it up is infrastructure spending, because the Government is increasingly relying upon developers to pay the bulk of the cost, and they are finding that pretty tough going.

Ms SYLVIA HALE: You would refute the notion that the purposes of your lobbying and pushing the interests of the Medichs was simply to avoid their having to be in a situation where they might be asked to pay for the infrastructure?

Mr RICHARDSON: Yes, I refute that entirely. Whenever it gets rezoned, whether that be next year, next month or in a decade, they will have to pay infrastructure levies. You cannot avoid them. But you do not pay accelerated ones when you are not in the zone. So I do not think you have quite got that right. They will have to pay levies. I cannot lobby that they do not pay levies—that is impossible.

The Hon. AMANDA FAZIO: We heard evidence earlier today from the former planning Minister, Frank Sartor, that he thought lobbying is quite a useful role in explaining to their clients how the processes of government work. I was a little surprised; I thought they possibly should have known how the processes of government work. Mr Morrison from the Property Council, who gave evidence before you, said he was staggered at the lack of knowledge of the processes of government by some of his members. Can you tell us exactly what you see as the problems with the planning system that require people to employ lobbyists such as yourself?

Mr RICHARDSON: The first problem, and by far the greatest, is the amount of time it takes. The application of planning laws in New South Wales is notoriously slow. Mr Khan mentioned Leppington East. I think I have been working on that for seven years and it still has not been approved. You will find that that story is repeated across the board. Even where an approval is finally gained, it often takes an enormous amount of time for that to happen. Some of the changes in recent years designed to improve that have not yet worked, and may never work.

The main thing that clients are looking for is whether there is any way I can hurry up the process. I am asked questions about how much money people might make, but no-one mentions the holding charges or the costs of all the consultants that they have to hire to make available the reports that the department demands. In every case with my clients millions of dollars are involved. Time can be worth an awful lot of money and that is what they have to push for. I must say that it has become pretty much impossible to move the process along any faster. There is a big bureaucracy and it spits out something at the end, but it takes an awful long time to get through the process.

The Hon. AMANDA FAZIO: One of the Committee's terms of reference is to look at legislative reforms to enhance the integrity of and public confidence in the planning and development assessment system. One issue put to me by both property developers and lobbyists is that they will often find a conflict between the positions taken on proposals by different government departments. For example, the Department of Planning might be favourably disposed towards a proposal but the Department of Climate Change and the Environment might have concerns that put a stop to it. Have you experienced those sorts of issues and do you have any comments on how it might be streamlined?

Mr RICHARDSON: That is one of the huge problems. You have a problem because most developments involve the environment, water, roads and rail. They all combine. Trying to get meetings with all of them together is virtually impossible. The Department of Planning also has a problem in trying to work out who and what it is and what is its role. I think the department has tended to allow the Department of Climate Change and the Environment to be the lead department. When the Department of Climate Change and the Environment makes objections the Department of Planning tends simply to adopt all of them almost uncritically without change. It just adopts the lot. At times that creates greater hold-ups than it needs to. The department itself needs to work that out. Can members imagine what it is like trying to get departments together across government? It is virtually impossible.

Now that the Government has decided that the infrastructure for these developments will have to be paid for almost entirely by the developers, that has become really critical. In my view that just gets worse. The more the Government asks developers to pay the less profit there is in the land and the fewer the number of people who are prepared to take the risks involved. Plenty of property developers go broke. If members look at the figures they will see that New South Wales is way behind in what it must produce. Whoever is in government here must understand that because we have population growth we need to build many more dwellings every year than we do. It is very hard to get approval for brownfield, greenfield or urban consolidation—people oppose the lot. One wonders where we will live.

The Hon. MICHAEL VEITCH: There has been a bit of talk about the role of lobbyists and what they do. Some of the media will have your profession tainted as taboo and see lobbyists as lower than politicians.

The Hon. TREVOR KHAN: Or lawyers.

The Hon. MICHAEL VEITCH: Yes. What does a lobbyist do? How do you go about your job?

Mr RICHARDSON: As I said, in the case of the Department of Planning, I do not go to the Minister or the Minister's office. When I answered your questions I said that I had not spoken to anyone in the Minister's office to lobby for anything. It is a pretty blanket denial. I have tended to go to the department because that is

where the decisions are made on developments. In terms of advising my clients, I have been in and around government for 40 years, so I think I have a lot more experience than most in how it works, what is likely to fly and what is not. I think I have been of some assistance but, as I said, over the past couple of years it has been a bit of a battle—I have lost more than I have won.

The Hon. MICHAEL VEITCH: Given the media hype and this inquiry, do you think the Medich land will ever be rezoned?

Mr RICHARDSON: If it is treated on its merit, of course it will be. I have to cling to the belief that it will be treated on its merits despite the negative publicity that has been engendered over the past couple of months. It has been identified as a patch of land. There are arguments about the cost of infrastructure. I think the particular argument we are coming to—although I have not done anything about it yet—is sewerage. I think water and sewerage are probably becoming the biggest problems for Badgerys Creek. I am not sure they are the only infrastructure problems, but they are the biggest ones. That will have to be addressed before the land is rezoned. However, along with the other parts of that area scheduled for rezoning 20 years ago, they will get there.

The Hon. MICHAEL VEITCH: My question relates to one of the terms of reference regarding administrative planning reforms, the Planning Assessment Commission and regional planning panels. Do you see them as effective mechanisms or do they need refinement?

Mr RICHARDSON: It is a bit early to tell. You would need to have them going for another 6 to 12 months before you could make a ruling. The hope is that they will make it quicker, but I am not sure that they will. When you concentrate power in the hands of the department to make things happen more quickly you have to have some belief that it will happen. It seems to me that a lot of councils act more quickly than the central agency. I do not necessarily support the centralisation of power on this issue. I suppose that if it is a very big development, for example, this employment land in western Sydney, it probably should be dealt with centrally because it is more than any council can adequately deal with. Whether you need to deal with some centrally is another matter entirely.

CHAIR: Political donations are featured in the context of this inquiry. As you were one of the first proponents of public funding of election campaigns in New South Wales and, therefore, Australia, do you have any suggestions about election funding law reform that the Committee might contemplate?

Mr RICHARDSON: Going the public funding route is inevitable now. I cannot see how we can do anything else. I note that according to the last figures the Liberals are raising more than Labor. I think you will find that, despite that, they are not raising as much as they want to either. People will be loath to donate in the climate that has been created over the course of the last year and a half. I think Wollongong has had an enormous effect. As I think I said in the submission, a few crooks in Wollongong should not set the tone for everything. It seems to me that the corporate world will move away from donating to either side for fear of retribution. It is a good and righteous fear because it is happening. It is inevitable that we will move to public funding. Is that a good thing or a bad thing? If you were to ask the punters in the western suburbs whether we should be paying for it or the big companies, they would say we should go for the big companies. But I have a feeling that that is where we will go.

CHAIR: Do you believe that New South Wales, as it did under Neville Wran, should take the lead on this sort of thing and not wait for other jurisdictions?

Mr RICHARDSON: I think that, regardless of whether New South Wales wants to, the Federal Government will take the issue further and that it will do it pretty soon. From what I read in the newspapers—and, of course, they always tell the truth—it seems to be pretty close. I assume the Feds will be the first.

The Hon. GREG PEARCE: For completeness, have you ever lobbied or spoken to the Australian Labor Party head office in relation to your clients' interests?

Mr RICHARDSON: The ALP head office is almost irrelevant when it comes to these things—so, no. In light of questions from other people, I am not lobbying Eddie Obeid or Joe Tripodi either—just in case that was the next question.

The Hon. TREVOR KHAN: It was not. Did you take Mr Lang Walker to any of your meetings with Mr Norm Johnston?

Mr RICHARDSON: That was before. I had a lunch with Lang Walker, but that was nothing to do with farming areas in New South Wales. Badgerys Creek was not discussed; it was totally out of that area. I do not think that Norm Johnston was working with the Government at that time.

The Hon. TREVOR KHAN: Are you aware of any arrangement between the Walker Corporation and the Medich brothers with regard to a possible sale of the land if it is rezoned?

Mr RICHARDSON: At Badgerys Creek?

The Hon. TREVOR KHAN: Yes.

Mr RICHARDSON: No. I know that a couple of years ago Roy Medich expressed some interest in using Walkers as a partner if the land was ever rezoned, but I do not think they have progressed the talks. I would say no. There is certainly no truth in that.

The Hon. TREVOR KHAN: You have identified on the register a number of clients for whom you lobby. Is it possible for you to receive a success fee in respect of any property development?

Mr RICHARDSON: There is one that is based on a success fee because I am not getting a regular payment. As far as the Medich brothers and the others mentioned are concerned, I get my monthly fee. If I had a success, I suppose I would be entitled to ask for a success fee. But I certainly do not have anything written down. I have no undertaking from them that they will pay. Nor do they have an undertaking from me that I will not ask.

Ms SYLVIA HALE: You said in relation to Medich Properties that you issued them with an invoice, but it was merely a statement saying, "Please pay \$5,000 plus \$500 GST." Is that your arrangement with other clients?

Mr RICHARDSON: All bar two, yes.

Ms SYLVIA HALE: You do not detail what you do on behalf of those clients?

Mr RICHARDSON: That is correct.

Ms SYLVIA HALE: Can you tell us which two they are?

Mr RICHARDSON: Tri Epsilon would be only a success fee. The other one is a client I listed the other day called RM Constructions. That is very small, so I do not think you should get carried away about it. That is not in the league of all these others.

Ms SYLVIA HALE: Do you have contracts with any of your clients?

Mr RICHARDSON: None.

Ms SYLVIA HALE: So it is all just on a general understanding?

Mr RICHARDSON: If I had to work on the basis of a contract with someone, it would not work because it would mean that I did not trust him. I shake hands with someone whom I believe in.

Ms SYLVIA HALE: Therefore, not having to itemise your invoices, or not having contracts setting out what you can do, would enable you to have lots of private discussions with people to exert influence but have no written record of those discussions ever taking place.

Mr RICHARDSON: I have never thought of it like that. That is a stretch. I have been doing it for a long time. My first client when I left Parliament was Kerry Packer. I certainly did not have a contract with him; I had a shake of the hand. But every time I went to a meeting it seemed to appear in the newspapers. If the idea

was to keep it secret it was a dismal failure. It would not have arisen now. You are questioning me about them and you have dates, so apparently I did not do very well.

Ms SYLVIA HALE: It is not the way that business is normally transacted, particularly when dealing with government departments. That seems to be your speciality. There should be some sort of written record. You are talking about having coffee meetings and no-one other than the person you are talking to being there.

Mr RICHARDSON: You are living in cloud cuckoo land if you think that does not happen every day. People from my clients meet with people in the department—and there are plenty of those meetings on a one-on-one basis all the time. The big companies have 100 people working for them and there will be someone talking to someone in some department on a daily basis. There are telephone calls and meetings and there will not be minutes of every one of them. So what?

Ms SYLVIA HALE: Being a former senator and having loads of contacts with former and current politicians, surely what would be unique to your role would be that ability to access government at the most senior levels and to have private conversations about development proposals?

Mr RICHARDSON: The most senior level that I got to here was the boss of the department. There is a record of every conversation, is there not?

Ms SYLVIA HALE: That was during a conversation with Minister Tripodi. You would not have that conversation in a coffee shop with no-one else present? You would not see that as a form of lobbying that you might undertake?

Mr RICHARDSON: I have not had in the past 12 months. I may have had lunch with him. So what! Can I not have lunch with him? Is that a problem for you?

Ms SYLVIA HALE: I think it is a question of public perception.

Mr RICHARDSON: You think that every time I have lunch with someone I have known for 25 years there should be a record of the conversation? You think I should have a tape in there and it should be published in the *Sydney Morning Herald* every day? I think that is ridiculous. By the way, I am waiting for my toaster.

Ms SYLVIA HALE: I was going to ask you whether you wanted it.

The Hon. AMANDA FAZIO: We heard from Ken Morrison from the Property Council about the high cost of developing land in New South Wales as compared with other States. He said that a lot of that was because of the Government's imposition of infrastructure costs on developers. Have your clients ever expressed the opinion that it would be easier and cheaper to do their developments interstate rather than in New South Wales?

Mr RICHARDSON: Frequently. I do not want to sit here and talk about the business of all my clients because it is private business.

The Hon. AMANDA FAZIO: I do not want you to do that.

Mr RICHARDSON: Six years ago I think one of my clients had four developments in the rest of Australia and 19 in New South Wales. It is almost the exact reverse now. That is because the cost and the time here are so great that they are moving away. I might say that Queensland just started to follow the New South Wales route on infrastructure costs and it will find exactly the same problem with development there. At the moment I think that is a kind of irreversible trend. Unless there is a radical change of heart here I think they will find it harder and harder to convince themselves that they should invest.

The Hon. AMANDA FAZIO: Earlier I asked Mr Morrison this question. It has been put to me by a number of people that we have world-class NIMBY-ism in New South Wales. There are more complaints in New South Wales about anything that anybody tries to do. I think you said earlier that in relation to greenfield sites, brownfield sites, urban consolidation, or whatever, a protest group is always complaining about something. Does that also put off your clients?

Mr RICHARDSON: No, I do not think it does. This is a democracy and people have the right to complain. As I said, they have a right to be wrong but they have a right to complain—and they do. I do not think you can ever expect to get up anything major without having a protest group develop around it. Some of those protest groups make good suggestions and you come out of it with a better plan. Sometimes they are just negative and you simply have to ignore them and keep going. It varies. I think every big developer expects that there will be some opposition.

The Hon. AMANDA FAZIO: Was there any opposition to the Badgerys Creek rezoning of which you are aware?

Mr RICHARDSON: Not that I am aware of, no. I think some people on the council had some worries about it, but there have been no protests and no placard holding, hand ringing or anything of that kind has been going on.

The Hon. AMANDA FAZIO: Nobody is saying that there are rare and endangered species on the site?

Mr RICHARDSON: I am amazed that they have not, but thus far, no. Having had a look at it I doubt whether there are too many, but there you go; you never know, do you?

The Hon. AMANDA FAZIO: They might not yet have had a chance to transport them.

The Hon. GREG PEARCE: What has happened to Richie Vereker?

Mr RICHARDSON: I have no idea.

Ms SYLVIA HALE: Do you know his address?

Mr RICHARDSON: No. I have never known his address.

The Hon. GREG PEARCE: He just rings you out of the blue?

Mr RICHARDSON: I have to say that I have his phone number.

Ms SYLVIA HALE: Could you supply that to the Committee? We are trying to track him down.

The Hon. GREG PEARCE: We have been trying to find him. We are trying to find out where he is.

Mr RICHARDSON: I will ring him and ask him whether he wants to me to do so, but I will not supply you with that. I am not here to do your job. I have not spoken to him very much since I had the meeting with McGurk. In fact, I have spoken to him once since I had the meeting with McGurk.

The Hon. TREVOR KHAN: Mr Johnston's notebook reads as follows:

Met with Graham Richardson and Lang Walker at GR request. Said he was representing Roy Medich, which Mr Medich did confirm. I emphasised the action we were taking in government on the rapid deliver program. I explained how the concurrent approach was to follow. Also discussed Darwin and project X.

Mr RICHARDSON: Yes, it was Darwin. I do not recall anything being discussed about Badgerys Creek. We met with Lang Walker primarily to discuss whether he was going to be involved in a large project that Norm had something to do with in Darwin. That is my entire memory of that. It had nothing to do with anything here.

The Hon. TREVOR KHAN: It would seem that Mr Walker was present with you at a meeting where you discussed Mr Medich. The only matter on which you were acting for Mr Medich was Badgerys Creek.

Mr RICHARDSON: His name may have been thrown in. As I just said, I do not recall. We certainly spent a long time talking about Darwin and also about the Middle East and whether or not some money could be raised from there. That was the main purpose of it. I do not know how much of that he put in the notes, but that is what I remember.

The Hon. TREVOR KHAN: I think I have been faithful in my recording of this.

Mr RICHARDSON: I am sure; I am just telling you. I bet that he has not mentioned that, but that was part of it. I do not even recall Medich being mentioned, but I may have thrown it in. If you are seeing someone you may as well do your best.

CHAIR: On that happy note, Mr Richardson, thank you for your assistance to the Committee.

Mr RICHARDSON: It has been a great pleasure. Thank you very much.

(The witness withdrew)

(Short adjournment)

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

SAM HADDAD, Director General, Department of Planning, and

NORMAN JOHNSTON, Head of Western Sydney Employment Lands Investigation Area, on former oath:

PETER GOTH, Regional Director, Western Sydney, Department of Planning, and

JASON GRANT PERICA, Former Executive Director, Strategic Sites and Urban Renewal, Department of Planning, affirmed and examined:

ANDREW JOHN ABBEY, Acting Director, Special Projects, Department of Planning, sworn and examined:

CHAIR: Mr Haddad, to set it straight once and for all, could you run through the number of meetings and the details of them that you had with Mr Graham Richardson?

Mr HADDAD: Yes, sure. As I said to the Committee, over the past year I had four meetings. I also had one meeting in 2008 and I think about two or three contacts in 2007. I was intending to put all this information in response to the questions on notice from the estimates committee.

CHAIR: You have not thought—

Mr HADDAD: At the estimates committee I was asked about meetings with Mr Richardson. As you may recall I was also asked about meetings with all other lobbyists. I intended to put all that in response to those questions. I was asked specifically about the meetings that I had before, including meetings directly relating to Badgerys Creek, which I did, plus the additional one that I put in answer to your questions as a result of the last meeting. There is nothing unusual in relation to the meetings that I had. I am not trying to hide anything; I was prepared to put all that to you. All this information was presented to the Committee. I intended to put it in answer to the questions that you asked me as part of the questions on notice in estimates.

CHAIR: And you have not yet finished doing that?

Mr HADDAD: As I said, in 2008 I had one meeting with Mr Richardson and two meetings, or possibly a third meeting—I am checking my records again—in 2007. They did not relate to matters dealing with the Badgerys Creek proposals; they related mostly to the same subjects that I have dealt with before the Committee. They covered exactly the same issues that I have mentioned to the Committee in the minutes that I have. I cannot recall anything. I may have mentioned one additional issue that relates to rezoning and I am intending to put all that to the Committee. I am not trying to hide anything from the Committee.

CHAIR: Mr Haddad, in relation to the submission that the department made to the Committee, who put the submission together?

Mr HADDAD: The last submission?

CHAIR: Yes.

Mr HADDAD: I had the submission prepared under the auspices of an executive director of the department—Ms Donna Rygate, executive director in charge of governance and policy. I asked her specifically to coordinate the preparation of the submission. We had a team of people working with her and a senior legal officer assisting her in the preparation of the submission. I want to make it clear to the Committee, if you do not mind, that I was not involved in the preparation of the submission. I did not draft or write any aspects of the submission. We had this group of people who went through the records, and they had prepared this submission for the department.

CHAIR: Did you have any role in changing any aspect of the draft?

Mr HADDAD: No. I did not change anything. They came to me with one draft of the submission, one final version of the submission, and I was very clear. I told them that we need, first of all, to be clear in relation to certain technical planning aspects. It was very clear. What I told them is, number one, the map, the

Committee asked for a map of the sites, where it is, and I said you must make sure that this is clear. I also asked them to clarify certain aspects of a technical nature. I also asked them to make sure that the submission is either as comprehensive as possible or that it relates to factual issues. That is all what I have said to them. I was not involved in redrafting any aspects of it. I did not write anything. I just asked them to do that. They came back with the final submission, and I signed it and I sent it to the Committee. That is exactly what happened.

CHAIR: Who made any changes after those discussions?

Mr HADDAD: The group that was coordinating the submission was basically preparing the submission itself. They were preparing the submission under the direction of my executive director. They were in charge of preparing that submission to the Committee.

CHAIR: Would the executive director have made any changes relating to the discussions you had?

Mr HADDAD: I am not sure whether it is her or whether it is the group who basically did whatever. They basically were preparing the submissions. That is basically—when I was asked the question as to whether I redrafted the submission, my hearing of that question was whether I personally redrafted the submission, and I did not redraft the submission. I did not write that submission. I did not redraft the submission. I have tried to clarify that part of the hearing. This is basically what it is. I did not draft myself the submission; nor did I instruct them to change anything in that submission.

CHAIR: But you just said that you asked them to make certain things clear, so you must have given them some sort of instructions.

Mr HADDAD: They were basically of a technical nature and they were very minor things, clear meaning that I wanted to make sure that the map is correct. In fact, I told them that the submission was a good submission. That is exactly what I said. I remember very clearly saying that. It is very unusual for the director general to write submissions, and certainly in this case I did not write the submission. It was very clear in my mind that I wanted an executive director to go through the files and to produce all this information, and that is what happened.

The Hon. GREG PEARCE: Mr Abbey, Mr Perica and Mr Goth, have you had any meetings or conversations with Graham Richardson, the Medich brothers, Mr Tripodi or his office, or Mr Obeid or his sons in relation to planning issues?

Mr ABBEY: In relation to Mr Richardson, I have met with Mr Richardson a total of six times. The first time was in early December 2008, with Michael Comminos. The second time was on 16 December 2008, with the director general, as the director general just pointed out then. The third time was on 15 January 2009. That meeting was with a Michael Woodland from the Department of Planning. The fourth meeting was in July 2009. That meeting was with Michael Woodland from the Department of Planning. The next two meetings are on record and have already been submitted as being 22 July 2009, meeting with the director general, and the meeting on 2 September 2009. If I could just take a second to point out the two meetings with Michael Woodland, as Mr Richardson pointed out, were over a coffee and were very quick.

The Hon. GREG PEARCE: I am sorry, they were over a coffee and what?

Mr ABBEY: They were very quick meetings. The first meeting with Michael Woodland was in relation to a site called Maldon, where Walker Corporation had asked Graham Richardson to lobby on behalf of Walker Corporation because they thought the Department of Planning had not given them a fair hearing. We did a very quick analysis of it internally, and the answer to that question came back as no, the Department of Planning would not consider it a State significant site. The second meeting with Michael Woodland was in July 2009. It was predominantly about East Leppington, and Walker Corporation was requesting that the rezoning process take place and be completed prior to February 2010. Consistent with what we have said from day one when that request did come forward, we advised them that the Department of Planning would not be able to undertake that rezoning process by February 2010. So they are my meetings with Mr Richardson.

In terms of my meetings with Minister Tripodi, I have never met Minister Tripodi on this issue. It has been documented by this inquiry that I have previously worked for Minister Sartor. I may have, and I just do not know and I could not tell you with any detail about what the meeting was about. I may have attended meetings where Minister Tripodi was present. I also was in Premier Rees' office for a period of five months and I may

have had a meeting with him as well. But it was, without question, not about this issue. I just could not tell you what the meeting was about. In relation to Mr Obeid, absolutely not. I do not think, from the best of my recollection, I have ever spoken to Mr Obeid. In relation to Moses Obeid, I have never met Moses Obeid.

The Hon. GREG PEARCE: In relation to those meetings with Mr Richardson, other than the ones that have been documented, did you keep notes of them?

Mr ABBEY: To the best of my recollection—

The Hon. GREG PEARCE: Can you table those notes?

Mr ABBEY: Yes, absolutely, if I could just keep them for the duration of the inquiry, or do you want them now?

The Hon. GREG PEARCE: No, you can table them at the end.

Mr ABBEY: As I pointed out to somebody, with all the meetings I started with best intentions to take notes but I think Mr Richardson himself pointed out they were largely about the process nature where he said the Department of Planning is taking too long with things, and we responded to say, "That's your view but the process has to be followed".

The Hon. GREG PEARCE: Can we quickly have the answers from the other two gentlemen?

Mr PERICA: I have never met or spoken to Mr Richardson. I have met Mr Roy Medich in mid-2007 on one or two occasions at the Department of Planning and always with other officers. I have never had any phone discussions with him. I have never met or spoken to Mr Tripodi, nor never met or spoken to Mr Obeid or his son, Moses.

Mr GOTH: I have never met with Mr Richardson or Mr Obeid or any of his sons. In relation to Roy Medich, I attended one meeting with Mr Medich in relation to the land at Badgerys Creek, which was in July 2007. In the course of my duties as the regional director for western Sydney I would have been in some other meetings with Mr Medich over the past three or four years but the only meeting that would have related at all to Badgerys Creek was that meeting in July 2007. In relation to Mr Tripodi, in 2005 I attended a meeting in Melbourne, which was a ministerial conference that Mr Tripodi was involved in, but it had nothing to do with western Sydney or with Badgerys Creek land.

The Hon. GREG PEARCE: Just to finish that off, Mr Haddad, were you aware of Mr Abbey's meetings with Mr Richardson and did you approve of them?

Mr HADDAD: Yes, I was aware of him meeting with Mr Richardson.

The Hon. GREG PEARCE: And you approved of that?

Mr HADDAD: Yes, he told me that he was meeting with him, and he was meeting with him, yes. I also knew the subject matter. I recall now, which I will table as part of the answer, this issue of the Meldon site, which I personally rejected. I was involved in it and I made sure that it was not going to be rezoned. That is something that I will be putting in more detail in answer to the estimates committee. I personally recommended against its rezoning without any doubt.

Ms SYLVIA HALE: Mr Haddad, there was a letter under the Growth Centres Commission heading. It is dated 21 December 2007. I assume it came from Angus Dawson but it requires Michael Easson's signature. Both their signatures are there.

Mr HADDAD: Sorry, Michael?

Ms SYLVIA HALE: Michael Easson, chairman of the EG Property Group, and the other signatory is Angus Dawson. That was in the papers that were released, the public papers. Can you explain why half of that letter is blacked out?

Mr HADDAD: I will have to have a look at it in detail. I am sorry, I cannot recall this letter.

Ms SYLVIA HALE: Will you undertake to make that available to the Committee?

Mr HADDAD: I am more than happy to do that.

Ms SYLVIA HALE: On another matter, I see there is an email dated 28 May 2007 from Anne Biddolph, the executive assistant to you. She thanks someone called Inci for confirming Gabrielle Kibble's availability for a meeting on 29 May 2007 to discuss the employment lands at Badgerys Creek.

Mr HADDAD: Yes.

Ms SYLVIA HALE: Given that Gabrielle Kibble had been asked to chair the Badgerys Creek consortium, could you explain in what capacity she was attending that meeting?

Mr HADDAD: From recollection there was a meeting with Gabrielle Kibble. I am not sure whether it was also Mr Lowy, who then became the chairman of this committee, and she came essentially to let me know that she was considering whether she should take on chairing the consortium. My advice was that after that meeting she told me that she was not going to proceed with that task.

Ms SYLVIA HALE: Why, did you advise her to not do that?

Mr HADDAD: I did not say that I advised her. She basically was coming to tell me that she had been approached to chair the Badgerys Creek consortium. From my recollection she decided herself not to proceed with the chairmanship with that consortium on behalf of the Medichs. I cannot honestly tell you what was the reason for that, but that is what I recall happening. The meeting that is referred to there probably would be the meeting that I had with Gabrielle and somebody else—I will have to check my records—in relation to that subject matter.

Ms SYLVIA HALE: According to this it was you, Gabrielle Kibble, Garry Fielding from Planning Workshop Australia and Roy Medich from the Medich Property Group.

Mr HADDAD: Yes, thank you, that is correct. Garry Fielding was from Planning Workshop.

Ms SYLVIA HALE: Given Ms Kibble's very extensive connections with the Government, and her appointment at that time as Administrator of Liverpool City Council, which is in the general south-west Sydney area, I am surprised that you were even prepared to ask her to confirm that she would be at the meeting.

Mr HADDAD: Can I please clarify? I did not ask her to clarify that whatsoever. It was not my asking, it was the consortium that asked her to consider chairing it. I did not. It was not me. It had nothing to do with me in terms of telling the consortium to chair or not to chair. They were looking at somebody to chair that consortium. I presume they must have gone to Gabrielle Kibble and asked her to do so. She came with Planning Workshop, now that I remember. They told me that she is considering chairing it. What happened after that, it did not matter to me whether she chairs it or not. Then she decided herself not to chair it. I was not at all involved in asking her to chair it. And I could not.

Ms SYLVIA HALE: But the email does say, "Thank you for confirming Gabrielle's availability", which suggests that you were anxious to know whether she would be there.

Mr HADDAD: Probably it was my availability to attend the meeting. It is almost impossible that I would have asked her to chair this consortium on behalf of the developer. It is their choice to do whatever they want.

Ms SYLVIA HALE: Mr Haddad, I have a copy of an email from Mr Johnston to you dated 30 June 2008. The subject is the "M7 Project Deed". It states:

Morning Sam,
I managed to get hold of the commercial in-confidence Project Deed for the Western Sydney Orbital, M7—

more fortunate than most members of the public—

and read the relevant detail on the weekend. This is important, Sam, as embarrassing consequences could flow to the Department of Planning as the M7 Project Deed has an exclusion zone for certain activities. As part of the final arterial road design solution for the WSELIA, we impact within that zone. That triggers clause 19.1(b) of the deed "An event or circumstance referred to in clause 18.3 occurs". Clause 18.3 is a "competing road project" and we have a couple, at least by way of definition. That means we enter into negotiations for potential payment to M7 company on the adverse affect. Interestingly the Lenore Lane extension only triggers the deed if the RTA is the road authority, which is why they don't want it as their road.

It then goes on, but more interestingly, Minister, I notice that in the briefing supplied to you on 2 July—

CHAIR: Ms Hale, you referred to Mr Haddad as "Minister".

Ms SYLVIA HALE: Sorry. Director, the briefing to you on 2 July by Damian Furlong references all this material. It contains a hand-written note by you dated 16 July, which states, "Norm, I prefer this is not in writing. Can we discuss". Such critical issues. Director, is it common to not put such critical issues in writing? Why did you not want it in writing?

Mr HADDAD: First of all, I have not seen this deed, this M7 deed. From my recollection, Norm was mentioned. We had a discussion about it, and he was basically alerting me that in terms of resolving some of the road connections—and I think if you do not mind he can talk about the technical details—but in terms of the link road connections and other road connections that we may have to resolve or to address to be able to look at the infrastructure implications on the hub in particular. Then there is an interfacing required between this and the M7, that there is some sort of agreement between them.

I have not seen the agreement and I do not know how he saw it. But I have not seen it. He was alerting me to this. I really do not know why I told him not to put it in writing. I said that I prefer if we discuss it. I did not want this issue of deeds or no deed to be something that would involve him. I cannot remember exactly. Maybe his memory is better than mine. I do not know what are the implications.

Mr JOHNSTON: What would you like to know?

Ms SYLVIA HALE: Why you consider it to be such an important issue, potentially. It states, "This is important, Sam, as embarrassing consequences could flow to the Department of Planning".

Mr JOHNSTON: Through you, Madam Chair, the answer is that if a connection was made to the M7 by either of the couple of proposed major links that connection actually triggers principles in the deed. If you do not connect, which was one of the considerations, and you ran down what was called Wallgrove Road it would be considered a rat run, for want of a better word, and that would become a compensatable item to government. The embarrassing issue is that you must address these matters and you must address the legal aspects of these matters, so as to not embarrass the Minister if she went out and made a decision about what infrastructure solution was the best solution to make. The Minister did need to know that it could evoke a compensatable item on the M7 deed if either road was not connected.

The Hon. GREG PEARCE: But somewhere else you have noted that the recent announcement did not include funding for that, for something like \$45 million?

Mr JOHNSTON: I did do that.

The Hon. GREG PEARCE: That concern you had with the recent announcement was that it has not been covered?

Ms SYLVIA HALE: But a lot of work had been done by yourself and other people within the Department of Planning, working on a potential road strategy. Is that correct?

Mr JOHNSTON: A huge amount of work.

Ms SYLVIA HALE: You only came across this information relatively late in the piece?

Mr JOHNSTON: I am not sure. No. The infrastructure component under the project program started probably July. So, somewhere after July, I imagine.

The Hon. MICHAEL VEITCH: In the submission of the Department of Planning there is discussion around stakeholder involvement and how they can get involved in the process and also who they are. On the two hearing days of this inquiry there has been comment around the land at Badgerys Creek and how proponents and possible proponents have been involved in the process, and also the development of the metropolitan strategy. Mr Haddad, can you talk through how the department goes about engaging stakeholders in those processes so that no-one is left behind or left out?

Mr HADDAD: Obviously, a critical aspect of planning, particularly in recent times, is to be able to engage with all stakeholders, and to be able to take into account their views. I take this very seriously as director general and I try to involve as many stakeholders in the decision-making process, in consultation. Maybe the best example that comes to mind is if we look at the way that we let people know about the decision-making process relative to, say, two or three years ago, since I became director general.

Now on our website you can find all our projects: all major development assessment projects are listed on the website. That was not the practice, but they are there now. We have just introduced a system, and we have spent a lot of resources putting in a LEP tracking system so that people can see where the rezoning process is at. We try, as much as possible, to have community meetings, discussions with a variety of people, and that is the job of our directors, of our executives, of myself and others. Without that we cannot understand the processes, we cannot deal with various peoples.

This is something that is very challenging to us. It is something that we try to address and to see how we can do better, but it is something that we need to do because, whether we like it or not, the community generally increasingly is interested in planning decisions and there is a perception about transparency. There is an interest in making sure that decisions are made with as much community input as possible. That is what we try to do in addressing some of those issues. It is a challenge for us. We need to do more, particularly when we talk at the strategic level. We have difficulties in talking with communities at the strategic level, but this is one of the most important challenges that we have.

I do not think we are communicating well enough for the community and other stakeholders in terms of some of our planning challenges. I think we need to do much better in that regard. That is why I speak with the staff and others, and my views are known in that regard.

The Hon. MICHAEL VEITCH: In the submission's section about stakeholders you mention also lobbyists and the role of lobbyists. In response to questions on notice from the last hearing day there is a lengthy response from the department about the implementation of the code of conduct around interaction of lobbyists. Is there a plan to have staff review that on a regular basis, or will there be just an initial completion of the on-line training?

Mr HADDAD: Obviously, one major outcome for me out of all that is basically I will make sure that staff are continuously updated, monitored, trained, or whatever possible in relation to the code of conduct. There is no question about that. That will be a very strict policy that we will reinforce. Mind you, we have issued directions and instructions to staff, but this is something that will be obviously very high on my mind and I will instruct the relevant executive directors to make sure that there is an ongoing reminder to staff about all these practices as long as it is government policy to have them. That is basically the answer. I will have to keep on doing a bit more forcefully and remind staff continuously, and it will happen. I suppose that is the major message that I am getting out of all this.

The Hon. AMANDA FAZIO: Mr Haddad, arising from evidence given earlier by Mr Graham Richardson, much was made by the media about the fact that the last meeting you had with Mr Richardson was on 2 September. He advised the Committee that as best he could recall that meeting had originally been scheduled for 31 August and had been postponed by your office because of other commitments. Is that your recollection?

Mr HADDAD: To be honest with you and to be honest with the Committee, this date of the meeting did not register with me at all in relation to the other events. I am just wanting to confirm that in fact I was asked, Madam Chair, by you about looking at the first submission that came to me and I can tell you I did not even see the date there. It did not register with me whatsoever this date of the second. It was not something I was aware of, rightly or wrongly. Having said that, I did ask my secretary a few days ago. She reminded me that in fact there was this meeting. I was not aware of it. Mr Richardson was trying to have meetings with me. It was not the most important thing for me to meet with him, to be blunt, and that was basically changed—probably it

has been changed a number of times, or not, but it was not something that was so important to me in that context. So the answer to your question is that the date had been changed, as advised by me, by my secretary, and I did ask her when I became aware of this. But it was not something that was very high on my mind at all.

The Hon. AMANDA FAZIO: The other thing I wanted to clarify, and a lot has been made about this issue in the press, is about the submission that came from the department. It seems to me that a lot of the criticism about changes to the submission has come from people who have either had no experience working in government or no experience of being in government. Is it normal procedure for a submission for an inquiry such as this that the director general would ask a senior member of staff to coordinate the preparation of the submission and that when you were satisfied that the submission was okay that you would then sign it off and put it into the inquiry?

Mr HADDAD: It is certainly my normal procedure for a number of reasons. I would not want to be the author. I mean writing the submissions, the director general—maybe others would do it but I would not sit down and write the submission. I just want to confirm again that I did not write that submission. It is normal procedure, but particularly in a case like this one where it is important to have another party coordinating all the facts. We have a lot of files, a lot of information, and it is very difficult to just capture everything exactly in that. We have a number of people involved and I suppose I have the senior legal people involved as well because there may be issues of legal privilege or other stuff that I am not really on top of. So the answer is that it is a practice.

I am not sure if this practice is adopted by other directors general but certainly that is what I would do, and I would do it again for major inquiries like this one. My intention has always been to make sure to the best of my ability that I am advising this inquiry of all the facts. I have been giving evidence to this inquiry probably more than any other public servant and that is basically my intention. It was not at all my intention at any time to mislead or not give the facts. In relation to the media, I respect that. I am not going to say whatever the media want to report. I respect that it is basically a democratic right of everybody to write that. I am not complaining about this at all. I respect it. I just want the opportunity to make sure that it was never my intention ever to say something that is not proper or correct to this Committee. I am not saying anything how these matters are reported whatsoever.

CHAIR: Mr Haddad, with respect to the code of conduct—you may care to take this on notice—do you meet with other directors general of planning around Australia and do you know if they have codes of conduct that apply to lobbyists and so on? Is there one that might be better than others?

Mr HADDAD: No, I did not raise it. But I must say independently that I did ask the director of our policy area to give me a brief on that because I am not up to date with what is happening in other jurisdictions. I know that there have been issues there. I do not know whether they went as far as having codes of conduct or not, but certainly it is something that I have asked for a brief on it and I am more than happy to make it available when I get that brief.

CHAIR: That may be helpful to the Committee.

The Hon. GREG PEARCE: Mr Abbey, is it your usual practice to inform lobbyists of departmental decisions over coffee or was that just something that Mr Richardson and you had as a result of your relationship?

Mr ABBEY: Firstly, I do not have a relationship with Mr Richardson. As I said, I first met Mr Richardson in early December 2008. No, it is not particularly usual to meet Graham Richardson for a coffee, or any other lobbyist or any other developer for that matter. I have done it from time to time and I had somebody with me to make sure there was no confusion about what was said. In addition to that, Mr Richardson, whenever he has made contact with me to ask for meetings, has pointed out and I have asked him to point out whether he is a registered lobbyist. So in that context is it usual? It is very usual for me to meet with stakeholders. It is very usual for anybody in the Department of Planning to meet with stakeholders. Is it usual to go to a coffee shop? Probably not. In hindsight, not the best move. But it is very usual to meet with stakeholders on matters.

The Hon. GREG PEARCE: Mr Haddad, at the last hearing we did not get to come back to it but you mentioned that you warned Mr Johnston not to confer with Mr Richardson. Do you know when that took place?

Mr HADDAD: In the answer I think I said after February and I think that is about the time after he told me that he met with him.

The Hon. GREG PEARCE: After February 2008 or 2009?

Mr HADDAD: 2008. That is what I have recorded here to the best of my recollection, and when I went back I noticed that he had a number of phone calls with him. He did not meet as such. I was not aware of that. He did not tell me of this. But after his meeting—and I had to go back and pinpoint exactly but probably after this February one, as I said here. The reason that I did that was basically I think maybe that was just my judgement that it is really inappropriate for him as a contractor to be dealing with him. His job was basically to coordinate the study. Rightly or wrongly my judgement is to deal with stakeholders, whatever, or departmental officers, and that was what was in my thinking, because I really wanted him just to coordinate the study as he was brought to do.

The Hon. GREG PEARCE: Mr Richardson said today that around about August 2008 when the majority of Mr Johnston's telephone conversations occurred Mr Richardson believed from conversations that—I am not sure exactly what proposal—a proposal was going to go to Cabinet in relation to the Badgerys Creek land. Is that your recollection?

Mr HADDAD: In mid 2008?

The Hon. GREG PEARCE: August 2008.

Mr HADDAD: Not to the best of my recollection, no, I am not aware of this.

The Hon. AMANDA FAZIO: Mr Richardson said he was expecting a report from Mr Johnston to be prepared and finalised.

The Hon. GREG PEARCE: I know what he said.

The Hon. AMANDA FAZIO: You do not know what he said; you were misquoting him.

Mr JOHNSTON: I can assist there, if you wish.

The Hon. GREG PEARCE: Yes, thank you. I was going to come to you in a moment.

Mr JOHNSTON: That all makes quite good sense to me because this is a document that was produced at the start of my project. It is a project plan, it is a formal document and I think you have it—it is available in the material. This project plan identifies all the roles and responsibilities in relation to this WSELIA project. It identifies the process chart maps, it identifies what I call the governance model, which shows very clearly the roles and responsibilities, including my role in terms of government and stakeholder management, and the people stakeholder management have to deal with. It also at the back includes a program. If you note, in the program it suggests that the program completes around the end of August 2008, and that is what I told most of the landowner representatives, that that is when the program was due to complete and the final structure plan, infrastructure plan and suite of documents would be finalised.

The Hon. GREG PEARCE: What did you think when Mr Haddad said that it was inappropriate for you to be meeting with Mr Richardson?

Mr JOHNSTON: We discussed the matter and I brought it to the director general's attention. His direction was it is better not to. I am not a permanent public servant; I take that direction and that is how the matter was pursued.

The Hon. GREG PEARCE: The process was that a draft 3A recommendation had been prepared and went to the meeting with then Minister Sartor in May 2008?

Mr HADDAD: That is for the whole area or for the site?

The Hon. GREG PEARCE: Including the site.

Mr HADDAD: The whole area includes the site, yes.

The Hon. GREG PEARCE: And the Minister at that point in time declined to adopt that?

Mr HADDAD: No. There was a submission to start the process—not to rezone the site but to start the process by putting it as a State significant site under the SEPP. As I said before, at this time we were considering dealing with the site in isolation. That is the fact of the matter. We were looking at it. Then we became much more aware—or I became much more aware of the need to address the strategic aspects of the entire site and I had a discussion with the then Minister and it did not proceed.

The Hon. GREG PEARCE: So you are contradicting Mr Sartor's evidence this morning that he was the gatekeeper and that at that meeting he decided not to proceed because he was not satisfied, or was that your advice?

Mr HADDAD: I am not contradicting Mr Sartor—I do not contradict any Minister. I did not endorse this submission. Usually when a submission comes to me I will stand by it by signing it—this is a sign that I am agreeing. In this case I said I had better discuss it with the Minister because I became more aware of it, and we had the discussion and that was it. Whether he made the decision or me or told me, or whatever, at the end it did not proceed. But certainly I do not want to contradict the Minister's submission.

The Hon. GREG PEARCE: The August deadline was not met originally and Mr Johnston stayed on on the project?

Mr HADDAD: That is correct.

The Hon. GREG PEARCE: And you worked on a structure plan?

Mr JOHNSTON: No, the structure plan had been completed.

The Hon. GREG PEARCE: So you did some work on the SEPP?

Mr JOHNSTON: Draft SEPP.

The Hon. GREG PEARCE: And that draft SEPP continued after the change in Ministers?

Mr JOHNSTON: It would have done.

The Hon. GREG PEARCE: And after the change in Ministers Mr Richardson stopped talking to you, Mr Johnston, and started conversations with you, Mr Haddad, on this project?

Mr HADDAD: Roughly in early 2009, yes.

The Hon. GREG PEARCE: Why do you think he decided to change tack when—

Mr HADDAD: I do not know. That was not his only project. In fact, as I tried to say the other time, from my recollection he was not really as such talking to me so extensively. His main attention was usually with the other two or three projects that he had, which I have documented the outcome of. It was the Leppington one, it was the Macarthur south issues—he was interested in the land release there—and that is the stuff that he wanted. His discussions were mostly about the process itself: that is what he was raising. I cannot really say that he was talking about merit issues, that this is okay or not, or whatever. But there is always a bit of a fine line between what you consider as merit and what you consider as process.

To me as a practitioner merit means what is the impact on the traffic or on the amenity of people or what studies have been done, all the rest of it—that is pure merit for me. Process means where is it at? Why is it taking so long? When is it going to finish? We have addressed all the issues, what do we need to do more? This is more or less the process stuff. Usually most—not only him—but most other lobbyists, and I do not know why, mostly in this area they have very little understanding of what I call merit. But others may have a very different view about what is merit.

The Hon. GREG PEARCE: Just to finish that chronology, the Badgerys Creek land stayed in the draft SEPP right up until about August 2009 when the budget committee of Cabinet seems to have decided it would have to come out because of some of your concerns about infrastructure and so on?

Mr JOHNSTON: I had a suite of documents and that suite of documents included the structure plan, the infrastructure plan, the contributions plan and the draft SEPP. Each of those documents was integrated and spoke to each other in terms of how they worked. When I handed over that suite of documents in March to May it was there.

The Hon. GREG PEARCE: Mr Abbey, you could probably answer this: It was there until August, am I right?

Mr ABBEY: I do not know. That is straying into a Cabinet decision.

The Hon. GREG PEARCE: No, I am asking you about the draft document that was in the possession of the Department of Planning that you were working on.

Mr ABBEY: Sorry, which draft document?

The Hon. GREG PEARCE: The draft SEPP.

Mr ABBEY: Sorry, I did not actually work on the draft SEPP.

The Hon. GREG PEARCE: You gave instructions to the Crown Solicitor. I could go through it.

Mr ABBEY: Yes, if you would take me through it.

The Hon. GREG PEARCE: I could take you to minutes that have been disclosed in the audit—

Mr ABBEY: That is fine, but I did not—

The Hon. GREG PEARCE: They are certainly through May.

Mr ABBEY: If you want to take me through it I can tell you the name of the staff member who was working on the draft SEPP.

The Hon. GREG PEARCE: The department's staff member?

Mr ABBEY: The department staff member.

The Hon. GREG PEARCE: Maybe you had better take it on notice. What I am after is when exactly did the Badgerys Creek land drop out of the draft SEPP, and why?

Mr ABBEY: Okay.

The Hon. GREG PEARCE: Will you take that on notice?

Mr HADDAD: Yes, with pleasure.

Ms SYLVIA HALE: Mr Johnston, I have an email from 18 April 2008 addressed to Mr Haddad and I must say that on looking through the relatively voluminous papers one gets the feeling there was a great sense of frustration at the absence of cooperation from other Government agencies. For example, you say the councils are fine, the Growth Centres Commission feedback seems okay. You say, "Agencies are still not providing true strategic input. I will discuss. An example is where are corridors for public transport and how do they interface with existing services? RailCorp very quiet. Ministry of Transport just raising problems. Co-ordinator General there but on edge. I couldn't tell you strategically where corridors are and what purpose they would serve, other than roads. I am addressing the issue." Then you go on and talk about Tom Forrest and Treasury and say, "There is a budget allocation apparently, \$60 million for this area and this is important for planning infrastructure. Why were we not informed of this?"

You get the impression of a complete lack of enthusiasm or a desire almost to frustrate what was happening in other areas of the Government. Would you like to comment on that, otherwise I will go on to the rest of your email? Is that a correct perception?

Mr JOHNSTON: I think that other arms of Government do not put sufficient reliance and importance on the economic development role and the fiscal impact role that release area development has on this State.

Ms SYLVIA HALE: Which area development? Western Sydney?

Mr JOHNSTON: Release areas generally. It has a fiscal, economic development and employment impact. If you are reading some frustrations you are probably correct. The Planning department in its role has to work very hard to achieve planning outcomes and they are quite voluminous in their studies and inputs. You can see that I had 107 meetings in the period. I had 44 independent, multi-disciplinary research pieces to do. It does matter if the rest of Government is not aligning to those issues. What I am saying now are my own comments as a professional and not necessarily those of the department. I would like to put that preface on my comments. I think other States do it better. I think those issues are going to be addressed by Government in some further policy work, which is unfortunately Cabinet-in-confidence at the moment.

Ms SYLVIA HALE: But in April 2008 the Government was saying one of its major priorities was the creation of jobs. We were in the middle of a global financial crisis and yet from what you are describing there seems to be a lack of interest in your endeavours to promote this objective.

Mr JOHNSTON: Again, this is not a matter on which I am talking on behalf of the department, but my professional view is it could be done better in relation to release area planning in terms of integrated infrastructure and planning decision-making. We are not integrating planning decision-making with infrastructure decision-making and economic development priorities sufficiently in this State.

The Hon. GREG PEARCE: The growth centres model?

Mr JOHNSTON: Yes. The growth centres model, the employment lands model—I do not care which model you use, I can give you the metrics which show that basically we are not performing as a State. That is putting us behind both in employment terms and economic development terms, and fiscal revenues. As I said, I am not talking on behalf of the department at the moment. This is my professional opinion.

Ms SYLVIA HALE: Your email goes on to say, "With Australand part 3A it won't take long before it leaks they have a problem. There are 70 per cent of landowners tied to option agreements for \$m"—which I assume is millions of dollars. "I suggest we firstly provide a brief verbal or otherwise to Minister. Michael Eason was with the Minister not long ago on proposal." Could you enlighten the Committee as to what was happening?

Mr JOHNSTON: How all that works?

Ms SYLVIA HALE: Yes.

Mr JOHNSTON: I will enlighten the Committee sooner or later on the terms of reference of my role, which I think is fundamental to some of the—I would like to have it tabled so you understand what my role was. There were five part 3A—

CHAIR: Do you want to do that now?

Mr JOHNSTON: Yes, I am happy to do that now, Madam Chair.

CHAIR: Sorry, not to take up Ms Hale's time. Could you table it?

Mr JOHNSTON: I am happy to table the role. It is very clear. That role was to facilitate both projects that were suitable and also the zoning and multi-disciplinary studies. That was to try to achieve for the WSELIA releases somewhere between 4,000 and 5,000 hectares of suitable employment land because we are in undersupply in this State basically. What happened concurrently for the department, which put pressure on the department, was that there were up to five part 3As, six if you include the SITA proposal, coming in in this area. They were all coming in as potential employment opportunities and the Australand proposal was one of them.

They were all coming in—this is where the Director General had problems— prior to the completion of detailed structural and other information that was necessary in order for the Government to make a decision on the matter.

The Government needed to undertake these 44 pieces of work, 20 of which were environmental, 14 of which were infrastructure and 10 of which were economic, in order that the Government clearly understood what land had the potential for development and what areas had the potential for development. In some cases on a plain, flat-view map, some land does not, because when you take it topographically in 3D and digitised you see that it has hills with 10 per cent and greater slope, and there are salinity problems when you look at the dirt and soil issues. What we were discovering when we went into the detail of some of these part 3A proposals was that some were problematic. That is the purpose of the note.

Ms SYLVIA HALE: You refer to other part 3A matters and say, "Medich and Sydney Uni not too bad." What did you mean by that?

Mr JOHNSTON: That is a very important point and I would like to raise that. The study area was 10,477 hectares in the end. It was in my terms of reference. Five thousand three hundred hectares of that study area were in what was called category B land. It went to categories C, D and E. Category E you just forget about completely, category D is bad, category C is bad enough, category B is very acceptable and category A is perfect. You have to go through a whole range of capability analyses in order to understand which category the land fitted into. I do not want to say too much about the previous matter, but the previous matter did not fall into category B.

Ms SYLVIA HALE: The previous matter being Australand?

Mr JOHNSTON: Yes, it did not fall. However, that 1,200 hectares north of Elizabeth Drive falls into category B very clearly. In addition, that land is pasture improved and has had human habitation for a long time, so it is disturbed. In other words, tree canopies are not there and it has a lot of its cultural and heritage values removed. It does not have any flora and fauna impacts at all in the area and its flood affectation is limited. Basically what that note refers to is that of the lands that are available within the WSELIA study area, that area north of Elizabeth Drive occupying some 1,200-odd hectares is more acceptable in land capability terms.

Ms SYLVIA HALE: Did that mean you supported the part 3A application by the Medichs?

Mr JOHNSTON: I want to be very clear on this too. That is a good question; I am glad you asked it. The answer to that question is no, I did not. The reason I did not is the Medich part 3A proposal had retail, residential, commercial and other components. In addition to that, it did not address adequately the infrastructure requirements that were needed in that area and how they were to be met. Thirdly, it did not align the studies that needed to be done to undertake, understand and align part of the sector-wide infrastructure requirements with those studies and those infrastructure and services requirements. It was quite limited. You will note when you see some draft DGRs that I sent out that I significantly embellished the DGRs to ask that the BC consortia be more clear on a whole range of areas related to infrastructure and services capacity.

CHAIR: Could you now table the document?

Document tabled.

The Hon. MICHAEL VEITCH: Mr Johnston, you mentioned you would like the opportunity to talk to that document.

Mr JOHNSTON: That document was specifically in relation to the terms of reference set for this project. I consider this is a very important part of the Government's action plan. You have to remember that the employment lands task force met and the Director General chaired that vehicle in 2006. There was an Employment Lands Action Plan in 2007 and then the rapid delivery program came out of a Government decision, I think. What the Government needed to do was bring forward some 7,500 hectares of employment land to get anywhere near the Victorian benchmark. Not many other States keep a very good benchmark but Victoria does. There is no doubt that that benchmark is used as a competitive advantage for that State.

The problem we have in this State at present is the amount of land that is available in very strategic locations is minimal. In fact, the serviced land available in the immediate precincts of the M7 and the M4 is

probably three-and-a-half to four years supply in good times, in better markets. If the State wants to be competitive and in a position to retain major investment in new lands, all those previous studies and the rapid lands delivery program identified the need to deliver a further 4,000 to 5,000 hectares and the State Plan E5 said those hectares needed to be within 30 minutes from a person's home. We have these fabulous two growth centres—the south-west sector with 110,000 households and the north-west sector with 70,000 households—and the whole idea of the employment lands program and the fast-tracking of these employment lands was to be within 30 minutes of those destinations. That makes utmost sense in terms of sustainability, transport infrastructure and public sector infrastructure.

The terms of reference in this direction set down what is necessary there and say in item 1.3 that "Initial sites identified will be fast-tracked through the necessary approval processes to be included and ready for disposal by 2008", and it listed a number of sites. That is the reason there was an early decision by the Director General to try to run the concurrent process with the studies. It became too difficult and too complicated to do. That is the whole rationale behind the concurrent process.

The Hon. MICHAEL VEITCH: Mr Haddad, you have been Director General for about three years.

Mr HADDAD: I was appointed Director General in the second half of 2005.

The Hon. MICHAEL VEITCH: There has been some comment in public hearings about the interaction between various Ministers and the department. Is there a protocol or an accepted practice in place around how that happens?

Mr HADDAD: I suppose it is normal practice for a Director General—and I was exposed to successive Governments in that regard—to interface with the Minister and the Minister's office. I firmly believe that the role of public servants, particularly people with so-called vision to do things, is to legally and with probity service the Government of the day. The Government of the day means the Minister of the day. That is basically a fact of life. I am completely apolitical. I have no interest in any—not in this sense. That is what I think a good public servant should do, particularly in this area.

In doing so, you have to interface and interact with Ministers and with the Ministers' office; you cannot just be doing that in isolation. You have to advise the Minister on the options, and then it is up to the Ministers to agree or disagree with your advice—but within the framework of the policy setting. The policy setting, for example, that relates to this particular matter was that employment land is important, that we need to reach certain benchmarks that other States have and that we do not have, that we need to secure additional employment close to housing.

I was particularly interested to make sure that when we go to the southwest and to the northwest, where we are putting people, we also provide employment opportunities. This is a big challenge for us. We are not seeing the housing developments that we want in a sustainable manner until and unless we also provide good employment opportunities nearby. That basically addresses affordability, and it also addresses climate change issues, and the rest. Unless we do that, we will not be able to sustainably develop some of these areas; that is the fact. That was the government of the day. My job then is to make sure that to the best of our ability we get on and implement that policy. We implement it within the law, and we advise governments accordingly.

The Hon. MICHAEL VEITCH: I will give you an opportunity to respond to some statements made earlier today firstly by Mr Richardson and secondly by Mr Morrison from the Property Council. They said that in New South Wales it is simply taking too long to have developments approved. I wonder if that is the perception and if you could respond to that?

Mr HADDAD: I suppose that is a submission that certain sectors, particularly of the development industry, put forward. It depends on how you measure, what is the measure, or whatever. But, yes, there is a perception that comes to me and to governments that the planning system in this State is complex and that it does take longer.

I do not know whether it takes longer or whether it does not. My interest is to make sure that developments should not take long because the issues all can be addressed, there are planning outcomes that are clear, and they should not take long. And sometimes they do. But where developments have complex or complicated issues that need to be addressed, then if it takes a long time we have to address that. But when I

compare our system with other jurisdictions, there is this perception that we have a number of issues that, for whatever reason, we need to address.

The Hon. TREVOR KHAN: Mr Johnston, you have provided some handwritten notes from your notebook of meetings you have held, is that correct?

Mr JOHNSTON: That is correct.

The Hon. TREVOR KHAN: In the course of that, is it the case that you record a meeting that occurred on 11 February 2008? That is a meeting that was organised by Mr Richardson, is that right?

Mr JOHNSTON: That is right.

The Hon. TREVOR KHAN: It is a meeting that involved Yourself and Lang Walker, as well as Mr Richardson, is that right?

Mr JOHNSTON: That is correct. That is in my notes.

The Hon. TREVOR KHAN: You have obviously looked at your notes again, I take it, prior to coming here today?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: Your notes record: "Said he was representing Roy Medich, which Mr Medich did confirm." Where you have "which Mr Medich did confirm ", do I take it that a phone call was made to Mr Medich in the course of the meeting?

Mr JOHNSTON: There was a meeting before that where Mr Medich confirmed that Mr Richardson was representing him.

The Hon. TREVOR KHAN: That is a reference to an earlier event?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: When the meeting was called by Mr Richardson, you had an idea that it was regarding the Medich lands, or what we could call the Badgerys Creek consortium lands?

Mr JOHNSTON: Yes, I would have.

The Hon. TREVOR KHAN: Was it the case that Mr Richardson discussed with you the Badgerys Creek consortium lands in that meeting of 11 February?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: What was discussed?

Mr JOHNSTON: He wanted an explanation of how we could run the concurrent process—that is, the part 3A process and the WSELIA studies.

The Hon. TREVOR KHAN: Was there anything else discussed with regard to the Badgerys Creek land?

Mr JOHNSTON: Not at that time.

The Hon. TREVOR KHAN: How long did the meeting go on for?

Mr JOHNSTON: It probably would have gone on for half an hour or so.

The Hon. TREVOR KHAN: Was it in an office, was it in a coffee shop, or where was it?

Mr JOHNSTON: I generally did not have meetings in the office. I made it a rule not to have meetings in the office, for three reasons. First, I was having a lot of meetings and the office was very small. By about two months in, I had a lot of plans and I had plans all around the office, which started to show the areas of land that were—

The Hon. TREVOR KHAN: There was a confidentiality issue?

Mr JOHNSTON: Yes. It made it really awkward. If I had representatives from the Department of Planning who knew about it, it was okay, but you could not have people just walking in because they would see all the plans. Thirdly, we sometimes did book the meeting rooms, but if they were 10-minute, quarter-hour or half-hour meetings at most, it is so easy just to go down to the coffee shop, have a meeting, and come back again.

The Hon. TREVOR KHAN: Do I take it the meeting occurred in a coffee shop?

Mr JOHNSTON: Yes possibly. It would not have been in the office.

The Hon. TREVOR KHAN: Mr Lang Walker was present at the meeting?

Mr JOHNSTON: As I understand it, yes. That is in my notes.

The Hon. TREVOR KHAN: What was Mr Lang Walker doing whilst you and Mr Richardson were discussing the Badgerys Creek consortium land?

Mr JOHNSTON: He was at the meeting as well. I attended their meeting, it looked like to me.

The Hon. TREVOR KHAN: Was he talking whilst Mr Richardson and you were talking about the Badgerys Creek land?

Mr JOHNSTON: He would have been discussing the matter as well.

The Hon. TREVOR KHAN: He appeared to have some knowledge of the Badgerys Creek consortium land?

Mr JOHNSTON: Not really.

The Hon. TREVOR KHAN: But he was talking whilst this was all going on?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: We will go on a little bit. You obviously emphasised the process to be undertaken, I think your notes record, is that right?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: You outlined the concurrent approach that was to be followed, is that right?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: Again, all in front of Mr Lang Walker?

Mr JOHNSTON: Yes.

The Hon. TREVOR KHAN: You also have: "Also discussed Darwin and projects", and then there is a cross. What does that mean?

Mr JOHNSTON: I was working on some other projects interstate, and I was discussing those as well. We raised those as well. It was not just about the BCC matters.

The Hon. TREVOR KHAN: Were you seeking to involve Mr Lang Walker, through Mr Richardson, in a development that you had in Darwin?

Mr JOHNSTON: No.

The Hon. TREVOR KHAN: Have you contacted other people in the Labor Party with regard to the development in Darwin?

Mr JOHNSTON: No, not that I—

The Hon. TREVOR KHAN: Did Mr Gary Gray get a guernsey at one stage in terms of contact—?

Mr JOHNSTON: You saw my notes?

The Hon. TREVOR KHAN: I did.

Mr JOHNSTON: I had a go at the secretary: that should have been removed. I was representing other parties, and I had to attend meetings with the Hon. Gary Gray.

The Hon. TREVOR KHAN: Do I take it that at the meeting of 11 February you were acting in a capacity—

Mr JOHNSTON: I was not representing the department, in any event.

The Hon. TREVOR KHAN: That was not time costed in your exercise at \$200-odd an hour?

Mr JOHNSTON: No.

The Hon. TREVOR KHAN: Are you sure about that?

Mr JOHNSTON: Things like that you do not worry about too much.

The Hon. TREVOR KHAN: Is that right?

Mr JOHNSTON: Yes. I did a lot of time for nothing in this matter. There has been a lot of time put into the scoping of the exercise.

The Hon. TREVOR KHAN: Was not the original intention that this job was to cost about \$30,000?

Mr JOHNSTON: The original scoping of this when we started was probably less than \$30,000.

The Hon. TREVOR KHAN: It turned into considerably more than that, some \$600,000-odd, did it not?

Mr JOHNSTON: The program got to nearly 15 or 18 months, and some of the more recent work on infrastructure has only just been completed.

The Hon. TREVOR KHAN: Was there an additional contract, or the like, that you entered into once the job went beyond the preparation of the document to which you referred?

Mr JOHNSTON: The contract was renewed after we did the initial scoping plan. Then I think there were, from my recollection, about five pieces of the contract. There was the preparation up to about July, there was another period to finish the infrastructure to about October, there was December to February—no, probably March—and then a handover in May.

The Hon. TREVOR KHAN: Mr Haddad, when this proposal of involving Mr Johnston was originally contemplated, do I take it that it was within contemplation that he would be doing more than simply the initial stage worth \$30,000?

Mr HADDAD: Mr Johnston came to the department qualified in terms of addressing the requirements for the job, in terms of project management.

The Hon. TREVOR KHAN: I am not arguing about his qualifications.

Mr HADDAD: It was contemplating that he has been appointed as a contractor on an hourly basis. This arrangement has continued. I know that there would have been the question of whether it should have been the subject of a tendering process. It was not. I was not advised that that was necessary. Maybe I should have. It continued, because the nature of the job was such that it needed to be done; it was a rapid assessment job. When I became aware of this, I did immediately take action within the department to institute much stronger procurement arrangements in that regard. That is basically it. There was nothing that was a departmental oversight. That is what happened, and he was appointed on an hourly basis to continue to complete the job.

The Hon. TREVOR KHAN: Mr Haddad, do I take it from what you say that amendments were made to the procurement process to ensure that in matters such as this contracts are put out appropriately to tender?

Mr HADDAD: Yes, that is correct. In fact, when Mr Johnston proceeded—

The Hon. TREVOR KHAN: We are talking in a general sense.

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: Therefore, I take it there is a document that you can produce to the Committee that demonstrates the change in procedures that has now been adopted?

Mr HADDAD: I can produce this to the Committee, yes.

The Hon. TREVOR KHAN: Mr Haddad, you have given evidence as to how the submission was prepared, is that right?

Mr HADDAD: Yes.

The Hon. TREVOR KHAN: You are aware that amongst the documents that were produced was a draft submission, is that right?

Mr HADDAD: Yes, I am aware of this.

The Hon. TREVOR KHAN: I put to you that one of the differences, particularly in the latter 10 or so pages of the document, which deals with the chronology post-2007, is that apart from a meeting that is referred to in early September 2009, all references to meetings between officials of the department and yourself or the Minister and representatives of the Medich group, or the Medichs, or Mr Richardson, have been removed when it comes to the final submission? Can you explain, in the context of transparency and making a comprehensive submission, why the reference to physical meetings was removed?

Mr HADDAD: As I said, I have not instructed anybody to remove anything from the submission. I have asked the officers who coordinated the submission, and they have explained to me that at the time the submission was being finalised they had not completed the compilation of all those meetings from the department backwards. And they have made the judgement that it is either they put everything or they just be very careful in what they put in the submission. That is the reason that was given to me. I do not have any explanation other than what I am saying now.

The Hon. TREVOR KHAN: But what they did include in the submission was the one publicly known meeting, and that was the meeting that Mr Richardson had disclosed, with yourself, in early September. That one was included?

Mr HADDAD: And I am just repeating again: I did not instruct anybody to do anything in relation to the compilation of this submission. I suppose I am happy to have others putting another submission to the Committee to explain that, to verify that. But that is what happened.

Ms SYLVIA HALE: Mr Haddad, would you agree that when you go through the voluminous emails, the papers, the documents, and the contacts from interested parties in the employment lands and what is happening out at Badgerys Creek and in that general vicinity, what would strike the observer is how many well-connected Labor identities appear to be the movers and shakers? For example, David Tanevski, with his personal relationships with Minister Tripodi and Treasurer Roozendaal; Michael Easson; the Medichs—Graham Richardson talked today about how he had known them for many years—Richardson himself; and Lang Walker, with those strong connections. It seems to me that these are very much development plans that come within the ambit of key Labor identities with very important connections in the Labor Party. Do you think that is a fair impression?

Mr HADDAD: I was not really thinking about that, to be honest. I was just looking at the merit of the actual proposal. It may well be that this is the case. As I said before, I am completely apolitical in that process. I do not belong to any particular thing. I was just looking at the merit of the proposal.

Ms SYLVIA HALE: It is striking, is it not—the coming together of so many people who have this unifying connection of either being very influential within the Labor Party or being significant donors to the Labor Party, or both? Mr Johnston, I notice that Sonja Lyneham, who was by this time working for WorleyParsons, rather than for Planning Workshop Australia, on 28 January sent Mr Haddad an email which says:

Enclosed is a draft of the submission we are to send to Penrith Council. The [Badgerys Creek consortium] objective is to move forward its Concept Application, exhibition of the [Department of Planning] WSELIA Structure Plan and avoid the draft LEP constraining development for employment purposes ...

She sent Mr Haddad the email, and Mr Haddad sent it on to you the next day, 29 January 2009, and said: "Norm, can I have advice re this please?" On the same day, about five hours later, you got back to him and said, "Sam, I just spoke with Minister Tripodi's adviser who discussed the V0 – V1 Policy matter." Could you explain what that is? You then went on to say: "I advised again that this department is under a lot of pressure and we need to proceed as soon as possible with the WSELIA matter. I said it can't be delayed. He said that Minister Tripodi will renew. Just for warning. Norm." Mr Haddad acknowledged your response with "OK". Can you flesh out what the email is about?

Mr JOHNSTON: I am happy to. The first thing I should say is that the two matters are not connected. I have used one email to follow on another email. The first matter relates to the proponents wanting to push forward for the concept plan solution once again because the draft LEP in Penrith was to maintain a zoning for this area north of Elizabeth Drive as non-urban rural. She wanted to push forward this matter to expedite that. My view, and I explained it to Sam as the director general probably over the phone, was that it did not really matter if the LEP went through and that this matter was not relevant to our determination, because if ever a draft SEPP was put in place it would override the provisions of the LEP. So in my view there was no need to get into any sort of rush to make that Penrith LEP some sort of immediate solution as to why we should be more proactive to get in the concept plan. That is in relation to that matter.

In relation to the other matter, I think I explained once before that a suite of documents was prepared. The first document—the draft structure plan—outlines all of the details, all of the land and all of the issues that need to be addressed. It does to some extent go into the infrastructure requirements. That then leads into an infrastructure plan that starts to break down those infrastructure requirements into the Government's policy—which is TP017/08 of December 2008, which says that you have to form a State infrastructure contribution [SIC]. That State infrastructure contribution in relation to these lands is \$775 million. That is then presented in a formal document called the "State Infrastructure Contribution Plan". That is the next suite of documents. That contribution plan takes information from the structure plan by area and by what is called "net developable land", and, in relation to the SIC policy, provides a contribution rate per hectare of net developable area. This suite of documents was prepared and finalised. They are all done and they all read each other.

What was proposed at the time was a change to that and a change to the way that the policy could be interpreted in relation to the contributions policy. That is the issue of V1 versus V0—it is the issue of when you take a valuation on a particular parcel of land and how that valuation is determined. My statement to the director general was this: If you started to change the whole policy direction in relation to the contributions at that time then you would probably put back the whole process of WSELIA, the structure planning and the contribution and what could be effectively reported to Cabinet. That was my warning to Sam, because you would be changing a key aspect of how you would fund that infrastructure.

Ms SYLVIA HALE: Why did you say that the department is under a lot of pressure and that you needed to proceed as soon as possible?

Mr JOHNSTON: That comes from the fact that in both WSELIA and the other developments nearly 1,600 hectares is made up of the part 3A proposals. That involved more than 65,000 employees. Those proposals did have a time limit and there was pressure on the department in relation to their determination. It was a decision made on 5 May which I conveyed to my consultants and which said that these proposals were unlikely to be considered until such time as the suite of documents and the structure planning were finalised.

Ms SYLVIA HALE: Was that 5 May 2008?

Mr JOHNSTON: Yes.

Ms SYLVIA HALE: This refers to 2 February 2009.

Mr JOHNSTON: That is where the decision came from. Basically, all those proposals are being held up until this suite of documents can be considered by Government.

Ms SYLVIA HALE: If you had already stated your position and all your consultants knew it, where was the pressure coming from?

Mr JOHNSTON: I will explain again. The part 3A process is separate from the WSELIA—

Ms SYLVIA HALE: Are you saying it is from the part 3A proponents?

Mr JOHNSTON: Yes. I have 22 landowner interests listed here that we had meetings with. There was quite a number.

Mr HADDAD: Perhaps I can assist the inquiry in that regard. I do not know what Mr Johnston meant, but there was obviously pressure on the department to advise Government on the outcome of this process. The whole study had been going on. It was a priority project and it was something that had to be finished in 2008 and it was 2009. We had to resolve all these issues. My understanding is that he was looking into all the infrastructure contribution models. My understanding is also that he was telling me that there was a need to clarify the infrastructure contributions and there was pressure on the department because obviously we were trying to finalise it. To finalise by submission, for whatever reason, he did say that Minister Tripodi was going to ring me. I can confirm that he did not ring.

Ms SYLVIA HALE: He did not ring?

Mr HADDAD: He did not ring; he never rang.

Ms SYLVIA HALE: Were you ever concerned about pressure coming from Mr Tripodi about any of these part 3A proposals?

Mr HADDAD: I was concerned to make sure that the job was finalised as soon as possible. It was 2009 and that we had to advise the Government. The then Minister was considering this employment land as an important issue. We supported that, we had a government policy to be able to finalise it and I was concerned that we should finalise it as soon as possible. I was concerned about it. I wanted to advise the Government as soon as possible.

I do not know in what context he raised it with Minister Tripodi's adviser or officers. When I saw the email later as part of the file notes that it was V0 and V1 and all the rest of it, which relates to different value uplifts and so on—I am not really on top of the detail—I presumed that he was probably inquiring. We were looking at the structure plan and the infrastructure contribution plan. But I can confirm again that Minister Tripodi did not talk to me about this or anything that relates to it.

The Hon. AMANDA FAZIO: Mr Haddad, you said that the difference between the draft submission and the final submission you put into this inquiry was in part because you did not have a comprehensive listing of all the meetings that had occurred between the proponents and all the representatives of the department so

you took those out. Is that information being provided to the estimates committee as part of your answers to questions taken on notice?

Mr HADDAD: No, this information was tabled as part of the call for papers. I am sorry; I did not say that I took it out. I did not take anything out myself.

The Hon. AMANDA FAZIO: No, I am not saying that. You pointed out that one of the differences between the draft submission and the final submission was that the meeting—

Mr HADDAD: My understanding—

The Hon. AMANDA FAZIO: I just want to confirm that that has all been provided to the Committee or to the Parliament.

Mr HADDAD: That has been provided to the Committee to the best of our ability. We collected all the information that relates to that job in files and we have provided it to the Committee as part of the call for papers. That is all with the Committee to the best of our ability. If the Committee wants a summary or a chronology to assist it in its investigations, I am more than happy to do that. I have instructed them to go through this stuff again and to look at the chronology to see if there is more we can do to assist the Committee. I am happy to do that.

I did not take anything out of this. I remember my explanation very clearly. I said that this submission is a good submission; however, the identification of the site was not clarified. Secondly, there was some technical planning issues in relation to some areas that are of a technical nature—the expression of an LEP or whatever was not clear. Thirdly, I told them it was very important to ensure that the Committee has the best information available at the time. I did not even mention anything about the dates because I did not realise it. I suppose that is a bit silly. Mr Khan was right; I did not realise it. I do not know the word. Mr Khan asked me the question and I am answering it to the best of my knowledge. You are right to ask; it does not make sense. It was discovered after that that apparently there was a meeting a week before or something. I am repeating myself. I asked my secretary whether it was correct that that happened and she confirmed it with me, and I am now confirming it with the Committee. It did not happen.

Mr Richardson was ringing often and there were many changes. He would ring and I would not talk to him or he would want a meeting. That may be an expression of my hesitation somehow to engage in all this. But that is part of the system. There is nothing improper in all that. But I can understand what the Committee is saying. That is my explanation and I can understand all this. I want to ensure that, rightly or wrongly, I have been giving evidence to this Committee and the last thing I want members to think is that I am here to mislead the Committee. That is not my intention.

The Hon. AMANDA FAZIO: I want to clarify something raised earlier today. When Mr Richardson gave evidence he said that he switched his focus from contacting Mr Johnston to contacting the department to try to track what was happening with the Medich landholdings at Badgerys Creek. He said it was nothing to do with changes of Ministers or anything else; he said it was because his understanding was that Mr Johnston's report—which is noted in the document you have tabled—said that you were due in mid-2008 to provide a detailed study of the Badgerys Creek industrial precinct, the rezoning, an infrastructure agreement and a concept approval of the first sites of the WSELIA land. Is it correct that you finalised the report and handed it over to the department at the end of August 2008?

Mr JOHNSTON: The structure plan was pretty much in place, the infrastructure plan was well underway, and the contributions plan would have been done by then. Most of the suite of documents was in final draft then, yes.

The Hon. AMANDA FAZIO: If somebody wanted to find out the status of the proposal he or she would have switched his or her attention perhaps from you to the department?

Mr JOHNSTON: Yes. From my point of view the investigative work and the types of outcomes that the land capability, infrastructure and other matters had to find were as close to finalisation as possible.

Mr HADDAD: If I might just clarify that. Mr Richardson would have been aware that, in a sense, the work was coming to a point where either it was going to be finalised or it was not. He started engaging us by asking, "What is its status, where is it going?" and all that. I am just thinking that that is what was happening.

The Hon. AMANDA FAZIO: Is it usual that you would get contacted in that manner by lobbyists working for proponents of proposals?

Mr HADDAD: Lobbyists who have had contact with different or former political parties or whatever contact me. I was asked to provide some information in that regard to the estimates committee, which I will also do. Basically, it is not something that they do very regularly; it occurs only on rare occasions. But whether or not I like it, registered lobbyists are a part of the system. I deal also with a lot of other people, not only lobbyists. I deal much more with community groups, councils, development, consultants and others all the time. It is part of my job and I do it. That is part of the thing not only for me but also for a lot of my executives. They also do the same thing.

The Hon. AMANDA FAZIO: When Mr Sartor gave evidence this morning he said that lobbyists did have a role in assisting their clients to understand the process of government and what steps were necessary in order to get a development to the assessment stage. That was confirmed also in evidence from Mr Morrison from the Property Council. Would you agree with that, or do you think that is an oversimplification of their role?

Mr HADDAD: I do not know what they tell their clients but I can tell you that, on a number of occasions, when I have had visits from lobbyists and proponents I have asked the proponents, "Why did you come with the lobbyists? Why did you not come alone?" The response that I get basically is, "The planning system is too complex; we need somebody to explain it to us", or whatever. It is very difficult. I ask them, "Did you ever ring me directly and you did not get an appointment?" I do not know exactly what is happening, but that is the impression I get from some of the proponents. Other proponents may see it differently. They may think that a lobbyist should be able to drive the outcome in a different way. I do not make decisions in isolation; there is a system whereby decisions are made based on a lot of investigations, studies and reports. If a consistent thing has happened I can understand people's perceptions about lobbyists. However, that is all I can say.

The Hon. GREG PEARCE: Mr Abbey was going to table notes of his various meetings. Does that include the venue?

Mr ABBEY: No.

The Hon. AMANDA FAZIO: Do you want them to say what they had, for example, lattes?

Mr ABBEY: I do not mind. I can tell you that I probably had a cappuccino.

The Hon. GREG PEARCE: What was the venue?

Mr ABBEY: It was next to Governor Macquarie Tower. I do not know.

Motion by the Hon. Greg Pearce agreed to:

That the documents be tabled.

Documents tabled.

The Hon. GREG PEARCE: I wish to clarify one aspect. In relation to the question that I asked you to take on notice, the document to which I was referring was the chronology that you prepared.

Mr ABBEY: Right.

The Hon. GREG PEARCE: If you go to 8 July 2009 in that chronology you will find that there is a reference to a meeting with Treasury. On 21 July and 31 July there are commentaries about changes.

Mr ABBEY: Hopefully, I can clarify that very quickly if that is okay. The meeting with Treasury does not relate to the actual preparation or legal drafting of the State environmental planning policy [SEPP], which is

what I took your question to mean. From July onwards I was involved in assisting, as were a number of people in the department, to try to finalise the reporting of the options available for the entire western Sydney employment lands investigation and reporting that, importantly, to Government. As part of that, there were meetings with Treasury. Predominantly the Treasury meetings related to an \$80 million piece of transport infrastructure. So that it is clear, I was not a legal draftsman or instructing on the legal drafting of the SEPP.

The Hon. GREG PEARCE: So that it is totally clear what I asked you to take on notice, on 21 July you state in your note that the draft Cabinet minute at that stage included stage 3, which was the Badgerys Creek consortium. For 31 July 2007 you state:

In contrast to the previous draft Cabinet minute, the draft budget committee minute recommends stages 1 and 2 immediately be zoned and stage 3 be transferred.

I am trying to get an explanation as to why that occurred.

Mr ABBEY: My only reluctance to answer that question is that it relates explicitly to the Cabinet recommendation. That is my only reluctance to answer that question. I will take that question on notice.

The Hon. GREG PEARCE: You have already taken that question on notice. I was just pointing out where it was.

Mr ABBEY: Okay.

CHAIR: That brings to an end today's hearing. I thank Mr Haddad and the other gentlemen for their assistance to this inquiry.

(The witnesses withdrew)

(The Committee adjourned at 5.07 p.m.)