

REPORT ON PROCEEDINGS BEFORE

SELECT COMMITTEE ON BARANGAROO SIGHT LINES

BARANGAROO SIGHT LINES

CORRECTED

**At Dixson Room, Macquarie Building, State Library of NSW, Sydney, on Thursday 1
December 2022**

The Committee met at 2:45.

PRESENT

The Hon. Mark Latham (Chair)

The Hon. Anthony D'Adam (Deputy Chair)

The Hon. Chris Rath

The Hon. Adam Searle

PRESENT VIA VIDEOCONFERENCE

The Hon. Lou Amato

Ms Cate Faehrmann

The Hon. Shayne Mallard

* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

The CHAIR: Welcome to the third public hearing of the Select Committee on Barangaroo sight lines. Before I commence, it is a custom of the Parliament to acknowledge the traditional inhabitants of this land, the Gadigal people of the Eora nation. I do that with all due respect as well as acknowledge other important contributors to the history of the Parliament House building, which is under renovation and the reason why we are in the historic Dixon Room of the NSW State Library today. I acknowledge in particular the parliamentary staff who support MPs and make our work and representative role possible over a long period. We acknowledge and thank them all. Today we are hearing from the Hon. Warwick Smith, Executive Chairman of AL Capital and Aqualand Australia.

Before we commence, I will make some brief comments about the procedures for today's hearing. We are being broadcast live on the Parliament's website. A transcript will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, the House has authorised the filming, broadcasting and photography of Committee proceedings. Any person filming or photographing proceedings must take responsibility for the proper use of the material.

While parliamentary privilege applies to witnesses giving evidence today, it does not apply to what witnesses say outside of their evidence at the hearing. Witnesses need to be careful about their comments away from the formal hearing. Committee hearings are not intended to provide a forum for people to make adverse reflections on others. We have a procedural fairness resolution that the House adopted in 2018. If witnesses are unable to answer a question today and want more time, they can take the question on notice. Written answers to questions can be provided within 10 days. If witnesses want to hand up documents, they can do so through the Committee staff available around the table.

In terms of the audibility of the hearing, I remind both Committee members and witnesses to speak into the microphones. For those participating remotely, please ensure that your microphone is muted when you are not speaking. The witness today is in person and three MPs are via videoconference. Finally, would everyone please turn their mobile phones to silent for the duration of the hearing.

The Hon. WARWICK SMITH, AO, Executive Chairman of AL Capital and Aqualand Australia, sworn and examined

The CHAIR: It is available to you to commence your evidence by making a short statement if you wish to.

WARWICK SMITH: From 2 March 2018 I have been the non-executive chairman of Aqualand Group. My role as executive chairman with Aqualand Group is in an advisory capacity and not in a formal operational role. It is a non-executive, and I am also not a formal director. At a practical level, I act as a business liaison between Jin Lin, the founder and group managing director—and he continues in that role—and his father, Lin Yi, and to provide high level strategic advice to Aqualand Group primarily on trade, banking, finance and investment. These areas have been my focus, given my background working at ANZ and Macquarie Bank and my experience and interest in international trade.

In addition to the above, I mainly focus on trading and investments at Aqualand. I had a key role in establishing the financial investment arm of Aqualand Group, AL Capital. AL Capital has more than \$100 million under investment focused predominantly on the Australian equity market and private equity, both in Australia and overseas. Some of the investments we have made were into McGrath real estate and ausbiz TV, a leading provider of news in Australian business, markets and startups. I provide advice to AL Capital on potential trades and investments.

I am not an employee of Aqualand and I am not involved in the day-to-day operations of Aqualand. I hold a number of other roles, including being the chairman of the advisory board of Australian Capital Equity, holders of interests through Seven Group Holdings in a range of Australian premier companies. I am chairman of Ord Minnett, a leading private wealth management group, and I have other board directorships. I am aware of the terms of reference for this inquiry and will endeavour to assist the Committee to the extent I can, despite my role—limited however it is at Aqualand's development at Central Barangaroo—under the terms of reference of the Committee. Thanks, Mr Chairman.

The CHAIR: Thank you very much. We'll start our questioning with the Deputy Chair, the Hon. Anthony D'Adam.

The Hon. ANTHONY D'ADAM: Thank you, Mr Smith, for your attendance today. First I want to ask about your role in the Central Barangaroo projects. Could you just elaborate on what role you played, if any, in terms of liaising with Aqualand and other players in the Central Barangaroo project?

WARWICK SMITH: Central Barangaroo was an early investment of Aqualand that took place before I arrived, and it continues to be an investment waiting for implementation by the group. When I arrived, I appointed a new CEO of the whole group for the property side of the group. We hired someone out of the Middle East who had previously been at Mirvac and came back to be the CEO of Aqualand Property. He continues in that role, now described as the chairman of the Barangaroo development. My role has not been involved in it—to a very, very limited degree—directly at all. The idea was to have a senior Australian property person to help consolidate the group's investments that had been made back in 2016-17 and put someone senior there to help a young Australian, Jin Lin, as he developed the opportunities that the investments would provide over time. Barangaroo was always run by the operational team, headed up by the CEO of the group. That's John Carfi, as you know.

The Hon. ANTHONY D'ADAM: Perhaps if I then ask more specific questions because—

WARWICK SMITH: I'm sorry? I can't hear you very well.

The Hon. ANTHONY D'ADAM: I might just ask a more specific question then, given that I'm still a bit unclear about the nature of your role. In terms of Central Barangaroo, did you ever have any communication with Premier Gladys Berejiklian on this issue?

WARWICK SMITH: No. All communications with her and others were done by the operational team and the CEO.

The Hon. ANTHONY D'ADAM: You never spoke to Premier Berejiklian about this issue?

WARWICK SMITH: No—never about specifics with regard to this project.

The Hon. ANTHONY D'ADAM: No, about this issue. Have you had—

The Hon. SHAYNE MALLARD: Point of order: How quickly we're delving into the mud-throwing. My point of order is that Premier Berejiklian is well outside the terms of reference of this inquiry.

The Hon. ADAM SEARLE: To the point of order—

The CHAIR: Just ruling on the point of order—

WARWICK SMITH: Sorry, just to make sure I got the question—

The CHAIR: —I don't believe the role of the responsible Premier is outside the terms of reference at all. Mr D'Adam has asked a question about a conversation. The answer was not about the detail, which leaves open what generalities might have been discussed between Mr Smith and former Premier Berejiklian. So I am ruling—

The Hon. SHAYNE MALLARD: We had Mr Baird at the last meeting and interrogated him at length about this.

The CHAIR: I am ruling the question in order.

WARWICK SMITH: If the question is about Berejiklian and sightlines, no, I don't have any involvement with her. I did have involvement with her very early on when Aqualand was set up, when I took on the chairmanship.

The Hon. ANTHONY D'ADAM: You had no conversations with Premier Berejiklian about the Central Barangaroo development?

WARWICK SMITH: Not in relation to the sightlines issues, no. We were an investor.

The Hon. ANTHONY D'ADAM: Well, in relation to what, Mr Smith?

WARWICK SMITH: We were an investor. And we were waiting to be able to action on our investment. It was a matter of, "How long is it going to take?"

The Hon. ADAM SEARLE: You had conversations with her about that?

WARWICK SMITH: I had mentioned it to her, yes.

The Hon. ADAM SEARLE: In what context, can you recall?

WARWICK SMITH: She met with Jin Lin and Lin Yi.

The Hon. ADAM SEARLE: And you were present?

WARWICK SMITH: I was present, yes, and others. We were saying to her, "You're the Premier. We've invested. We're hoping that this thing can go on." That was very early on.

The Hon. ADAM SEARLE: Roughly what time?

WARWICK SMITH: Just after I was appointed, so it must have been—

The Hon. ADAM SEARLE: In 2018?

WARWICK SMITH: —yes, 2018. But I was not involved with the issue of the commercial dispute around sightlines. I'm not involved and had no discussion with her. She wasn't even there then, I don't think.

The Hon. ANTHONY D'ADAM: Mr Smith, I am aware that there was a text message from John Carfi to Craig van der Laan on 17 December, where it's suggested that Mr Carfi has said, "Warwick is in China and he's going to try and speak to Gladys today in regards to Central Barangaroo."

WARWICK SMITH: That was the meeting I just told you about.

The Hon. ANTHONY D'ADAM: At the end of December? December 2018, that's the meeting?

WARWICK SMITH: Yes. It was a formal meeting with the consul general and a whole cast of people.

The Hon. ANTHONY D'ADAM: What was the outcome of that discussion?

WARWICK SMITH: It was just an information courtesy meeting, not an operational meeting.

The Hon. ANTHONY D'ADAM: What was Mr Carfi expecting you to resolve through that discussion?

WARWICK SMITH: He doesn't say he's looking for a resolution. He has to deal with the business of the company with the authority. That's what he was doing and that's what he continues to do.

The Hon. ANTHONY D'ADAM: So you're suggesting that you had just a general discussion? I'm not exactly sure of the specifics of what you are saying you said to Ms Berejiklian. Could you perhaps elaborate on the nature of the conversation? What specifically did you say to her about this?

WARWICK SMITH: I just told you. It was a courtesy meeting between the Premier, the consul general and the people who were with her on her delegation, and others, as she was passing through China.

The Hon. ANTHONY D'ADAM: Why would Mr Carfi raise this with Mr van der Laan?

WARWICK SMITH: You might have to ask him, mightn't you? I don't know why he would raise it with Mr van der Laan. I had no dealings—

The Hon. ANTHONY D'ADAM: He clearly had some expectation that you would do something or that you would achieve something out of the discussion.

WARWICK SMITH: I had no expectation that I was required to do anything other than to say, "Hey, get on with it so we can use the development funds that are still held by the State Government."

The Hon. ANTHONY D'ADAM: Can I ask you about the transaction that involved Grocon transferring its development rights to Aqualand? Did you have any involvement in that?

WARWICK SMITH: No, I don't have involvement in that.

The Hon. ANTHONY D'ADAM: Do you have knowledge of it?

WARWICK SMITH: I have knowledge of it, but I don't have involvement with it. My role was an advisory board, once-a-month meeting. All operational matters were dealt with by the team. Mr Jin Lin, Mr Carfi and others in the team—a very competent and capable team.

The Hon. ANTHONY D'ADAM: It's been suggested by Mr Robertson that, irrespective of Infrastructure NSW issuing the sightlines notice, the transaction was well and truly in train at the time when the Deed of Sight Lines resolution was concluded between the parties and that, irrespective of whether the notice had been issued, the transaction where Grocon transferred its development rights to Aqualand was going to proceed. Is that your understanding?

WARWICK SMITH: The commercial terms of it, I think, have been canvassed well, as far as I understand it, in earlier testimony. Mr Robertson has given his view. I also saw that the subsequent person in charge of that area has given his view. It was a commercial transaction. As I recall, Grocon had approached Aqualand. We had ongoing negotiations, in which I was not involved. They were done with Jin Lin and Carfi, agreed to with the principal of Grocon and the authority responded appropriately. It was a commercial transaction.

The Hon. ANTHONY D'ADAM: You have reviewed the transcript then, so you're aware of the evidence?

WARWICK SMITH: I'm not fully aware. I read it quickly—briefly—on the way today.

The Hon. ANTHONY D'ADAM: Coming back to my question, was it your understanding that there was a binding agreement between Grocon and Aqualand before 19 August, when the Deed of Sight Lines resolution was signed?

WARWICK SMITH: There ended up being a binding agreement on which it was executed, so, yes, there was at some point. The exact legal point of the timing, I wouldn't know. But, anyway, that was the deal and that was consummated. It was done and Mr Grollo got his negotiated position.

The Hon. ANTHONY D'ADAM: It is critical in terms of the whole story we're examining, which is that Mr Grollo asserts that if the Deed of Sight Lines notice had been issued immediately after 19 August, that would have affected the price of the transaction—the amount that Grocon was going to receive as a result of the transaction with Aqualand. Mr Robertson asserts a contrary position, which is, "No, there was already an agreement between Grocon and Aqualand that was well and truly in train," and that irrespective of whether the notice was issued, the price wouldn't have changed. What do you say?

WARWICK SMITH: I think that the authority acted appropriately with regard to what Aqualand had negotiated with Grocon.

The Hon. ANTHONY D'ADAM: That's not my question, Mr Smith.

WARWICK SMITH: Well, that's the answer. You might not like it, but that's the answer. You can't actually extend yourself into something that I don't know about.

The Hon. ANTHONY D'ADAM: The question I'm asking you has nothing to do with Infrastructure NSW. The question I am asking—

WARWICK SMITH: We did a transaction and the transaction was acted upon. And that's what Mr Grollo wanted.

The Hon. ANTHONY D'ADAM: Is it your evidence—

WARWICK SMITH: He came to Aqualand, as I recall.

The Hon. ANTHONY D'ADAM: —that there was no binding agreement?

WARWICK SMITH: I don't know whether it was binding at that point or later on, but the end agreement was acted upon and he received the compensation he sought.

The Hon. ANTHONY D'ADAM: Perhaps you might take that on notice if you're unsure about whether there was a binding arrangement between Aqualand and Grocon.

WARWICK SMITH: You have to ask others. I can ask others in the group or you can ask others in the group and bring them before you. But I'm not here to answer the detail because I wasn't involved in the detail.

The Hon. ANTHONY D'ADAM: You're here—

WARWICK SMITH: I'm here.

The Hon. ANTHONY D'ADAM: —in your capacity—

WARWICK SMITH: You can see me, can you?

The CHAIR: Order!

WARWICK SMITH: Come on. The Chair is supposed to protect people being harassed by a Committee member.

The CHAIR: I'm not sure there's any harassment going on, but what I would ask is to go one at a time and to stick to the substance of this rather than frivolous matters.

The Hon. ANTHONY D'ADAM: I'm trying to get some clarity about—

WARWICK SMITH: I've given you the answer that I've given.

The Hon. ANTHONY D'ADAM: —the position of Aqualand.

The CHAIR: Order!

WARWICK SMITH: I've given you the answer that I've given.

The CHAIR: The Committee member can ask the question. Let him ask it in full and then we'll have an answer in full.

The Hon. ANTHONY D'ADAM: You either don't know—

WARWICK SMITH: But that's what I've told you: I don't have the detail.

The CHAIR: Order!

The Hon. ANTHONY D'ADAM: You don't know.

WARWICK SMITH: I've told you.

The CHAIR: Order! Mr Smith, you've been defying my ruling that Mr D'Adam should be able to ask his question in full and then you can give an answer in full. Let's go one at a time.

The Hon. ANTHONY D'ADAM: Is it the case that you are unable to obtain that information about the status of that transaction. It is central to the whole question about whether Infrastructure NSW made a decision that was appropriate or inappropriate if there was some material impact of the issuing of that sightlines notice on or around 19 August. If they had done it—

WARWICK SMITH: I'm sorry, I have no advice on that. I am not involved in that; others in the company are and they would be more than happy to provide that to you, I'm sure, if you ask them because it was a commercial transaction.

The Hon. ANTHONY D'ADAM: So you're not prepared to—

WARWICK SMITH: I'm not going to talk about things I don't know.

The Hon. ANTHONY D'ADAM: You're here representing Aqualand. That's why we've called you.

WARWICK SMITH: I'm required to be here because you asked me to be here. I'm not here necessarily representing Aqualand. I'm here because I have a role there. It's not an employee role. It's an advisory board role.

The CHAIR: You've been sworn in as the Executive Chairman of Aqualand.

WARWICK SMITH: Non-executive Chairman of Aqualand in charge of the advisory board, focusing on the financial sides of the activity and not on the property side.

The CHAIR: Okay. Witnesses—

WARWICK SMITH: That's pretty clear, Mr Chairman.

The CHAIR: Witnesses have a responsibility to answer to the best of their ability.

WARWICK SMITH: I have been answering to the best of my ability and I feel as though I am being harassed.

The CHAIR: Well you are being asked questions—

The Hon. ADAM SEARLE: Mr Chair, it sounds like the witness is doing the harassing.

The CHAIR: It's not harassment at a parliamentary committee to answer questions, so answer the questions to the best of your ability. Next question, Mr D'Adam.

The Hon. ANTHONY D'ADAM: Mr Smith, do you know Tim Robertson?

WARWICK SMITH: Yes, I do.

The Hon. ANTHONY D'ADAM: Are you aware that he was contracted to do some work for Aqualand?

WARWICK SMITH: He was employed as a contractor but I was not involved in it. I didn't know he was there for several months after he arrived. And he has worked directly to the property group. He's not involved with what I do there.

The Hon. ANTHONY D'ADAM: What was the nature of your relationship with Mr Robertson? Do you have a personal relationship with him?

WARWICK SMITH: No, I don't. I don't know him other than meeting him in the Aqualand area.

The Hon. ANTHONY D'ADAM: Are you able to tell us what he was contracted to do for Aqualand?

WARWICK SMITH: He worked in the property group across a whole range of property issues and different properties that we were invested in and reported through to the CEO.

The Hon. ANTHONY D'ADAM: Did that include the Central Barangaroo project?

WARWICK SMITH: All the property activities were involved, yes—as I understood it.

The Hon. ANTHONY D'ADAM: So that's a yes.

WARWICK SMITH: Yes, but I'm not involved with that.

The Hon. ANTHONY D'ADAM: Is it—

WARWICK SMITH: He doesn't sit on the advisory board, for example.

The Hon. ANTHONY D'ADAM: Do you have any direct knowledge of how the arrangements were struck with Mr Robertson about how he came to work for Aqualand?

WARWICK SMITH: No, I don't. That was done by and arranged for by the CEO.

The Hon. SHAYNE MALLARD: Thank you, Mr Chair. Can you hear me clearly?

The CHAIR: Yes.

The Hon. SHAYNE MALLARD: I had a lot of trouble on Webex yesterday. Good afternoon, Mr Smith. Thank you for coming in, our only witness today. Aqualand, which I now understand you are not an employee of; you're on the advisory board, is currently party to a Supreme Court case about this whole issue. Is that right?

WARWICK SMITH: I understand it's probably part of it because of the action taken by Grocon against the Barangaroo authority—it has had two titles. And Aqualand is part of it because we were in a commercial agreement where we were approached by Grocon to purchase out their interests in Barangaroo, which we did, to give us greater capacity to give effect to the original investment of building Central Barangaroo, which still is ongoing and hasn't started.

The Hon. SHAYNE MALLARD: So your understanding is that Aqualand is somehow joined into the Supreme Court case?

WARWICK SMITH: I know Grocon and the principals. They have worked for me extensively on a six-year project building 142 Pitt Street, so I understand what they're doing and that they're seeking to use litigation to recover where they can, and make assertions to the court, which the court will decide in due course. They did a contract—

The Hon. SHAYNE MALLARD: That gets to the nub of my question to you. I'd assume you may have gotten legal advice before you came in today, like a wise businessman like yourself would have. Are you anxious to appear before our inquiry, given the court case that's ongoing at the moment? Does that constrain you talking about what occurred in that period?

WARWICK SMITH: Thank you for the question. I'm quite happy to talk about what I know, but the commercial arrangement that was struck between Grocon—which was initiated by Grocon and Aqualand, enabled Grocon to receive funds that were desperately needed because of the financial position they were in. That often happens, unfortunately, with developers where they have extensions into a whole range of projects. So I understand that. But the court case continues on and we will provide what we always do; that is the fact of the situation. You want the fact about that detail. I'm not involved with it and I didn't engage with it. I'm suggesting that others in the company who are all still there, and very capable and focused people, did all that they needed to do with the Barangaroo authority and the people involved in it.

If the litigation is assisted by an inquiry or assisted by media activity to get a better outcome in the court, I think that's misguided strategy, but it doesn't mean that—it can happen if it happens, but these matters are well understood in the property world, what happened to Grocon. We in Aqualand and the principals, Mr Lin and Mr Jin, and the CEO did what they could to strike a commercial outcome that was going to be conducive to Aqualand's long-term aspiration to be an active participant in Barangaroo, and they continue with that aspiration.

The Hon. SHAYNE MALLARD: If you read the transcript of Mr Grollo's evidence, he held back no punches, and that this whole inquiry has been very much conspiracy theories about people involved, including some of the questions you were asked just a minute ago. Do you think there are other influences at play here?

WARWICK SMITH: They are a serious company over a serious, long period of time, and this had not gone well. He's fighting to recover what he's able to fight, utilising the courts, but making broader-based allegations, I think, or assumptions or assertions to whatever platform needs to be very, very considered. The courts will resolve the commerciality or otherwise and the broader issues raised by the sight lines inquiry will find its own place, but it has got to be based on the facts that are the reality of the commercial transaction. You can't rewrite the commercial transaction, if you've lost a situation in an investment that you had, by utilising public affairs and, with respect, parliamentary committees or broader-based media et cetera. You just have to deal with what actually is there and what actually happened. To somehow suggest there was some other improper motive by people involved, like myself, is just not correct.

The CHAIR: Mr Smith, what are Aqualand's current intentions for the site? You recently had a development proposal knocked back by the Government, so where do you think it's headed in the future?

WARWICK SMITH: Look, the recent decision on central Barangaroo, which was to have an additional tower, was rejected—not unexpected—so that doesn't move away from Aqualand's intention to do what it already originally, that is developed central Barangaroo. Grocon fell over. You know, they came after me. We offered them a price that finally was agreed. So to try to preserve central Barangaroo, which is building an area over the top of the railway station, connects with the aspiration on the other side of the harbour where Aqualand has other properties, and so that linking of those two parts and those two developments—North Sydney and Barangaroo—is a desired outcome for a lot of people that are involved in property because they are significant Australian sites. That's the aspiration. The fact that they didn't get a tower is not something that's overly concerning because there's a range of issues when you have to build a tower. We've already got the rights to build central Barangaroo and the clarity that now has been given means that the focus will come onto what's happening at central Barangaroo going up several stories over the top of the station.

The CHAIR: So what does that mean? You're preparing a new development proposal sans tower?

WARWICK SMITH: Existing development proposals are there and now that has to be—we've got to finish all the other towers there. There's three towers there. They finish those and then they start over the top as they finish off the station area, which is done underneath.

The CHAIR: So what's your expectation on the timetable if you're building over the station?

WARWICK SMITH: Chairman Mark, you tell me. They've been waiting six, seven years now. It's embedded. The cash is in the hands of a third party for the benefit of that development—when and if it can

proceed. So they've been patient. They stay there, they watch, they hope. They do other developments and mainly in North Sydney, so there are linkages between the two.

The CHAIR: All right. But it's hard to understand, though, given the size of the harbour, how there is a linkage between North Sydney and central Barangaroo. With the action in central Barangaroo, what's the company's best case timetable for building something on top of the railway station?

WARWICK SMITH: We probably think it's a three-year project. The team and John would know exactly what we think.

The CHAIR: What's your best opportunity for starting the construction?

WARWICK SMITH: Well, the railway station's coming on, yes, so it's probably not a long way away, but clarity around what else can be done on the site is now a little clearer and additional developments going onto the site aren't necessarily going to take place, so you finish what's there, what's approved, and then they finish the station, and then a company like Aqualand, who's invested heavily in North Sydney—because the connection, basically, is the flow of traffic between the two because of the new railway line. It will put some value into both ends of the system.

The CHAIR: You mentioned earlier on that you had a courtesy meeting with Gladys Berejiklian to talk about your central Barangaroo investment. Were there other Government Ministers that you presented it to as well?

WARWICK SMITH: No. I'm not involved with other Government Ministers, not on Barangaroo.

The CHAIR: The only Minister you spoke to was Berejiklian?

WARWICK SMITH: Yeah. There was one occasion when the current Premier visited the site. There was a big day where he visited the site. I was there but I didn't speak with him. There was a whole bunch of different people from all different parts of the development—other developers, and so on.

The CHAIR: How do you answer the Grocon concerns that they waited so long to get their sightlines that the day after the project was transferred to Aqualand they became available? That just looked incredibly coincidental, did it?

WARWICK SMITH: Well, my understanding was it was well known that they were on the verge of potential financial difficulties and that it was known that we were in discussions with them to do a transaction. Despite your question, I don't know quite the answer to that. When it was clear that someone was going to have authority of and sufficient capital capability to be able to be the investor and the potential medium term developer, then it would give comfort to the regulator to proceed to let it do what needs to be done. So that's how I interpret things were done. That was all done, given that it was Grocon who came to Aqualand. Aqualand said okay after a lot of discussion, as I understand it. They finally got to a price. Then it was done and then the transfer was made to give continuity to the project. There's a lot of pressure on governments to get Barangaroo railway station, other developments, given all the other things that have gone on in that area not totally related to the construction part to give it some veracity and some authenticity that it will continue and will be completed.

The CHAIR: But do you accept Grocon's position that their financial problems were caused by the indefinite delay in getting the sight lines notice?

WARWICK SMITH: I don't think that. The court will decide but my own view is probably not. I think there are other issues at play, knowing Grocon.

The CHAIR: There seem to be documents, certainly an email exchange, that Mr Robertson was instrumental in basically organising that Grocon would not get their sight lines notice. That must have caused them some financial angst and then Mr Robertson bobs up as working for Aqualand, the beneficiary of the transfer. There's a clear conflict of interest there, isn't there?

WARWICK SMITH: I don't believe so. He left the Authority and, as I understand, was probably looking for work as a consultant—probably one that we could use because he's got decent knowledge of the whole area.

The CHAIR: So Aqualand never saw his employment as a reward for assisting Aqualand—

WARWICK SMITH: Certainly I would reject that, and I'm confident I can reject that on behalf of Jin Lin and John Carfi, the CEO. I mean, talented public servant, really.

The CHAIR: Well, not talented in the eyes of Grocon. When you read the correspondence where he was acting—

The Hon. SHAYNE MALLARD: Talented in front of Mike Baird.

The Hon. ANTHONY D'ADAM: So you're able to confidently assert that there's no conflict there and you speak on behalf of Mr Carfi and Jin Lin in that circumstance but not in relation to other specifics?

WARWICK SMITH: Yes. In terms of Mr Robertson, I don't know him well but he's done good work in prior roles, as I see it, and he's done good work with Aqualand. I think he's a person possessed of capability and integrity, so I have no reason to think that there was any deliberate creation of a role to act as a reward. I think that I would reject that with confidence on behalf my colleagues.

The Hon. ANTHONY D'ADAM: Who in Aqualand should we ask to get some specifics about the arrangements that led to Mr Robertson coming to work for Aqualand?

WARWICK SMITH: All things related to this are done by the then CEO, who now continues on as the chairman of the Barangaroo development for Aqualand group, John Carfi.

The Hon. ANTHONY D'ADAM: John Carfi?

WARWICK SMITH: Yes. He's a very, very capable senior executive. He was promoted out of Mirvac into running a very, very major group in the Middle East. I hired a consultant to find me someone and they found him. I offered him a role, confirmed by Jin Lin and by Lin Yi. Then he proceeded to reshape both the make-up of the company and the Aqualand team, and was going well. Then Grocon basically got into some difficulties, not necessarily on that site but elsewhere, brought pressures on, sought to either joint venture or party or do something with somebody else—Lendlease, us or whoever, Scentre—who might have been interested in taking the role. It ended up being us under a negotiated agreement, under a negotiated price. And the Authority played its role to make sure that there was continuity on the capital capability of the parties that were involved, and that's what happened. The name was Draper—I read in the evidence—was the key person and capable public servant who overviewed all of that.

The Hon. ANTHONY D'ADAM: So you were aware of the negotiations—

WARWICK SMITH: No, I didn't get invited. I would see an advisory board and say, "What's happening on Barangaroo?" "Well, we're in a continuing discussion. We're in an offer." Each time we had a meeting I would report through to Mr Lin Yi these continuing discussions on the opportunity to take a larger role in Central Barangaroo. "If you're happy with that strategy, the team will continue on." And he would be doing that with both his son, Jin Lin, who was basically a young man being tutored by a more senior, very capable property CEO. I'm a finance guy; I'm not a property guy.

The Hon. ANTHONY D'ADAM: That meeting with Premier Berejiklian occurred in China, did you say?

WARWICK SMITH: Sorry?

The Hon. ANTHONY D'ADAM: That meeting with Berejiklian occurred in China?

WARWICK SMITH: Yes. It was her visit to China. I don't know the exact date but we can get that for you. She had a big delegation with her and the consul general hosts. Other investors in Australia, in New South Wales visited with the Premier. She visited Ministers and the Chinese Guangzhou Government and so on.

The Hon. ANTHONY D'ADAM: So it's your evidence that there were no other discussions with Premier Berejiklian relating to Barangaroo?

WARWICK SMITH: No.

The Hon. ANTHONY D'ADAM: At all?

WARWICK SMITH: Not that I recall, no.

The Hon. ANTHONY D'ADAM: Do you speak to the Premier often?

WARWICK SMITH: No, I'm not—

The Hon. ANTHONY D'ADAM: You're not a friend of hers?

WARWICK SMITH: I would be an acquaintance of hers. I don't have dinner with her or lunch with her.

The Hon. ANTHONY D'ADAM: She's not someone that you can pick up the phone to?

WARWICK SMITH: She was a colleague when she was at the Commonwealth Bank but, other than that, no, she's not a close colleague. She is someone I know, obviously. I know a lot of people in public life. But I found her to be capable. She was a very good transport Minister. I dealt with her in other areas, through my other interests.

The CHAIR: Any other questions from Committee members?

The Hon. SHAYNE MALLARD: No.

The CHAIR: That concludes the hearing, Mr Smith. We thank you for your attendance and cooperation.

WARWICK SMITH: Thanks very much.

(The witness withdrew.)

The Committee adjourned at 15:21.