

REPORT ON PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

REGIONAL PLANNING PROCESSES IN NSW

UNCORRECTED PROOF

At Albury on Monday, 12 September 2016

The Committee met at 10:40 am

PRESENT

The Hon. G. Pearce (Chair)
The Hon. R. Colless
The Hon. P. Green
The Hon. M. Veitch (Deputy Chair)
The Hon. E. Wong

The CHAIR: Welcome to the sixth hearing of the Standing Committee on State Development's inquiry into regional planning processes in New South Wales. Before I commence, I acknowledge the Wirajuri people who are the traditional owners and custodians of this land and on behalf of all of us I would like to pay respect to Elders past and present and extend that respect to other Aboriginals present. Through this inquiry the Committee is seeking ideas to stimulate regional development and reduce the time and complexity involved in the planning approval process. The Committee is also interested in maintaining community expectations regarding the environment and view economic aspirations of local businesses.

We will be conducting a final hearing in Ballina next Monday 19 September. Today the Committee is hearing from a number of witnesses including Riverina Eastern Regional Organisation of Councils [REROC], NSW Cross Border Commissioner, Albury and Wodonga councils and Rest of NSW. Before we commence I want to make some brief comments about the inquiry and procedures at today's hearing.

In accordance with the broadcast guidelines, I inform members of the media who are here or who may be joining us that while Committee members and witnesses may be filmed or recorded, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at this hearing. So I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat. Media representatives who are not connected to the parliamentary press gallery should approach the secretariat to sign a copy of the broadcasting guidelines.

There may be some questions that a witness wants to take on notice. Obviously we are happy for you to do that and if you could, we would normally ask you to provide the answers within 21 days. Any messages should be delivered to Committee members through the Committee staff. Finally, would everyone please turn off their mobile phones or set them to silent for the duration of the hearing.

TONY DONOGHUE, Executive member, Riverina Eastern Regional Organisation of Councils and General Manager Coolamon Shire, sworn and examined

JULIE BRIGGS, Executive Officer, Riverina Eastern Regional Organisation of Councils, sworn and examined

The CHAIR: Would either of you like to make a brief opening statement?

Ms BRIGGS: First of all I apologise for the absence of our Chairperson Councillor Rick Firman who cannot be here today because of business commitments, and he is very disappointed about that. As most of you know, the Riverina Eastern Regional Organisation of Councils [REROC] is a voluntary association of what is now nine councils—we were 12—in the Eastern Riverina and two county councils. We go north as far as West Wyalong, south to Culcairn, Greater Hume, east to Tumut and Tumbarumba and west to Lockhart, what used to be Urana. When we prepared our submission it was pre-merger so it represents the views of all of those councils. We made this submission in consultation with a group of planners we have and also with our board.

We thank the Committee for the opportunity to speak, particularly as growth in regional areas is extremely important to our membership. We believe this is a very important inquiry and the opportunity to speak to our submission is much appreciated. I look around this room and I see people who already live in country areas, and we think that is a valid decision—to choose to live in the country should not be considered as second-rate. It alarms us that quite often the choice to live in the country is seen to be something you do because you could not crack it in the city. And too often I think that the way we view our regional areas in this State is reflective of the position that if you were any good you would be in Sydney.

We think that everything that underpins development in this State should be about valid State development; that it is a valid choice to live in country New South Wales and that the decisions made, and the policies developed by the State Government should be for the benefit of the entire State; it should not just be reflective of what is happening in Sydney. I note that Minister Stokes talked about growth in Sydney and the new demographics that are coming out of the DPE at the moment. He said in today's paper that Sydney has to grow. If it does not grow that is a really bad thing yet time and again we see policy implemented that invariably lead to lack of growth in regional areas and we are more than willing to accept that. But while we will not accept that does not grow, we are more than willing to accept that other areas of the State do not, and for our members that is a particular concern.

REROC is committed a policy of balanced State development; that this entire State should be earmarked for growth, not just Sydney. We would like to see a long-term vision for the entire State that is underpinned by actions that promote regional areas. Again too often it seems like we are an afterthought, if you like. The release of the State priorities in indicate of that; there is not a single State priority that is specific for regional New South Wales. Often we are told that is not a worry because there are all these other State priorities and regional New South Wales will be gathered up in that. But the reality is that that does not happen. We have a State priority for a 150,000 jobs, 30,000 of which were supposed to be in regional New South Wales. Who is one of the biggest regional employers in New South Wales? Local government. What have we just done? We have got rid of a whole heap of jobs, or we are about to, in local government through the mergers.

State priorities that do not include regional New South Wales are of great concern because I think it is reflective of a greater malaise, if you like, which is that we are not on the agenda at all. With this particular inquiry, we recognise that one of the things the Committee is looking at closely is the need for our regional planning Act, which is directed specifically at regional areas. Our members are unanimous in the belief that that is not required, but that there needs to be greater flexibility in the planning instruments. We are setting great store in the proposed western State environmental planning policy [SEPP] as providing us with more flexibility to deal with the uniqueness of regional areas. I think we would all agree that planning instruments that are effective in Haberfield are not necessarily effective in Coolamon and that the State is a very large place with great diversity. The Act needs the flexibility to do that. But we do not think that we need an entirely separate Act. We think that would be counter-productive and, again, it would set us a little bit apart from the rest of the world as well.

On government incentives to increase development areas, we are unanimous in believing that there is a role for government incentives, and that is in the provision of infrastructure for growth. A big issue in regional areas now is the cost to a first mover. When you are a first mover into an industrial area or into any kind of area in business, you are funding all of the upgrades to the electricity, for instance. If you need a new transformer, you are paying for the entire transformer. If you need new water drainage and gas or whatever to come to you, you are paying for all of that to reach the site. Then the utility providers sell off what you have paid for to other

users. If you have paid for a new transformer for your business and then five years later you want to expand your business, lo and behold you find that the electricity provider, who becomes the owner of the asset once you have purchased it, has sold off all the spare capacity to other users who come in after you, and you are fronted with paying for a new transformer once again.

We think there is a big role for the State to become a subsidiser or funder of legacy infrastructure—the infrastructure that first movers use, the infrastructure that creates the building block for everything else. We would like to see a more proactive approach from the State in funding that type of infrastructure rather than the whole burden falling to a first mover. No doubt you will be told over and over again, particularly today, that the Victorian Government does choose to make those types of investments. We have seen in our region that businesses make decisions on the basis of whether they will fund this infrastructure or go somewhere where the government is funding it for them. That changes the return on investment for these people and they will make an economic decision. If everything else is equal, why would you pay for infrastructure in New South Wales when you do not have to pay for it in Victoria?

We welcome the opportunity to provide some feedback into the Committee's work and we welcome any discussions. Mr Donoghue is on the executive of the Riverina Eastern Regional Organisation of Councils not only as a general manager of Coolamon but also is a planner and has been a council planner for most of his career, so he certainly brings some vast experience in this area if you have specific planning questions.

The CHAIR: Thank you, Ms Briggs. That was a pretty good summary of the big issues that we are considering at the moment. Mr Donoghue, do you wish to add something at this stage?

Mr DONOGHUE: No. I am happy to take questions, if you have any questions.

The Hon. MICK VEITCH: It is good to see you again, Ms Briggs. I got a fair bit of rain on the weekend as well. You were talking about Victorian models and how Victoria is better in some instances. Can you give us an actual example of how they do it better than New South Wales? What are the areas that they do it better in when it comes to planning?

Ms BRIGGS: I cannot give you a specific example, but a couple of weeks ago I was talking to the Department of Industry and we were having this very discussion. Margie O'Dwyer was saying that it is a big issue for them—she is here in Albany—when people choose to go to Victoria particularly because, it is my understanding, of subsidised infrastructure for electricity, which is vastly expensive here. But not only is it vastly expensive, we had an energy forum here last month and Essential Energy spoke at it. They spoke about the infrastructure issues, but they asked us to make sure that when we were talking to businesses that they understood that there might be—and Mr Donoghue will correct me if I am wrong—something like 18 months of planning before they can actually build any infrastructure. So you need to have one or two years to get it on the infrastructure list for Essential Energy as well. It is not just the cost but the timeframe that is a big problem. I can get you some examples, and I am happy to do that.

The Hon. MICK VEITCH: It would really help if we could get some tangible examples.

Ms BRIGGS: Yes. We can manage that.

The Hon. MICK VEITCH: Mr Donoghue, do you have anything to say?

Mr DONOGHUE: I can only speak, after talking to the general manager of Greater Hume, that they were in a bidding war for development and it was lost across the border based on exactly those issues.

The Hon. MICK VEITCH: Ms Briggs, in your opening remarks you spoke about, essentially, there are opportunity costs for first developers. Is there a jurisdiction somewhere in Australia that has a better way of up-front payments for opportunity costs on new developers or progressive payments for new developers to meet the opportunity costs associated with rolling out infrastructure?

Ms BRIGGS: Not that I know of. I think the big problem here is, you know—there is a problem with cost. I was talking to some colleagues in Carrathool, where there are a lot of chicken farms going in, and they had some really big issues trying to get their electricity in there. There was talk about the developers moving to somewhere else. The problem is that, once you have paid for it, it becomes the property of the utility provider, which then sells off all the excess capacity to the next person who comes along. Then you go to grow your business and you are faced with increasing the capacity once again of infrastructure you paid for maybe five or six years ago. Why would you do that? You would sit back and wait for somebody else to be the first mover. It is not just about the payment but the inequitable situation that arises.

Essential Energy is the provider out here where we have got the biggest problem. Who is the only shareholder in Essential Energy? That is the New South Wales Government. The last time I looked, Essential

Energy is making something like \$350 million a year. There should be some kind of policy. There could be a policy in place. You do not want to always hark back to the old days, but what used to happen when the infrastructure provider was also the retailer, the infrastructure was provided in a subsidised basis because they were going to get a return on investment through retail. You know, it may be an unintended consequence of the split between poles and wires and retail, but those opportunities are now gone. Business is forking out 100 per cent of the burden and government is not putting anything in. As a consequence, it is a disincentive for a first mover.

Mr DONOGHUE: There are some previous issues where infrastructure providers were returning investment money back to the original investor when the next developer turned up, but that has all gone by the wayside over the last, probably, 10 years, I would suggest. I agree with Ms Briggs that that is the problem. In order for our communities to grow, infrastructure assets are the restriction on what we can develop.

The Hon. MICK VEITCH: This inquiry is about regional planning, but one of the issues it has raised—and we are exploring that now, to some degree—is the developer contributions that are required for New South Wales. Is there a jurisdiction that you are aware of that does this better. We are in Albury essentially to explore the cross-border issues. Does Victoria do that better than New South Wales?

Mr DONOGHUE: I have no evidence of that, sorry.

Ms BRIGGS: No, I do not know. I am sure that when you talk to Albury they will be able to let you know.

The Hon. MICK VEITCH: Is there a better way of taking in developer contributions for local government?

Mr DONOGHUE: Our council does not require a lot of developer contributions because we want people to develop. So, there is a big difference between a large regional city—

The Hon. MICK VEITCH: Say, Wagga and Coolamon?

Mr DONOGHUE: Wagga and Coolamon. This is an issue that we have with the planning documents. We see our planning documents as aspirational—we are trying to encourage growth—whereas the State planning documents are more constrictive. That is because they are trying to restrict development in areas, where we want to be flexible enough to encourage growth at every opportunity. If that means wearing a little bit of developer charges in section 94 contributions for road networks, we would prefer to wear that and put that into our operations rather than to charge that to the developer.

The Hon. RICK COLLESS: Does that apply to urban developments, as well, in your shire?

Mr DONOGHUE: In Coolamon Shire, yes. We want that flexibility because Wagga Wagga has a requirement to provide the infrastructure that it needs—parks, gardens, pools et cetera—and wants the developer to pay for that.

The CHAIR: What are the main towns in Coolamon Shire?

Mr DONOGHUE: We have three towns: Coolamon, Ganmain and Ardlethan; and three villages: Marrar, Matong and Beckom. We have a population of 4,350. The largest centre would have 2,000 people in it.

The Hon. MICK VEITCH: I think I have shorn in most of those places. Going back to the aspiration and flexibility in the planning instruments in New South Wales, if you had a wish list of how we could achieve that aspiration and flexibility what would it be?

Mr DONOGHUE: As an example, when our complying and development was very flexible we had a policy that if you buy a residential property you should expect your next-door neighbour to have a shed, a pool, a house and everything related to residential living. So we were turning around complying development in three to five days. Probably 75 per cent of our applications were coming through that avenue. As soon as the State made that complying development more complicated we went from 100 applications—75 Complying Development Certificates [CDCs] and 25 Development Applications [DAs]—to 99 DAs and one CDC.

I understand that planning is a lot more than just rezoning and process times. For us it is an integrated process of aspiring for your communities to grow. We have the philosophy that a strong rural community is what creates strong regional centres, not the other way around. As the productivity of our regions increases we need to have that infrastructure—roads, rail, electricity—to manage the productivity.

The CHAIR: On that same point, the turnaround in statistics is, perhaps, devastating. What is the impact in terms of the time of getting approvals for the applicants and what is the impact in terms of the costs to the council?

Mr DONOGHUE: It is a bigger picture than just a couple of turnaround times. We focus our energies on turning around Development Applications or Complying Development Certificates quickly if they are not complicated. Obviously, if they are complicated and we have tin mines or potential land fill sites they require input and time; but if not, they should be turned around in 10 days at a maximum. We would be averaging five or lower. We would then take a Development Application—which is supposedly non-contestable; whereas a CDC is contestable—but we still turn them around in about the same time. There is a little bit more cost in going through the Development Application process, but under the current CDC arrangements there is a longer timeframe required—a minimum of 14 days—whereas we turn them around in under 10 days.

Ms BRIGGS: So there was an unintended consequence of the introduction of the new approach for complying development, which basically looked at all these numbers and said, "No, we need to bring it down to 14 days." For our council—and Coolamon Shire is not the only one—which was doing CDCs in under 14 days, it doubled, in some cases, the time it was taking to do the process and increased the paperwork. It is an unintended consequence but it has come about from the application of a single standard right across the board when it really was not necessary.

The other thing I wanted to mention was that a lot of our communities choose to not to take up section 94 for the very reason that Tony has mentioned—it is a way for councils to subsidise development in smaller communities that are looking for growth. So a council will say, "We will go without those section 94 contributions because that gives us a bit of a competitive edge to increase our opportunity." It is also reflective of the cost of bringing in the infrastructure for outside parties. If council does not charge section 94 contributions it gives the business a bit more money to spend on electricity, water and maybe gas.

The Hon. MICK VEITCH: With regard to foregone section 94 contributions—I spent 12 years in councils—how do you bring that to account? Is there a way you can bring that onto the books as a donation or a council contribution?

Mr DONOGHUE: No, that is just the philosophy we have. Our standard is that we will try to be proactive for development because that is our future.

The Hon. MICK VEITCH: But essentially it is a donation by Council towards the development if you do not collect the section 94 contribution. So somehow you should be able to bring that to account to reflect what you are doing, don't you think?

Mr DONOGHUE: We currently only have a section 94A plan which is specific to a certain area with respect to road construction. As for a section 94 plan, we have not got one. It is not as if we have had to account for a straight monetary gain or loss. We have just not developed those plans on that philosophy.

The Hon. PAUL GREEN: How is the aged care side of things going?

Mr DONOGHUE: Our aged care facility is going very well.

The Hon. PAUL GREEN: It was very clever.

Mr DONOGHUE: Under the new National Disability Insurance Scheme [NDIS] proposal our reporting has been ever-increasing. It has been a new journey for us to get the reporting right, because the reporting maintains our income for that aged care facility. It is a fantastic facility for our community.

The Hon. PAUL GREEN: I know it is really innovative. It is fantastic. Ms Briggs, you brought something up about the recently released State priorities not specifically mentioning regional and rural New South Wales. That is a great concern. You said that it generally gets wrapped up—with the prosperity of New South Wales, regional areas will get their own. Can I draw you out a bit more on that? Can you tell us what you would expect out of that plan—how would you see it if rural and regional areas were to be mentioned? What way would it be presented in that plan that would satisfy you that the realities of regional areas getting a fair share had been considered?

Ms BRIGGS: I would have liked to have seen—I think other members would have liked to have seen—a priority that meant that regional areas would be dynamic, strong centres of growth. I understand that not everywhere will grow, but if you do not make a decision that there should be growth it just does not happen. In a government context where all the resources in the State are now quite focused on delivering State priorities, if you are not a State priority you will not attract resourcing. We do not have a State priority that says we want regional New South Wales to be a place of growth, to be a place people want to choose to live, a place where businesses want to choose to do business. We do not have anything that says that, and without that there is no resourcing.

In another forum I asked this question. We have been conditioned, courtesy of NSW 2020, to not ask for resourcing if it is not in the plan. Now I look at the Premier's Priorities and the State Priorities and I do not see us in the plan. So if I want to grow my community and I am not in the plan then the question is: Where are the resources? They are not coming to us. Our members would like to see something that says why not have one that works to increase the population in regional New South Wales? Why not have that for a strategy? Instead, the DPE comes up and says to my councils, "You are all having falling populations. Let us just accept that and that means you will have less State resourcing". So it becomes a self-fulfilling prophecy. Sydney will grow—of course Sydney will grow because you keep shoving more and more resources into it. If all the resources are concentrated in single areas, that is where growth happens because that is where people go; they go for services, they go for infrastructure, they go for all those things.

Mr DONOGHUE: Can I give you a little example of that, in my mind?

The Hon. PAUL GREEN: Yes, and can you take this in view as well so you can come back on this? What is your take on the Government's commitment to say, "We will give \$6 billion out of the electricity leasing back to regional areas"? What is your expectation there on top of saying, "We are not even noted here"? How does that work there?

Mr DONOGHUE: I was only going to give you an example that, in my opinion, container deposit legislation is good legislation, but it has come out of one of the priorities about no more litter. That is a statewide issue, but if we could have a specific State priority that spoke about what Julie is talking about, then the outcomes just continue to grow on the back of it rather than just being an incidental growth.

The Hon. PAUL GREEN: Six billion dollars.

Ms BRIGGS: Six billion dollars. So you think there will still be \$6 billion left after WestConnex?

The Hon. PAUL GREEN: There is a commitment to give \$6 billion to regional—

Ms BRIGGS: Yes, there is.

The CHAIR: Just to be clear on that. The process from the long-term leases go into a specific fund—there are two specific funds. So they are not available, they just disappear, and the baseline is that \$6 billion out of that will go into regional areas.

Mr DONOGHUE: I hope that comes on the back of some good strategic planning that is not planning based around rezoning, that it is planning that is based around all those intricate fingers of infrastructure, asset management, growth projections, aspirational planning. That is how I would hope that that is delivered.

Ms BRIGGS: I would agree with that. I think it is great, \$6 billion. For what? Some of it was going, I think, towards the Country Towns Water Supply and Sewerage scheme. That has been underfunded for so many years—before I was even involved in local government I think it has been underfunded. So that is going to chew up quite a lot of it. I agree with Tony that there needs to be some good strategic planning, it needs to be spent appropriately. Until you see what the plans are for it—we will wait and we will see. I note that Jobs NSW has just released a whole plethora of its initiatives around loans and things like that, but, again, not seeing anything in what they are looking at, and I look at their list of priority areas that they are going to invest in and I do not see agribusiness in there.

While employment in agriculture is falling, productivity is rising. There are increasing opportunities for value adding in agriculture and the prime area to do it is close to the source. Yet Jobs NSW is not seeing agribusiness as a place to invest. Again, this goes to that sort of strategy—if some of the \$6 billion was to go, for instance, to Jobs NSW to increase jobs in regional areas, we have got a number of manufacturing businesses, and I look at somewhere like Riverina Oils and Bio Energy that is taking all the canola seeds in our region and producing thousands of tonnes of canola oil and looking to double its size. You look at a business like that and you look at the transport that runs off it and all the other things that run off it, yet it is not a Jobs NSW priority. To what Tony is saying: it needs to be backed up with some strategy, and if we had a State priority that said something about growing regional areas, then maybe you would be saying the \$6 billion is going to go into that priority.

The Hon. PAUL GREEN: So it is a real concern that it is not in that high-level document?

Ms BRIGGS: I think it is. A government plans, and it plans because it wants to resource, and if you are not in the plan why would you resource it, if it does not rate in the plan? Again, it does not rate in Jobs NSW. Does it not rate in the Jobs NSW plan because it does not rate in the State Priorities? Perhaps Jobs NSW is reflective of State Priorities.

The Hon. PAUL GREEN: In terms of this area being so close to the Victorian border, what are your challenges in terms of trying to win investment on this side of the border as opposed to the other side?

Ms BRIGGS: Riverina Eastern Regional Organisation of Councils is interesting because we go all the way up to the Central West. But, as Tony was saying, our councils down this side—like Greater Hume, and we have contact, of course, with Albury, and I work quite a lot with the Department of Industry—are constantly saying that Victoria seems to get its regions much better; it is a lot more proactive in its regions. If you look at, say, what Victoria has been doing with its regional transport, and particularly regional rail, it has been very proactive in regional rail in getting people in regional cities like Bendigo and Ballarat into the city very easily.

Having said that, I think one of the things that we always need to be cognisant of is that in Victoria maybe people are, in the main, five hours away from Melbourne, maybe a six-hour drive. You drive five or six hours out of Sydney and you have got to Wagga. This State is a real challenge because of its size and I do not think you can ever ignore that. But sometimes I think the size becomes so overwhelming for governments that then New South Wales becomes Newcastle, Sydney and Wollongong because the rest is so big. I am not sure that we need to say we should do what the Victorians do, because it is an entirely different set of problems. But I do think the one thing we can do, which Victoria has done, is be more proactive about our regions and say yes, it is not easy, but if we do not do anything then nothing will happen.

The Hon. PAUL GREEN: One thing we are finding is that this area contributes a large part to the GDP. You just want your fair share to be able to build on that.

Mr DONOGHUE: Absolutely, and I would hope that any strategic planning, moving forward, is moved beyond election cycles. If the base of that strategic work is done and the regional growth is a type of decentralisation that we can move towards and improve on the productivity of these regions, then I think that will stand us in good stead for many, many years to come, rather than knee-jerk reactions to, as I said, an election cycle.

Ms BRIGGS: Can I say, it is not just about a fair share; sometimes doing the kind of work that they do, sometimes I feel like—and I am not very tall—I am jumping up and down and saying, "Look at us, look at us, look at us". Just to hark back to the State Priorities, maybe I would not feel like I had to say "Look at us" if I could say, "You have got a State priority here that says we are going to grow regional New South Wales. This is what I want to do in my region to achieve that State priority". But there is nothing there for me to work with.

The Hon. RICK COLLESS: You mentioned the Riverina-Murray Regional plan, which was not released at the time you prepared your submission.

Ms BRIGGS: It has been released in a draft format now. We have made lots of comments, as we do, and now we are working with the Department of Planning on developing it.

The Hon. RICK COLLESS: Is the whole of Riverina Eastern Regional Organisation of Councils contained within that Riverina plan?

Ms BRIGGS: Yes.

The Hon. RICK COLLESS: Given the comments in your submission that the plan deals mainly with land use and planning issues rather than providing an all-encompassing plan, what is your view of that now the draft is out?

Ms BRIGGS: It is still accurate because it is the department of planning plan. It is not a regional plan in that real base. It does not address things like health, education or economic development—it does, but in a land use and planning context of what impediments might be in the road that we need to deal with, but in a more broad context. The draft plan, to go back to what Mr Donoghue said before, is not aspirational, but we are working with them on that and they are coming back with more aspirational vision for the plan. It is being redrafted now.

Mr DONOGHUE: On the back of that, good places to live generally have all the requirements you need to live, which is health and schools. There is some very productive agricultural land but if it is not close to where your significant other wants to live, you do not move there. It is all about getting that whole picture together for the region.

The Hon. RICK COLLESS: No doubt the comments you are making to the Department of Planning and Environment reflect those comments you just made.

Ms BRIGGS: I have to say the department of planning has been very constructive in this process. We fed back to it what we were unhappy with and it is addressing that. I am hopeful.

Mr DONOGHUE: I commend it for taking on board what we have been saying.

The Hon. RICK COLLESS: I am pleased to hear that. On page 2 of your submission you talk about agribusiness retail. I believe that raises an interesting scenario about farms being able to sell their produce and developing and marketing their produce on-farm. That is the nub of what you are saying.

Ms BRIGGS: It has come up a few times in the region where farming enterprises are looking to get off-farm income but creating it on-farm through retailing. There was a specific example of cider in Tumut—

The Hon. MICK VEITCH: At Batlow?

Ms BRIGGS: Yes, with the apple growers. They wanted to have, just like winegrowers do—

The Hon. MICK VEITCH: I recommend that you all go to the Batlow CiderFest. It is very good.

Ms BRIGGS: I agree with that. Mr Donoghue has a plan here, but all the planners in our group were saying that once you add a retail, food or hospitality outlet, a kind of chef or kitchen arrangement, it becomes a real problem because it is on agricultural land. While the department of planning tells us there are fixes within the planning process that can deal with it, we do not think it should need fixes. We think this should be one of the growths in the agribusiness space, this non-farm area. When we are doing this food and fibre trail we are saying to people there seems to be a growth and interest in organic food and in where our food comes from. It seems like a natural progression and a growth area for our farm and communities to be able to do this.

Mr DONOGHUE: It drills down to flexibility in your local environmental plans and the prohibitions in the land use tables. It would be a lot easier if you could be more flexible than that in delivering what works in each community to make it a little different from its neighbour, because that is how you focus on getting your tourism, business, liveability and all those sorts of things.

The Hon. RICK COLLESS: You are talking about the scenario we see in a lot of the wine producing areas where they have a winery and a cellar door surrounded by vines. They are marketing their own product then and there. You want to see the same sort of approach, say, for prime cattle to be butchered and marketed on a farm, if the business so desires.

Mr DONOGHUE: That is an option, but it could even extend to the winery doing a deal with the Angus breeder. They serve their meat at their winery, and they serve their wine at their steakhouse. A woolshed where you come and get everything you ever need, which hopefully has a local contingency to it, develops your area.

The Hon. RICK COLLESS: That is a good idea.

Ms BRIGGS: There are also strawberry farmers selling jam, and the horticultural—

The CHAIR: The roadside stall has been a feature of Australian entrepreneurship. We are just modernising it.

The Hon. RICK COLLESS: But it is more than a roadside stall.

Ms BRIGGS: Yes, it is taking that roadside stall up to the next level. That is exactly what it is.

The Hon. RICK COLLESS: A proper retail, marketing level rather than just a roadside stall. I have a couple of questions about the infrastructure comments you have made. Almost every submission we have received talks about the need to provide infrastructure to regional areas to encourage development to occur there. When you talk about infrastructure in its broadest sense, can you drill down to what types of infrastructure—and you mentioned electricity before—should be but are not being properly provided in these areas to allow that development to occur?

Mr DONOGHUE: Power, water, telecommunications, gas—all of those now come with a development cost. The developer will want to try to put in the minimum, because it is paying for the infrastructure. As we said, everyone waits for that to get there and then they jump on the back of it.

The Hon. RICK COLLESS: You have summed that up as transport, energy and water.

Mr DONOGHUE: And telecommunications. For us to roll out the new NBN, we now have to pay for that as well.

The Hon. RICK COLLESS: Do you think there is a methodology we should employ to allow us to identify fit-for-purpose areas or the sorts of areas that should be developed? Then we could identify areas suitable for wineries, cattle feedlots, chook shed development or whatever. If the Government were then to provide the basic framework for that required infrastructure, like powerlines, to encourage that development to

proceed, would that make it easier for developers to know where they could go to do a particular kind of development?

Mr DONOGHUE: This is where I think it gets difficult. In all my years of planning I can tell you that, no matter how much you plan for an industry to go to a point, at the end of the day the industry will decide whether to go and that will be based on some obscure thing you never thought of when you were trying to do the strategic plan.

The Hon. RICK COLLESS: That is where the problem lies, because if that chook shed development wants to go out there and it is 50 kilometres from where the main line is—

Mr DONOGHUE: We think it would be better here, yes—

The Hon. RICK COLLESS: That is where the problem arises about providing infrastructure.

Ms BRIGGS: But once the chook shed goes there and it has got electricity, the next chook shed will go close because it does not have far to go for its infrastructure. They become like magnets. Some of our councils have set up industrial estates. Certainly for those councils to be able to say, "Right, this is where our industrial estate's going to be," and then be able to secure some funding towards putting in that baseline infrastructure, that would be good. I can think of some industries even in Wagga that waited months and months to get things like gas organised. If it was already there and you were only paying for it to go from your boundary into your business, that would make a difference.

But the issue is, as Mr Donoghue says, when you do not have an industrial estate but a prime location for a specific business, whatever that might be. We talked about the \$6 billion before, but I wonder whether there is a case to be made rather for a submission perhaps to go through the Department of Industry to say this is an industry that requires some funding to assist with this infrastructure, rather like the Murray-Darling Basin Regional Economic Diversification Program required some cost-benefit analysis. There should be something along those lines, instead of actually designating a location, you designate criteria—

Ms BRIGGS: With regional benefits.

Mr DONOGHUE: Yes. The Murray-Darling diversification plan asked how many jobs you were going to create, the cost benefit and those kinds of things for putting in funding. If there was something similar to that, where individuals could do that, that would be useful. And then something for industrial estates planning, which I think is what you were talking about.

The CHAIR: That might be a good point for us to stop. Time has gone so quickly because you have been so full of ideas and good comments, so thank you. If we have some other questions, we will put them on notice. But most members can ring you up and ask you any questions anyway.

(The witnesses withdrew)

JAMES McTAVISH, NSW Cross Border Commissioner, NSW Department of Industry, sworn and examined

The CHAIR: I welcome Mr McTavish. Would you like to make a short opening statement? Then we will go to questions and put you on the spot because we want to know what is better in Victoria than in New South Wales.

Mr McTAVISH: Thank you for the opportunity. The Office of the NSW Cross Border Commissioner was established by the New South Wales Government in 2012 to identify and help resolve issues that New South Wales residents, businesses and organisations face as a result of being located near a State border. Most residents in border communities identify themselves as belonging to a broader regional community, rather than just one State. My role is principally one of advocacy. Every cross-border issue that is brought to my attention typically falls within the responsibility of one or more government agencies. It is my job to bring these issues to the attention of responsible agencies and policymakers, and to provide suitable incentive for resolution, and then to hold those responsible for addressing these issues to account.

Most issues that I deal with are legacy issues caused by legislative, policy or regulatory misalignment between jurisdictions, usually over an extended period of time. These issues are compounded by misunderstanding, mythology, inertia and personality. While I deal with a very diverse range of issues, I have an enduring belief that considered, collaborative and well-constructed planning systems can produce enhanced economic, social and environmental outcomes, especially when supported by a cooperative and pragmatic approach to service delivery. If this occurs then border areas are more likely to reach their potential, but there is some risk that misaligned planning systems and policies and the issues associated with parochial competitiveness can see border areas significantly disadvantaged.

Over the past 12 months I have worked with the Department of Planning and Environment in the development of draft regional plans for the North Coast, South East and Riverina-Murray, and in the development of associated discussion papers and strategies. I have been working with State and Territory agencies, local government, developers and stakeholders in New South Wales, Queensland and the Australian Capital Territory [ACT] in the consideration of specific cross-border developments with a view to using this work in consideration of planning processes and service delivery requirements in border communities across New South Wales. This work has underscored the requirement for the enactment of more effective collaborative mechanisms between jurisdictions, supported by appropriate governance and suitable arrangements for the sharing of data, when considering the current and future needs of border communities, businesses and constituents.

I am similarly involved in a range of projects within New South Wales and in conjunction with colleagues in other jurisdictions to address a very diverse range of cross-border issues in policing, emergency services, education, transport, health, regional economic development, small business regulation, infrastructure and child protection, among others.

The Hon. MICK VEITCH: You have been working with the Department of Planning and Environment around the development of a draft planning—

Mr McTAVISH: The draft regional plans, yes.

The Hon. MICK VEITCH: Going a long way from Albury, when we were in Dubbo we heard testimony from a group of people about the benefits of the Queensland system, where there is a go-to person. Are you conversant with that?

Mr McTAVISH: The Queensland system, in the views of many including some of the people who have made submissions to the inquiry, is simpler, where there is a single point of entry and where effectively there is a reverse onus in terms of it must be demonstrated that the development application is not compliant, as opposed to our system, which is where the proponent or developer must demonstrate that it is compliant. There is also, with the economic development zones in Queensland, a much quicker turnaround time for many of those major developments, particularly those with an economic benefit. There are certainly some advantages to having a single point of entry, and there are certainly some advantages to having a simplified process, because for the bulk of people who are making applications, they really do not care what happens within government, they just want the outcome.

Further to that, most of the constituents I deal with in New South Wales, when it comes to the approvals process, are keen to get an early no or a conditional yes, so that they can then work through the process more effectively than they have been able to.

The Hon. MICK VEITCH: In the development of the regional plans, was that information fed up into the development of those plans?

Mr McTAVISH: There has certainly been a very diverse range of conversations in relation to the development of the plans. The North Coast plan considers where the opportunities rest for northern New South Wales as a growth corridor for South East Queensland and where the opportunities might lie with closer alignment, particularly when it comes to the consideration of infrastructure and particularly freight and other transport infrastructure. The issues about the policy were not considered in detail with me.

The Hon. MICK VEITCH: Now we are in Albury, one of the reasons we are here is that we have heard on a number of occasions that the Victorians do it better than New South Welshmen when it comes to regional planning. Have you heard that as well?

Mr McTAVISH: I think it is too broad a brush to say that they do it better in every regard. There is misalignment between what we do and what they do. They have also had a much more structured approach to regional economic development than we have over an extended period of time. I think to compare them, as indicated by REROC, is probably a little too simplistic. I do think that the restructure that they have had as a result of the Brumby review in recent times still has some time to shake out. Similarly with their development of regional boards, that still has a little time to shake out as well. They have public consultation in relation to regional corridors.

The Hon. MICK VEITCH: These are the regional planning boards?

Mr McTAVISH: The regional boards for economic development. The way that they have approached their regional cities program certainly has some advantages, but there are also some risks in that. We have a very different set of population centres in southern New South Wales than in northern Victoria. Albury is the only centre on the north side of the Murray River that is larger on the New South Wales side as opposed to the counterpart in Victoria. The distances between centres in New South Wales is typically larger. For example, the distance between Barham and the major regional centres in New South Wales is larger than the major regional centres in Victoria. The other part is that the economic catchment for much of the activity in southern New South Wales is towards the south and that is now an emerging awareness within Victoria.

The Hon. MICK VEITCH: The Committee is hearing that there is a competitive advantage on the Victorian side of the river so let us move away from Albury-Wodonga. If you are a community further downstream—for instance, Moama—are you getting any feedback that the Victorians have a greater competitive advantage or are they more aggressive in their pursuit of development in any planning?

Mr McTAVISH: I do not think it is any secret that the Victorian Government is more aggressive in a range of areas for attracting business development or business investment in northern Victoria and I also think there is some opportunity that sits for New South Wales in that. There is a very significant amount of residential housing development in Moama right now, which is piggybacking on the broader regional economic potential. I guess there is a lot of development in that southern part of New South Wales around Deniliquin. If we were to apply a very simplistic model to "Victorian does it better" then that would not be happening, but it is. Notwithstanding that Deniliquin is somewhat from the border, it is still considered to be affected by those cross-border issues. I do think there are times when there is a much more heavy-handed approach by Victoria or a much more generous approach from the Victorian Government in terms of incentivising some development.

The Hon. MICK VEITCH: Putting money on the table.

Mr McTAVISH: Effectively, but many of the people who are looking to invest in southern New South Wales do their sums, particularly when it comes to the supply chain, and if the sums work they will come to New South Wales. What I am keen to see as well is that when it comes to the attraction of economic development we do not do it: us versus them. We need to do it more holistically than we have in the past. I am hopeful that we will have a more collaborative approach over the next 12 months as we are starting to merge with the Australian Capital Territory and Queensland.

The Hon. MICK VEITCH: I would like to finish my questions on my journey around New South Wales with the Australian Capital Territory—it is obviously quite unique because New South Wales surrounds it. My friends at the Yass Valley Council tell me that they suffer significant planning issues because of the population flow from the Australian Capital Territory into places like Murrumbateman and Sutton. In your role as Cross Border Commissioner have you been working with the Australian Capital Territory and the councils around the Australian Capital Territory on planning pressures?

Mr McTAVISH: Absolutely. A number of cross-border developments are occurring right now. There is one significant one that has got a little over 5,000 home sites in the Yass Valley—at West Belconnen. As part

of the Gateway Review Process the proponent has done a very detailed examination of the service delivery, infrastructure and utility requirements for that development and the options for delivery into the future. Most of those sites will not be developed for some years because there is significant capacity remaining within the Australian Capital Territory. I am effectively using that development and a similar development in northern New South Wales as a proxy for a broader discussion on how to ensure that we are taking a more considered approach to service delivery requirements now and into the future for those border communities.

I meet regularly with Yass Valley Council, Queanbeyan council and the Canberra Region Joint Organisation. We are in the process now of finalising an agreement, which is a revision of the 2011 memorandum of understanding but with significantly enhanced governance arrangements. Any agreement between States is full of good intent and good will but in order to back those agreements up, particularly with the Australian Capital Territory and the Queensland agreement—which we will move on to in a moment—we are introducing some much more robust governance and transparency. That will see an overarching plan supported by an annually revised work list, the requirement for me to publish outcomes and for agencies to be transparent in what they are doing—or not doing. That is an important thing. We should not just concentrate on the success. We should recognise where there is difficulty and admit to our constituents where we are not going to be able to address it in the near term.

The Hon. MICK VEITCH: How do you build opportunity costs into discussions around the development of planning instruments and, even broader than that, health issues, policing? For example, the Australian Capital Territory just recently built their own prison but for a long time they were using our prison system.

Mr McTAVISH: This is part of the reason why we need to be sharing data with our interjurisdictional colleagues because at the moment you have got a different picture on each side. When you actually have the opportunity to share your data and to have an open discussion about what you are losing it reinforces the point that we are trying to make. Greater collaboration and a more cooperative approach leads to enhanced outcomes for both sides economically, socially and environmentally, but when you are operating off two separate sets of information, where you do not actually sit in the same room and have those conversations, then you are going to come up with suboptimal outcomes. The conversation that we have had with the Australian Capital Territory, for example, over the past 12 months has been one of increasing realisation from both sides of the opportunities of collaboration.

When it comes to regional economic development the Australian Capital Territory Government is very open in admitting where their constraints lie and where their opportunities will be into the future. It is not about being an island in the middle of New South Wales; it is about establishing closer links, about leveraging off the opportunities that exist within New South Wales. Similarly, we leverage off the opportunities within the Australian Capital Territory. When it comes to the consideration of service delivery I think there is an economic benefit for both sides in having an open discussion. Things as simple as schools—there is an issue at Murrumbateman with the provision of a school. Those discussions probably should have happened five or 10 years ago rather than now.

The Hon. MICK VEITCH: It may well have occurred five or 10 years ago but different sets of minds are more keen now to progress the discussions than they were back then.

Mr McTAVISH: That is right.

The Hon. MICK VEITCH: How difficult is the dataflow? In the context of this inquiry around regional planning and the development of regional plans dataflow would be quite important. What impediments are you encountering?

Mr McTAVISH: Typically they are not policy or legal impediments. The data sharing policies within New South Wales, the Australian Capital Territory, Victoria and Queensland are effectively a default setting of open data, unless there is a reason for it not to be open.

The Hon. MICK VEITCH: I am sorry, did you say a default setting of open data?

Mr McTAVISH: Yes. That means that any data that you produce should be available to the public unless there is a reason for it not to be. There are cultural issues within some parts of government about retaining the data because there is a perception of issues associated with internet protocol [IP], there are issues associated with the de-identification of certain datasets and there are some issues associated with concern about repurposing for means that are not in the public's interest, but a lot of it comes down to agencies not valuing their data appropriately.

Every agency collects an enormous amount of data and then warehouses it but there is not as effective data utilisation as perhaps there could be. I have also been sitting on the enabling information working group, which is chaired by Education and has agency representation from every cluster. We have developed an interjurisdictional information sharing guideline and if agencies follow the bouncing ball in sharing information with their interjurisdictional colleagues they can do it. We are starting to see a maturity emerging in that data sharing discussion which is pleasing, but we have still got a long way to go. A really good initiative is the example of data from Transport for NSW.

The CHAIR: I want to get more of a feel about the operational aspects of how you are communicating with interstate colleagues and what are their processes. Is there any compulsion at all for co-operation or do you have to learn everything, which seems to be what you are basically saying to the Committee.

Mr McTAVISH: I do have to learn everything. I do not have a single touch point or similar colleague in any other jurisdiction. The way that I have gone about that is to make the entrée into Queensland and Victoria through the Department of Premier and Cabinet and to actually ask for a licence to communicate directly with their agencies. To be honest, that has been relatively straight forward. They have been quite willing to engage or to let the reins go and have those conversations occur. But conversations are not enough to be honest, you need to get some agreement for an action. That is why I am pursuing more formal agreements between the States and to allow agencies within both jurisdictions to do what they need to do to address the issues in a more transparent and open manner.

The other part is that there is sometimes a misalignment between what the constituents wants in centre A and what the constituent wants in centre B, and there is some misalignment between what the New South Wales Government wants and what our neighbouring jurisdictions want. But the end state is usually quite common, for example, the Queensland Premier's priorities and the New South Wales Premier's Priorities have alignment in many, many areas. So it is about utilising that alignment in a number of instruments, including, from a New South Wales perspective, making it happen in the regions and from agencies' plans in terms of ensuring that they consider cross-border issues in their plans and their strategic direction statements. That then gives them the incentive to what I think is important, notwithstanding that the rest of New South Wales still needs to be obviously actively considered. My job is to bring those cross-border issues from outside of their field of view into it, and to give them the incentives to actually get things addressed.

The CHAIR: In the planning space, I assume you have got to deal with the two State planning agencies, plus local councils and try to bring them altogether?

Mr McTAVISH: That is why I have invested energy in the discussions with planning and with local government in the development of the regional plans where I think there is opportunity. If you look at those three plans that I mentioned on the north coast, the south-east and the Riverina-Murray there is active consideration in there of cross-border issues. That is the first time they have appeared and I see this as a conversation which is a long-term in delivering more tangible results than we have seen over the past 12 months but when it comes to the consideration of land use and consideration of simple things like the timing of land releases, we need to have a conversation with our colleagues interstate.

The Hon. PAUL GREEN: What are your top priorities?

Mr McTAVISH: I can furnish the Committee with a copy of my Business Plan 2015-2018 which details all of my priorities over the coming years. My plan aligns with the Premier's priorities, the State Priorities and the corporate plan of the New South Wales Department of Industry. There is no secret as to why I am in the Department of Industry and within the economic skills and regional development division and it is because when you promote good economic outcomes in regional areas then some of the other indicators, including the social and environmental indicators are enhanced as well in terms of those priorities.

In the agreements that we are negotiating now with Queensland and the Australian Capital Territory there is a very specific set of priority areas that really focus the attention of government agencies and represent the intent of the respective Premiers. It is no secret for the north coast, for example, there is a very heavy focus on regional economic development, on the service delivery for areas such as Cobaki and in the areas associated with regulation and educational training—I will just refer to my note.

The CHAIR: While you look at that, is the business plan you have provided the Committee a public document?

Mr McTAVISH: Yes. That has been endorsed through Rural and Regional sub Committee of Cabinet. I have my note—regional economic development, aligning services and sharing information and local transport as well as issues of national significance. There are matters in the issues of national significance including

domestic violence reforms, reduction of litter and waste, mutual recognition for occupational licensing and alignment of heavy vehicle regulations.

The Hon. PAUL GREEN: Earlier witnesses representing the Riverina Eastern Regional Organisation of Councils said they were extremely disappointed that the State Priorities did not specifically mention regional and rural New South Wales. Do you want to comment on that?

Mr McTAVISH: I actually think it is perhaps a little too simplistic to say that there is no mention in the State Priorities of rural and regional New South Wales. Specificity is one thing and general intent is another and the programs that are underway now in regional and rural New South Wales are quite significant. There are benchmarks, for example, in the infrastructure spend which mandate proportional spending in regional areas. There is also a proportional requirement in programs such as Jobs for NSW and other incentive programs, including black spot programs.

The Hon. PAUL GREEN: In relation to the leasing of electricity that is meant to bring about \$6 billion into different buckets, do you have any comments about where that money will be spent in relation to these priorities?

Mr McTAVISH: The opportunities associated with very significant infrastructure spend in New South Wales are obvious. There is a requirement for a proportion of that spend to be in regional New South Wales which is obviously very significant. I support there are some limitations associated with how that spend will go particularly in more remote areas but there are opportunities as well. When we share that opportunity with our colleagues interstate our dollar can go further. For example, we can leverage off the work that is being done in Victoria in the extension of gas networks then that makes our dollar go further. If we can leverage off the power grid in Queensland then that can make our dollar go further. If we can enter into collaborative arrangements with our interstate colleagues then we have a greater likelihood of success when we go to the Federal Government to ask for enhanced money from the Federal Government as well.

There is an enormous opportunity in this if we make sure that we invest it wisely in economic infrastructure. Obviously, there is the risk of sprinkling a little bit of fairy dust over everybody and achieving nothing. Those decisions, which are hard decisions, I certainly have a very keen interest in to make sure that those discussions are well informed.

The Hon. PAUL GREEN: To paraphrase what you are saying, your priority is that you would rather make sure that the dollars would be matching dollars with Federal moneys and also infrastructure that really feeds the bigger and broader agenda.

Mr McTAVISH: I do not know if matching is necessarily achievable in every instance.

The Hon. PAUL GREEN: No.

Mr McTAVISH: Where we can leverage off opportunities from other States or from the Federal Government, it would be ridiculous not to do so. When it comes to where that investment should be, obviously there is a need for investment in social infrastructure, such as sporting and cultural infrastructure, and there is a requirement to invest in environmental infrastructure and there is an imperative to invest in economic infrastructure, which then shores up future prosperity.

The Hon. PAUL GREEN: Would that include a very fast train?

Mr McTAVISH: They are not decisions that I could necessarily make.

The Hon. RICK COLLESS: It is good to see you again, Mr McTavish. You mentioned the draft regional plans and the input you had into them. Is there an equivalent in our State neighbours, particularly Queensland and Victoria?

Mr McTAVISH: At the moment, there are equivalent plans in Victoria and Queensland. The Victorian plans are currently under review. They are in the process of setting their regional priorities now. There is public consultation with their regional boards occurring between now and December and that will reshape the way that their regional plans are delivered. The Brumby review, which was delivered to the Victorian Government last year and to which it responded in late November, contains a requirement or a recommendation that they review the way that they go about their regional priority settings. That is being undertaken now.

With Queensland, it is a different system. In the draft agreement that we have with Queensland, we included a provision for us to align our planning systems where possible and to share the information so as to ensure shared economic prosperity. Particularly in areas such as on the North Coast between Tweed and Coolangatta and further south, there is significant potential for New South Wales to take advantage of the

expansion of business and residential activity in coming years and leveraging on things such as, for example, the Commonwealth Games and similar activities as well.

The Hon. RICK COLLESS: Earlier I think you mentioned that in the Queensland system, a development is deemed to be compliant until such time as it is shown not to be compliant.

Mr McTAVISH: Yes, technically.

The Hon. RICK COLLESS: What is the situation in Victoria in that regard?

Mr McTAVISH: The Victorian requirements are more similar to ours. That is how I understand it.

The Hon. RICK COLLESS: Yes. On the regional development boards for economic development in Victoria that you referred to, who are they established by and who administers them?

Mr McTAVISH: They are appointed through a Cabinet process. As I understand it they are chaired by and comprise members of the local community and government, and they also have inclusion at the deputy secretary level of government agencies in the Victorian Government.

The Hon. RICK COLLESS: Are the areas that those boards administer aligned with their regional development planning?

Mr McTAVISH: Yes, it is. As a result of the Brumby review, there has been a realignment in those regional boundaries. Hume is not the same as it used to be and Loddon Mallee is not the same as it used to be. Gippsland is, but there has been a realignment and the intention of that realignment is to focus the activity of the boards into a more homogenous community of interest from the Victorian side.

The Hon. RICK COLLESS: With the regional plans that have been prepared in Victoria around New South Wales, how do they compare in terms of their structure and the issues they address? What of the recommendations contained in that sort of thing? Are they broadly aligned, or are they completely different?

The Hon. MICK VEITCH: Are you looking for detail—how detailed they get?

The Hon. RICK COLLESS: Yes.

Mr McTAVISH: As the Victorian plans are currently being revisited in terms of their priorities, I could not give you a meaningful answer on what they are going to look like in six months time. At the moment the broad intent is the same, but they have got different supporting documentation in terms of infrastructure priorities and things of that nature.

The Hon. RICK COLLESS: Have you had discussions with both sides of the border in regard to trying to get some sort of consistency across the border in relation to those plans?

Mr McTAVISH: No, not between New South Wales and Victoria.

The Hon. RICK COLLESS: But with other States, you have—Queensland and the Australian Capital Territory [ACT]?

Mr McTAVISH: With Queensland and, as part of the agreement that we are negotiating now, it is our intention to ensure that there is greater alignment between the planning outcomes. What the plans look and feel like over the next couple of years, I could not give you an indication.

The Hon. RICK COLLESS: Is there sympathy towards trying to make them more consistent across the borders between the two departments involved?

Mr McTAVISH: I think that everybody would love them to be identical in terms of structure and content, but the reality is that there are different drivers in Brisbane, Sydney and regional areas about what is important and the way that things should be structured to deliver the outcomes the government needs. For me, the most important element to focus on is the outcome as opposed to the output.

The Hon. RICK COLLESS: The outcome being that there should not be a competitive advantage one way or the other. It should be more equal.

Mr McTAVISH: It should be more homogenous.

The Hon. RICK COLLESS: Yes. In the discussions we have had about comparisons with infrastructure provision between the two States, what are the main issues that cause the differences there? Is the smaller size of Victoria a contributing factor? Is it easier to deliver infrastructure in Victoria because of its smaller geographical size?

Mr McTAVISH: I suppose there are a number of factors there. The distance between Mildura and Melbourne is considerably less than the distance between Wentworth and Sydney, for example. For many of the utilities that are vital in that economic development, the easiest place to source them from is interstate. It makes sense to get gas from the Victorian networks if it has a gas network already in existence. But they also realise in Victoria their limitations on some of those areas. For example, with the expansion of their gas network in recent years, there are towns that are on reticulated bottled gas. They truck the gas in. They reticulate it through a town-based reticulation system. They have their own limitations.

For example, smaller communities on the Murray River—Murray Downs, for example, which is opposite Swan Hill—their regional centre is Swan Hill. It is not Moama because it is over the bridge, so it makes sense to provide some government services out of there as opposed to taking a more parochial point of view and delivering them out of Moama. The reality is that that is what most people do.

The Hon. RICK COLLESS: In terms of the constraints to regional development that we have been able to look at in the three big States—I will exclude the ACT here—New South Wales, Victoria and Queensland, how do the major constraints to regional developments compare? How can we overcome them?

Mr McTAVISH: One of the key features that is common to all three States is access to a skilled labour force. That does constrain economic development. There are some complexities in delivering the training in coming years to develop a larger base of skilled workers. There are also some very real issues associated with the requirement to invest in success. There are places in all of those States where you can invest in successful areas and even succeed further. But if you invest in less successful or declining areas then you are likely to achieve no economic outcome or regional economic development outcome. That is common to all three states, as well.

I expect that some of the regional economic development issues in western New South Wales would be more similar to the issues in Queensland than in Victoria—simply because of the distance between regional centres and because of the nature of the industries that are looking at developing in those areas. There are also the issues associated with the management of water and the issues associated with the availability of water over time. Those issues are very real and the different states have very different approaches to the ways they are managing those conversations within their own jurisdictions. I think that that will continue to be a source of friction.

The CHAIR: I was also interested in the way that your work relates to the Council of Australian Governments [COAG] agenda and what interaction there is. I know that we do not border all of the other states, but there is also South Australia, given—

Mr McTAVISH: We do have some interaction with South Australia but because of the number of constituents involved, and because there is already a fairly mature relationship between Broken Hill and South Australia, the number of issues is relatively limited. In terms of the relationship with the COAG agenda, there are issues which are on the COAG agenda—such as domestic violence—which I still become involved in because if we cannot achieve national consensus then we should be looking to develop bilateral agreements. For example, skills is on the COAG agenda but there is a still a requirement for bilateral discussions to occur. So I still have those discussions. I see my work as supporting the work of COAG from a New South Wales perspective. Where there are issues which should be promoted from a New South Wales perspective, from below COAG into the COAG agenda, I work with the Department of Premier and Cabinet [DPC] and other parts of Government to push that conversation forward.

The reality is that I do not want to become enmeshed in the COAG process, simply because we have responsible parts of Government doing that in DPC and responsible agencies. My job is more sub-COAG in terms of supporting that activity at the lower or more micro—

The CHAIR: At the coalface?

Mr McTAVISH: Yes.

The CHAIR: Thank you very much for coming along.

(The witness withdrew)

JOHN SIDGWICK, Manager Planning and Building, City of Wodonga, sworn and examined

FRANK ZAKNICH, General Manager, Albury City Council, sworn and examined

MICHAEL KEYS, Director, Planning and Environment, Albury City Council, sworn and examined

The CHAIR: I am sure that at least two of you would like to make short statements before we get started with some questions. Go ahead if you would like to make a short statement.

Mr ZAKNICH: Good morning, and welcome to Albury-Wodonga. We are pleased to have the inquiry sitting here. Albury-Wodonga, as you would be aware, is a large regional centre—the twentieth largest city in Australia—and was part of the original growth centre model from the seventies. Whilst we have not reached that peak of projected population yet we are well on the way to having over 100,000 residents and will have over 200,000 residents over the next 30 to 50 years.

Our gross regional product is in the order of \$6 billion. It is a very vibrant, strategically located community—two active cities in the regional development space, as you will hear from our presenters today. We are very keen for you to understand the importance of regional development to Albury-Wodonga and our more recent experiences in endeavouring to align regional development policy and planning with what is happening on the ground. We have outlined that in our submission to Government and recent discussions around infrastructure and how incentives may or may not assist to make that happen. Those are my opening remarks, thank you.

Mr KEYS: I would like to re-enforce some of the points that have been made, particularly around this inquiry and the key issues. We think that regional growth is a significant opportunity. We think that Government has a big, strong, important role in trying to promote and facilitate regional growth. As was touched on in an earlier presentation the Murray-Murrumbidgee Regional Growth Plan has come out since the Committee first commenced its inquiry. We welcome the growth plan. We welcome the direction that it is providing but we think there is still a long way to go.

The commitments and the priorities identified in it are applauded but more detail is required. There needs to be more commitment and direction from Government about the infrastructure, facilities and services that will be needed and will be provided. How that will be provided in the future is a key area that we are looking for. We certainly welcome the opportunity to participate in that, and we believe that there are future opportunities coming.

Mr SIDGWICK: On behalf of the City of Wodonga I would like to thank the Standing Committee on State Development for inviting council to participate in the regional planning process and the New South Wales inquiry. Council has a keen interest in regional planning matters for a number of reasons: its border location, with Albury less than 10 kilometres to the north-east; the recognition of the role that regional planning plays within the Victorian system; Albury-Wodonga's strategic location on the national transport corridor; Wodonga's relative distance from the Victorian capital, Melbourne; Wodonga's access to a range of physical community and cultural assets that provide the city with a high-quality lifestyle and make it an attractive visitation destination; and the forecast growth of Wodonga, which is planning up to and beyond 2031.

The CHAIR: In relation to the population growth, can you give us the split between the two cities at this stage?

Mr ZAKNICH: Certainly. Albury at present has a population of 51,000 and Wodonga has a population of over 40,000. The growth rate for Albury is about 1.5 per cent per annum and for Wodonga it is slightly higher at 1.7 per cent.

Mr SIDGWICK: It is 1.9 per cent.

Mr ZAKNICH: Wodonga is Victoria's fastest growing regional city.

The Hon. MICK VEITCH: I have been asking everyone around the State about the cross-border issues and what the other jurisdictions do well that we should learn from. I would like to reverse that, Mr Sidgwick. From the point of view of a practitioner in Victoria, what are the things that New South Wales does well that you would aspire to have in Victoria, when it comes to regional planning?

Mr SIDGWICK: That is a big question, and I would like to take part of that on notice.

The Hon. MICK VEITCH: Absolutely.

Mr SIDGWICK: My initial view comes from a planning perspective. I would say that the speed at which Albury have been able to implement major subdivision planning in their growth area—I am thinking now of Wurlinga—has been very impressive and, bluntly, has stolen the march on the work that Wodonga is doing. I think that is something that Wodonga can learn from and understand more effectively. I think a degree of that is around their timing provision of key infrastructure.

The CHAIR: I am happy for you to take that question on notice, but I note the jurisdictional problem we may have. We might be able to control you in getting the answer while you are on this side of the border, but you are probably going to go home. We are taking it on good faith that you will respond.

The Hon. MICK VEITCH: Mr Zaknich, you are a little unique in that you were also the general manager for Broken Hill for a while. So you have got experience in two significant border communities. What are the lessons that New South Wales can learn from both the South Australians and the Victorians, from your experience, when it comes to regional planning?

Mr ZACKNICH: I think the key learning is to have regular and clear communication around strategic setting and awareness and endeavour, wherever it is at all possible, particularly from an infrastructure delivery point of view, to align those strategies and planning very closely. Some of the growth issues that we are experiencing along this part of the border partly relates to infrastructure. Our planning process, our structure planning process in our growth areas has been very effective. Delivery of that infrastructure on the ground is obviously going to be a challenge around not just contributions from developers but what the State's role is in those developments where it is targeted at a growth centre. We are talking an additional 50,000 residents over the next 50 years in that particular growth area.

So clear communication and awareness, aligning strategy and planning to a greater extent are probably the key learnings. Invariably there will be competitive tension the larger the population and the greater the demand for services. But, again, even in the Broken Hill far west, north-east South Australia model there are issues there around energy, water, road networks—so similar issues and obviously a more disparate population.

The Hon. MICK VEITCH: You mentioned developer contributions, the section 94 contributions and the like. Previously we heard from REROC that smaller councils often do not have a section 94 plan. I was asking them that in a sense they forego the contribution and how do they bring that to account. In Albury's situation, do you ever forego some of the developer contributions or reduce the developer contribution requirements and, if so, how do you then bring that to account to reflect what is essentially a donation by council or a contribution by council towards the development?

Mr KEYS: Certainly in the past we have had a practice of recognising our position on the border, which forced us to discount developer contributions. Prior to the latest iteration of our plans, which came in in 2015, we were substantially discounting the actual cost of infrastructure that was being required for the new development, to the point the general fund was subsidising all the infrastructure. Our contributions were around about \$8,000. When we did a review of our figures, they should have been closer to \$35,000 to actually reflect per lot, to reflect the costs. A lot of that was in recognition of the contribution scheme and the way it is set up in Victoria where they do not have a similar scheme; they do it on a lot or development basis and they have development agreements.

The Hon. MICK VEITCH: We are going to ask Mr Sidgwick about that.

Mr KEYS: Probably more importantly, the main issue around then that we found was water and sewerage, where in the Victorian system there is a government utility that covers water and sewerage over the Wodonga area. Their contributions were \$500 per lot and they built a lot of their infrastructure funding through the charges; so their charges were a lot higher than ours. In our review we came back and potentially we were going to be looking at \$18,000 a lot. We have revised that, we have changed our pricing mechanism and we are moving to a more user-pays, recognising that that is the way we need to do it to be competitive and to also minimise the burden upfront.

Our charges are now about \$19,000 per lot for section 94 and 64, community facilities as well as water and sewer. We are still below other regional centres, but we recognise that we need to be dependent and we could not price ourselves out of the market either. We also recognise that as a regional centre we provide infrastructure that benefits others outside of our own local government area. For that reason we do seek and we do believe that there is a role for government to play in subsidising and providing funding for infrastructure. Albeit we have been a little bit unsuccessful, but we certainly think there is a key role recognising regional cities' importance in what they do.

The Hon. MICK VEITCH: Mr Sidgwick, of course this is the reverse now. How are developer contributions caught in the Victorian model? How do developers pay? Do they pay upfront? Do they pay progressively? Do they pay at the end?

Mr SIDGWICK: That is an interesting point. I was just at a council briefing before coming here this morning about DCPs and contribution funds. Historically, Wodonga has not had a development contribution plan over the city; we have relied on legal agreements—in Victoria it is a section 173 agreement—and those are done per subdivision and, essentially, if you need to put in a roundabout as part of that development and there are traffic assessments, that cost is included within a charge.

The Hon. MICK VEITCH: So you do it on a case-by-case basis?

Mr SIDGWICK: Yes. That works well if the right staff are involved at the right time. By its very nature, being ad hoc, you do get a little hit and miss, and I would suggest that we have reclaimed some in the region of \$4,500 or \$5,000 for a contribution per lot, which is significantly, again as with Albury, below the real cost. So it means that ultimately the community tends to be the one that foots the bill and it causes long-term problems.

The Hon. RICK COLLESS: Are you saying then that that cost is met through the general rate base from the wider council rather than just that particular development? There is a subsidisation for that subdivision by all the ratepayers? Would that be correct?

Mr SIDGWICK: Yes, that is right. Essentially, our capital projects would have to have those matters funded. Where we are moving to with our new growth area in Baranduda is to have a fully costed DCP across that area. We are in the preliminary stages of doing that at the moment.

The Hon. MICK VEITCH: Could I just go on to the draft regional plans? One of the things that has been raised with us in our tour around the State is that the plans lack detail around who is going to do what and when. Is that a fair statement or experience on your behalf? Also, the responsibility for driving the plans, because there is a range—there are the regional plans, transport have got their own plans—who drives and coordinates all of those? I am happy to hear your views, and I want to go to Victoria to see how you do that in Victoria.

Mr KEYS: Certainly there is a number of regional plans that are in place and are being developed and being reviewed at the moment. Our regional growth plan, which ideally should set out the framework for all of those other infrastructure jobs, industry, land use planning provisions, is the one that we would like to see and we are actively supporting, and that is being coordinated by the Department of Planning. The concerns around the detail and the commitment and the obligations to those plans are certainly valid and we certainly retain those concerns. We do not believe there is sufficient detail.

Whilst we accept that it can be a bit difficult to try and come out and put commitments firmly on the table, we think it is necessary and we think it would be certainly advantageous to each of the regions to be able to do that so that the areas know what infrastructure priorities there are, know that the Government is committed to it and we can start to plan accordingly as well as looking at providing finance ourselves for some of that infrastructure. So we can work in partnership rather than having a guessing game where it is a closed book and we are not real sure about what happens behind the scenes or where the priorities may lie.

The Hon. MICK VEITCH: Who is best suited or situated to do the coordination of the deliverables within the plans?

Mr KEYS: Probably it should come through Premier and Cabinet. DPC should be running and coordinating that as an oversight, but it requires input and commitment from all of the agencies. I think that is one of the key issues. Some are off doing their own plans. As you alluded to, you have Industry and Investment doing one; RMS or transport doing others. It is trying to make sure there is a coordination. I have iterated before in presentations here to this panel that a whole-of-government approach is absolutely necessary, particularly around the coordination, delivery and also accountability of those plans.

Mr ZAKNICH: That is the point I raised before about there being alignment: ensuring that a regional priority is a priority for each of the agencies. Often we see a disconnect where what may be a priority for one agency does not align, or the Federal Government might fund a project that does not align, with a State or agency priority. There is a real frustration around getting all those plans and strategies to speak to one another so that there is alignment to ensure where the priorities are going to be funded and that the actual infrastructure is delivered on the ground.

The Hon. MICK VEITCH: Mr Sidgwick, how is it all done in Victoria? Obviously you have a range of plans that you work to. How are they coordinated? Are there deliverables? Does the State fund its share?

Mr SIDGWICK: Yes, yes and no. There is a structure in place. Very briefly at a State level it is what is called the Vision for Victoria. We have eight regional growth plans—a plan for Melbourne plus the seven regions. That has articulated the need for Victorian regional cities to take an increasing amount of growth because Melbourne simply cannot accommodate it. The figures from ABS at the end of August show Melbourne has 5.14 million people. In the last 10 years Victoria grew by 474,000. The lion's share of that all goes into one place, Melbourne, and that is not sustainable.

Anecdotally, you just have to look at some of the problems Sydney has had in delivering. That has filtered down to those seven growth plans. For Wodonga, it is the Hume region. The Hume region was 12 councils that came together with representatives from DPCD, the State planning body, now DTPLI. They worked through with those councils what the priorities were for each council and how we would work as a regional team to identify what to do best and first. Where I think we have fallen down is there has not necessarily been ongoing implementation and prioritisation of actions. I believe the last speaker referred to some of the reviews that had been undertaken. There is a new structure in place with what are called the regional partnerships. I would look to see that coming out in the next six months or so.

The Hon. MICK VEITCH: But who is responsible for making sure the plans are delivered? Does any one body have coordination and implementation responsibility?

Mr KEYS: It is one of those questions where you ask everyone to take a step forward and nine people take a step back. Essentially it needs to be a partnership between, in my view, State Government and the local government, because the State can bring the funding to the fore but equally local government understands the context for what is occurring on its patch and is best able to drive and deliver that. I think it has to happen from both sides.

The Hon. RICK COLLESS: Mr Sidgwick, why do you believe that Wodonga is growing faster than Albury?

Mr SIDGWICK: I believe it is because of the level of residential growth that we have secured over a period of 15 years, where growth has been around the 2 per cent figure. I cannot put my finger on a single factor that leads that. I think there is a number of things taking place. There is a strong investment market in Wodonga that is driving the housing market.

The Hon. RICK COLLESS: Where is that coming from: Melbourne, Sydney, Albury or other regional centres within New South Wales or Victoria?

Mr SIDGWICK: I could not tell you. Particularly from an investment perspective, I do not know. I suspect there is a broader feeling that this is an affordable place to buy an investment property, so while we do not necessarily have strong capital growth, the rental returns are up around 6 per cent. In the marketplace that is pretty good.

The Hon. MICK VEITCH: That is like migration analysis, though. Is someone doing that work to see where people are moving from and to?

Mr SIDGWICK: Albury, for instance, has been running the Evocities for a long time. I will give it to my colleagues to elucidate.

Mr ZAKNICH: Certainly, putting Evocities to one side for a moment, from 2013 at least half of the migration of 3,000 people to Albury has been from Victoria and about half of that again is from Melbourne. That is unrelated to the Evocities model. Evocities, as you would be aware, is a relocation marketing awareness program essentially drawing people out of the Sydney Basin to the seven inland cities in regional New South Wales. Again, of around 4,000 people since 2010 that have been identified under the program—of course, you cannot be sure whether there are more that have seen Evocities as a driver—about 10 per cent of them have gone to Albury.

The point Mr Sidgwick made around the capacity of our large metropolitan cities to continue to cater for the growth is that we see regional cities, Albury-Wodonga in particular, as part of the answer to relocate some of that growth to regional areas. Our growth plan focus that we are supporting the State Government on is identifying that Albury-Wodonga is a strategic location because of its proximity to the major cities, good access to infrastructure, education and health—the whole package, so to speak, is a model worth investing in. That is really what we have been encouraging the State and Federal governments to do. I hope it gives you a snapshot of what is happening in that space.

The Hon. RICK COLLESS: We alluded to this in terms of the development contributions: because your council is essentially subsidising the developer cost of the land, does that end up as cheaper land prices in Wodonga compared to Albury?

Mr SIDGWICK: Yes, it does. It is also worth pointing out that Albury-Wodonga has still got fingerprints of the Federal Government from what was the Albury-Wodonga Development Corporation. People around the table will know better than I the history of that, but we have had a very controlled land market for a period of time and I am sure that both sides of the border look very carefully at where land is being pitched and at what value.

The Hon. RICK COLLESS: My next question was going to be about the Albury-Wodonga Development Corporation, which was in the 1970s, from memory.

Mr ZAKNICH: Yes, 1973.

The Hon. RICK COLLESS: What impact has that had on the way the two cities have developed? Was it a success in building the regional development of both centres? Did it favour one over the other? What is the result of it? I think the corporation has been rounded up now.

Mr ZAKNICH: It has. Mr Keys has probably got a bit of history on this.

Mr KEYS: To say that there is some leftover or carry-on effect of the Albury-Wodonga Development Corporation would definitely be true. The model certainly had a large number of benefits, and we see a lot of those still today. There are probably a few criticisms too, and part of the hangover we have is a very limited number of developers or parcels available for development. It became very easy to manage or manipulate pricing to one point, particularly when the corporation was the planning authority and the developer of the land and it dictated when sales occurred.

To have a regional centre where people were camping out overnight to get in a queue to buy land beggars belief. Why would that happen? They were able to report back to the Government that they had sustained their prices and could say, "Look at the returns we got; aren't we fantastic", instead of actually releasing the land and developing it in response to demand. As they moved along, they sold off in globo parcels and there was a limited number of maybe three or four parties that purchased those large parcels, were able to do it and then were able to control releasing it. They managed to control supply as well.

The Hon. RICK COLLESS: Was that happening in concert with industrial development? Were people coming in for jobs, or was it built around residential development?

Mr KEYS: The corporation was particularly positive in terms of being able to create employment. They were able to put industrial land on the market and develop industrial estates that supported growth. You cannot have growth without jobs. We needed to make sure of that, and they were very proactive in that. The councils have continued to work in partnership with the corporation and now the Federal Government in those areas to try to ensure that industrial land was available at all times. It has been critical, but as we have moved on in residential development in the last five to 10 years we have had a greater number of players come into the market. There has been a variety of land made available, more competition, more variance in the product that is available. That has led to a significant increase in the development in the residential space.

Mr Sidgwick touched on the investment market. The vacancy rates in Albury-Wodonga as well as the initial prices were extremely attractive and marketed very well in a lot of national coverage for personal superannuation funds. You can get house and land package for around \$300,000 in your super fund, and that was being marketed very well across the area. So we have a lot of national buyers who have come in and picked up these packages. Our vacancy rates have gone out to about 7 per cent, but that is still pretty good. There has been a big investment in that regard. In Albury itself in the last three years, we have had nearly a 70 per cent increase in the number of houses being constructed annually. Three or four years ago there were around 230. Following the global financial crisis [GFC] we had a real drop. Last financial year, 562 new dwellings were constructed in Albury, just on our side of the border. That mimics what is happening in Wodonga too.

The Hon. RICK COLLESS: Are those new houses new residences or people upgrading, or a combination?

Mr KEYS: There is a combination—there are investment properties, people buying a second or third home, new choices that have been provided by different suppliers coming into the market. You have different sized lots from 450 to 600 square metres, which are below our normal average, up to 1,200, 1,500 or 2,500 square metre lots, which covers the whole market. This is something we probably did not have five years ago. As we have moved out into new areas, these new products are coming online. Interest rates, of course, are a major factor as more people can afford to get into the market.

The Hon. RICK COLLESS: It is interesting to have two witnesses representing planning departments from councils on both sides of the border. It is nice to hear views on some of the issues that we are confronting. Do you liaise regularly as the two gentlemen responsible for the planning issues in your respective

councils? Do you regularly liaise about these issues to try to maintain some sort of consistency across the border, or is it highly competitive?

Mr KEYS: That is a good question. We are trying to promote greater transparency and communication. That is one of the things that Mr Sidgwick and myself have had discussions on in the last couple of years, even at the executive level, which is probably more to the point. We recognise the benefits and the advantages for this region of working together and being more cooperative and open about what we are trying to do. As Mr Zaknich said, we are the twentieth largest city in Australia as a unit together, not as separate entities. We need to work and plan together, and that will give greater consistency to the outcomes on the ground. We recognise that we are in a competitive market and we do try to be competitive, but we have tried to maintain that we do not go out of our way to cut our own throat to try to win. It is not about winning against Wodonga; it is about the region. If it is good for the region then it is good for Albury-Wodonga, and we will support it either way.

Mr SIDGWICK: I would observe, as a more recent arrival in the region, that perhaps historically it was more competitive. Certainly, we have spent some time over the last few years looking at a growth strategy for the city, and that seeks to step away from the traditional competitive way, because I do not think that benefits anyone. As Mr Keys points out, it is about identifying the advantages of the region and playing to those, because the city needs to grow as a whole and economic benefit, irrespective of whether it is in Albury or Wodonga, benefits the region as a whole.

The CHAIR: While we have the two planners here, the core issue we are looking at is regional planning and its impact on economic development. We have touched on a number of things such as regional plans. Mr Keys, you said they needed some more work. We would be interested to hear some specifics. Are there some things that we have not touched on that impact on how you process developments? We have talked about section 94 contributions, agricultural land usage, the one-stop shop in Queensland, complying development. Are there any other specifics that cause you trouble or that you think are good?

Mr SIDGWICK: From a Victorian perspective, I am a big fan of the development plan process. When done effectively, it is a collaborative way to get some long-term visioning. That can occur at a precinct level, but it can actually go down to an individual subdivision level. If you establish the principles and the concepts well from a planning perspective, that may be around lot design, layout, sustainability and those sorts of matters. When you come down to the individual planning application process, you can simplify it because you have worked out all the gnarly stuff first. Anything you can do at a higher strategic level and then simplify the statutory process, I would thoroughly encourage.

Victoria has gone to what is called VicSmart for more streamlined planning applications. Again, when we get to a regional level, the time and impost are around how quickly we can get stuff done in the dry season. The quicker we can get development through, as long as it complies at the higher level, you are going to get a good outcome.

Mr KEYS: Just to take a couple of your points, Mr Chair, I still think the whole-of-government approach is critical. That goes down to the agencies and the planning process. We have mentioned Queensland and how it has one point for referrals, one agency that looks after all referrals within the Government. I think that would be a major advantage to New South Wales, rather than trying to coordinate responses and influences from different agencies with different priorities. If you could have one portal that State government agencies responses and concurrences were all coordinated through, I think that would add value to the process. The regional plans that were touched on before need more detail. I am sorry to be general, but they are that broad at the moment with a lack of commitment and clear direction.

Whilst the Murray-Murrumbidgee regional plan certainly covers a very broad area and lots of information, coming down to the level of detail that helps guide infrastructure and growth around services—whether it be education, whether it be community services, whether it be health—that level of detail was not provided. That is where a subsequent study and further detail needs to come, but there is no real commitment on when that may happen and who may drive that. Having an overarching body that is responsible for it is critical as it would provide answers and follow-up on actions in regional plans.

The Hon. RICK COLLESS: Is that the role that the Victorian boards play in your regional plans?

Mr KEYS: Regional Development Victoria has a strong role in coordinating that. Probably the big difference for us is that whilst it is recognised that the flowthrough of the objectives of regional development in Victoria have not been as strong as they could be, they are certainly a long way ahead of New South Wales. The recognition of the importance and significance of regional development for Victoria to grow and continue to prosper has long been recognised by government but there are more opportunities.

There is an advantage for New South Wales to jump ahead a couple of steps, go to this review and look at the key elements that have come out of that. Part of that was about local planning and local priorities being fed through to the State, rather than the State dictating to the rest: This is how it is going to be. It is listening to those regional growth plans, taking the information from those back to the State and saying to the agencies, "You need to fund this and you need to give direction. You need to follow these and you need to be answerable." That is what we are lacking at the moment, and it could make a very big difference. If I could just touch on more thing?

The CHAIR: Yes.

Mr KEYS: Mr Sidgwick alluded to the role of strategic planning. In a local context, highlighting our new growth area, we have put a lot of effort into that in conjunction with the Department of Planning. They gave us the money and they also gave us the commitment in our local environmental plan for this structured plan. Not a lot of that is done in New South Wales. It happens in some of the key growth areas but, in a local context, in regionally significant areas such as Albury not a lot has been done. We wanted to plan and cater for growth for up to 50 years to help us fund the infrastructure, but also to give some surety to the community about where things were going to go, what was going to happen, and to take away the conflict between land uses. So any conflict about agriculture, environmental and residential development was all laid out.

We went through that and we have put it on the table. It is there for the next 50 years—it can be reviewed and changed—but we had a commitment from the Government to support that. I think that is also another critical element for the future in regional planning and growth in New South Wales.

The Hon. RICK COLLESS: A few years ago we had something called planning focus groups in New South Wales, which pulled all the government departments together in a particular development; it seemed to disappear in favour of other processes later on. Do you think that is the sort of thing that we should go back to? If we were to re-establish those planning focus groups do you think there should be a single point of contact? A go-to person for the developer, and that person would be responsible for making sure all those reports from the various agencies come together by the due date? Do you think there is value in that sort of process?

Mr KEYS: Absolutely, I would definitely support that. I think the Cross Border Commissioner referred to that commitment from Queensland. You can see the definite benefits up there of having a central coordinating agency. But also having a commitment, getting answers and having resolution of the issues. It can be yes or no, but at least the proponents, developers and the community know upfront where they stand.

Mr ZAKNICH: At an early stage because the processes we have been taken through can be, to say the least, longwinded.

Mr SIDGWICK: If I may, very briefly?

The CHAIR: Yes.

Mr SIDGWICK: It strikes me that a lot of this is about de-risking planning. Planning, particularly long-term planning, is an expensive matter. You have landowners and developers putting down significant costs to bring forward land and the less coordination and the less clarity those landowners and developers have the less likely they are to develop. So not only is that important to move the city forward but it is also important for your community because they want to know what the plan is. What is the vision? Certainly the work that Albury has done in Thurgoona Wirringa and the work we are doing in Leneva-Baranduda is about providing that long-term clarity, and it requires commitment.

The Hon. PAUL GREEN: How are you going with the infrastructure you will need for the growth rate such as sewerage and water treatment, national broadband network [NBN], electricity and gas? Are there any shortfalls in the provision of those services? Consumers will obviously be looking for those sorts of things.

Mr SIDGWICK: We have just completed a 50 to 80 year growth strategy and one of the things we looked at was the baseline. What is the existing, physical, social and community infrastructure that is in place? What capacity does it have to accommodate that forecast in growth?

The Hon. PAUL GREEN: Did that include affordable housing?

Mr SIDGWICK: No, but it is interesting. We have just started looking at affordable housing at council now and what place within the broader network can planning play because it strikes us that there are a range of different stakeholders that have a role to play within that space.

The Hon. PAUL GREEN: What would be your definition of affordable housing?

Mr SIDGWICK: I am going to put on my British hat for a moment and refer you to Circular 16/1996 which talks about affordable housing for people who cannot afford open market housing, people who cannot buy a house on the open land market. I know that incorporates social housing and it incorporates community housing, it could also incorporate key workers.

The Hon. PAUL GREEN: Which is very important for us in Sydney.

Mr SIDGWICK: I was at a conference and a man from Western Australia was saying that they could not get people to stock the shelves because housing was just too expensive. So they had to physically go out and buy prefabricated units and rent them at a predetermined level so that they could get those key workers in.

The Hon. PAUL GREEN: It appears that Evocities have been incredibly successful, but Dubbo was having a good run and then found out that their affordable housing was going out the door quicker than they could provide it. Consequently, homelessness was increasing and the need for services was increasing. Do you have a comment on that? Are you facing any of that down here? Do you think some of the response to Evocities was not because of the drive for jobs growth but because of housing affordability?

Mr ZAKNICH: I think it is a combination of all those factors. In a national sense housing is still affordable in that sense in Albury-Wodonga.

The Hon. PAUL GREEN: Do you have a median price?

Mr ZAKNICH: The median price range is \$280,000

The Hon. PAUL GREEN: That is pretty good.

Mr ZAKNICH: It is still affordable in that sense but, bearing in mind the definition that Mr Sidgwick has just provided, it would certainly help developments. We have certainly got developments that are looking to allocate a specific proportion of redevelopment to affordable housing in the true sense of catering for homelessness or disadvantaged community groups.

Mr KEYS: I think one of the main drivers that we have tried to push for is to keep the cost of land down as much as possible to ensure that the end price is affordable. As I touched on before, interest rates have certainly been an advantage for our area—you can get a house and land package for \$300,000. That is a brand new three bedroom or four bedroom home on a 700 or 800 square metre block in a suburban area. So technically it is reasonably affordable. There are certainly sections and areas of our community, as in any community, that cannot afford that and do have housing problems.

Our homelessness rates are not as significant as probably some areas or other locations purely because of the choice that we do have. We have got the city area, both of Albury and Wodonga, we have also got adjoining rural communities that do offer also more affordable housing as well and you can go down to those levels as alternatives. There is a lot of choice. The biggest difference I think between us and metropolitan areas is that amount of choice.

The Hon. PAUL GREEN: You talked about reducing the risk for the investors to come out to regional areas. One of the things that the Committee is finding is that high conservation values tend to sterilise big business—the \$50 million-plus businesses—coming to regional areas. You were suggesting that lowering the risk they have to take would be more inviting for them to come out to regional areas. Do you have a comment on that?

Mr KEYS: One of the things that we tried to do—we were successful in doing with our local environment plan which was revised in 2010—was we had a biodiversity certified so we had a very clear definition of the areas that were available for development and the threatened species legislation was not active on those areas. We could give developers and the community certainty by saying "Here's our environmental areas, the significant and important corridors, the reserves that we want to preserve and will be preserved for the future but for the rest here it is going to be set aside for development." It is about giving that certainty, taking away a high degree of risk. Thirty per cent of our growth area has been set aside for environmental protection.

The Hon. PAUL GREEN: Did you have much contest from the community when you tried to do something on those sites?

Mr KEYS: This is one of the big advantages of the Albury Wodonga Corporation that started that strategy back in 2002 because it had oversight over the majority of the land. We carried through the strategy but we were the ones that put it in place in conjunction with the Office of Environment and Heritage and the Department of Planning. We could not do it on our own. There are multiple players involved and a commitment from all to make it happen. It is now playing out on the ground. To be honest there is some reservation from some members of the community about the actions that are coming out as a result of that but it is trying to go

back and tell the story of where we started and how we got to here. Once they get a picture of that and understand and appreciate it, it certainly gets a lot of people on board.

The CHAIR: We appreciate your frank comments. If you any further thoughts you can send them to the Committee.

(The witnesses withdrew)

(Luncheon adjournment)

BOB WHEELDON, Chair, Rest of NSW Inc, sworn and examined

The CHAIR: Do you want to make a short opening statement?

Mr WHEELDON: Firstly, I thank the Committee for the opportunity to get a whole lot of stuff off my chest. I have had a lot of interest in regional planning. I apologise for my passion if I get too enthusiastic at any stage. It is great that the Committee has come to regional New South Wales. I grew up down the road at Holbrook until secondary school and then I went to Wentworth in far western New South Wales, which is where my family is from. It would be great if the Committee came out to Wentworth but I realise it probably is not possible but we have been trying to get a visit from the Premier and the Deputy Premier for the whole term of the Coalition Government but we still have not got them out to Wentworth. We are hoping that will happen one time.

I am basically a property owner. It is my business so I personally own quite a few farms mainly in the Wentworth area but also in the Hunter Valley. Until earlier in the year when I resigned, not through any scandals or anything like that, but just for various reasons it was more appropriate to not be a councillor any more.

The CHAIR: On which council?

Mr WHEELDON: Wentworth Shire Council. While our properties are mainly farmland we do have some 10 acre blocks, some small subdivision on one of our properties, so I suppose to the extent you have not been spoken to by a property—I would not class myself as a property developer but I think I do understand some aspects of that business. I have been owning land for about 15 years and a lot of my experiences have come from that. We set up Rest of NSW Inc. with other councillors from other areas, such as Wagga Wagga, because we saw there was a need for more of an advocacy group for prosperity in regional New South Wales.

Where we are coming from is not really looking for handouts or saying that the rest of New South Wales needs handouts, much like the REROC people were saying earlier in the day, we think regional New South Wales should not be looked at as a second-class option or anything like that. We think there are opportunities there that are economically viable. There are things government can do without much cost. Whether the free-market system is great or is not great, we cannot really fight it; it is there and we have to work within it. In this regard we do think that the Department of Planning while it is almost completely given into the market in Sydney, and just sort of saying "You can build anything anywhere" almost when it comes to the rest of New South Wales it is really very restrictive.

Think about what people actually want, particularly, when they go to the country. Do they go to the country for a 400 square metre block of land? No. They go to the country for some land or more land, or maybe to be in a great environment. But what does the department do? It really actively discourages any larger-lot developments and also it really discourages any development near the rivers. Those of you who are not farmers by background would know that most of our farming land is used by livestock animals that graze right down to the rivers. There are very few situations where all the rivers are grazed off. Those livestock animals are urinating and defecating right on the ground in the riverine environment.

The great argument against using river frontages by the Department of Planning is that it will harm the environment. But if you take livestock animals away and you put a house there, all the houses have proper septic systems that are completely sealed. There is no chance of any effluent getting into the river. Obviously, it can all be managed. Ironically, the New South Wales Government is a very large waterfront developer in Sydney: You have Barangaroo and all that sort of stuff. Why do people have to come to Mildura or Wentworth from Melbourne, Sydney or one of those places? They are going to do it because we have such beautiful river frontages and that sort of thing, but the department is really very actively discouraging that.

I mentioned that I am personally involved in some 10-hectare blocks. That took us about 10 years to get it approved. It was eventually approved, but really the department actively discourages that sort of lifestyle. People actually do want that lifestyle if they go out into the country. We are sort of fighting the community and we are fighting the market, really, at the moment. They are just two big things that I think we need to understand. There are many specific points we have made in the submission. One of the big changes that I think—although I did not really refer to in the submission—that the department needs to make is to introduce some accountability.

The department, when it introduces strategies and policy changes, is not accountable to the community in any way, apart from through the Parliament. In most cases, the department is accountable to the Minister and that is really the only accountability. They are not even accountable to Parliament. They can make changes; for

example, they have looked to introduce a Riverfront Development Strategy for the Murray River and they are limiting what you can do. There is no actual evidence. They just make the assumption that having development near the river is bad.

As I indicated with that simplistic argument about the livestock, there are situations where, if you take away the livestock and agriculture away and put a dwelling there, you can actually reduce the impact on the environment. They have not even thought about that. Obviously, there are many benefits from getting that person to come out to the country, whatever. We are not talking about overwhelming development but there needs to be some encouragement. In regard to a document like this strategy, this has been produced in the department. They have not consulted. They have not gone out to the community. They do the faux consultation—you know, put it on a website and say send in your stuff—but how many people are actually going to bother with that? They make a change that impacts a lot of people and they are not really, in my opinion, accountable.

The CHAIR: Mr Wheeldon, the document you are looking at, is that a public document now?

Mr WHEELDON: Yes. That is the Murray River Riparian Planning Controls document.

The Hon. RICK COLLESS: Is that off the Department of Planning website, is it?

Mr WHEELDON: It is a report by Ecological Australia Limited. I can hand it in, if you like.

The CHAIR: Yes, table that.

Document tabled.

Mr WHEELDON: It is an example of the regional studies and growth plans that are being done. There is not active community involvement in those. They are not accountable. What actually happens is the department actually will not go and meet with communities. They basically regard the councils as the people who have to meet with communities. They do not want to meet with communities because they do not want to accept the scrutiny. It is difficult, you know. Being a former councillor, and as you guys would know better than me, I know you are under scrutiny. If the community does not like your policy or whatever, it roughs you up a bit. I think there is some argument for there being some protocols with that so that staff are not given a hard time or whatever, but ultimately if you introduce accountability so that, if they want to change setbacks to 100 metres along the Murray River, well they go to the community and argue the case.

There are a number of issues that relate to the Department of Primary Industries. In my opinion, the Department of Primary Industries [DPI] should be serving regional New South Wales, but I do not really think that they do. We have a big issue with a big State and we apply one rule over the whole State. The reality is that there are issues—for example, in terms of the shortage of agricultural land and prime agricultural land issues—and areas where you probably should not allow lots of blocks to be cut up. But, say, out in Wentworth, we have about 300,000 acres that could be irrigated. There is no way there will ever be enough water, investment or anything to irrigate more than 30,000 acres, so there is never ever going to be a shortage of prime agricultural land in our area; yet, the fact of the DPI concerns is that we have not had a rural study approved in 10 years. There was a period of 10 years in which no rezonings at all occurred in Wentworth. What is the practical consequence?

From the turn of the century, the New South Wales side of Sunraysia at Wentworth had the same population as the Victorian side. Now the population is tenfold in Victoria what it is on the New South Wales side. The other consequence is we have other issues as well about Western Lands, which we think are uncompetitive. Victoria has seen the development of a billion-dollar almond industry—a billion-dollar industry—that is very sustainable. It is producing a healthy product. They deal with every aspect of the nut. They burn the hulls for biomass. It is such a great industry, but it has largely been developed on the Victorian side of the border and we have missed out on that probably more because of Western Lands than planning. But certainly there are many issues relating to the one-size-fits-all approach. I am very happy to take any questions.

Certainly, mapping is a big issue with this one-size-fits-all approach. I do not believe there is enough money in the New South Wales Government to map every area of New South Wales. It is a nice idea and where it has been done in the city and the maps are all accurate, it actually is a very good system. But, unfortunately, we just do not have the resource or the ground truth. One example at Wentworth is that we have some sandhills outside of town and they have been mapped under our local environmental plan [LEP] as a wetland. They are a high point and it is sandy ground, but they are mapped as a wetland. Most of the maps have errors. We have a property up at the Hunter Valley and we have a concrete hard-stand area that has been mapped as environmental land. Unfortunately, when they put the concrete down, any environmental feature has been annihilated. With our submission we included a list of the LEP errors that we have identified. This goes back to accountability.

In what other area could you make so many errors and there be no accountability? The issue with the LEPs and a lot of the planning stuff is that it is driven by dogma and ideology rather than practicality. The previous head of the Department of Planning wanted to drive through the idea that there be a consistent scheme, but you cannot really make it consistent because the areas are so different. Because they were driving that through, a lot of errors occurred. They were striving to get these things through rather than to get the right outcome.

The CHAIR: That might be a good point to let you get a breath. Mr Veitch is eager to ask you some questions and get some more information for us.

The Hon. MICK VEITCH: Are you advocating that there be a separate regional planning Act, as opposed to a statewide Act? I am drawing on your comments around consistencies and one size fits all.

Mr WHEELDON: I am a lawyer by background. You could do it either way. The Minister has a lot of flexibility. As I said, they produce all these documents but they do not even ask you guys in Parliament. They have the flexibility, now, to consider these regional issues more. The main objective of the Act is the economic, environmental and social welfare of the State. In my opinion, in decisions made about Sydney economics is the overwhelming consideration but when it comes to regional New South Wales—I hope your Committee will change this—economics is often down the bottom, and it is all about the environment.

I believe that there is a win-win, where you can see great environmental outcomes. There is a very low likelihood of large swathes of the State being developed intensively—there are 80 million hectares identified, but even if you had 80,000 hectares. It is so frustrating to see opportunities go to Victoria. So, to answer your question, I do not think it is essential that there be a separate Act. If the current Act was implemented better it would be adequate.

The Hon. MICK VEITCH: You also raised concerns about active community engagement. What do you mean by "active community engagement" and can you give us some examples of how that should take place?

Mr WHEELDON: For example, with this riverfront strategy in our area, the Wentworth area, there are not too many Neanderthals existing any more who say, "Let's rip everything up." I do not know any of them—not in Wentworth or anywhere—but there is a lot of opposition to being so restrictive about using the river. People want to use the river for lifestyle purposes and recreation. When they put in a change like this they should at least have to go out and engage with the community. The Government, when it got elected five years ago, promised to give more planning power to local communities. I know that idea has got caught up, somewhat, with amalgamations but I think it is essential.

I am not saying that local councils will not make any errors, but in Wentworth our planning is run from Dubbo. It is so ludicrous. I will table this map. We produced this document, "I've Been Everywhere, Man!"—the stories of a Wentworth resident trying to get an answer from the New South Wales Government. There are numerous agencies that you have to go to. There was a point made earlier about a one-stop shop for referrals. That would be absolutely brilliant for regional New South Wales. If you look at this map you see that Wentworth is in the corner of the State and the Planning Department is run from Dubbo. That is an eight-hour drive; it is not close. You cannot fly there because there is no flight route. You would have to fly Melbourne-Sydney-Dubbo. It is just impossible. And a lot of the referral agencies are in Deniliquin or Wagga Wagga. So to get an answer you have to write letters to five places. There is no one-stop shop, at all.

There are not multiple opportunities in Wentworth, but we are right beside Mildura. This is where the economics come in. There is lots of money in Mildura and lots of Government investment. In Wentworth we do not need an arts centre; there is a \$30 million arts centre over the river, that has been paid for. We do not need an airport; there is a \$30 million airport—bigger than the one at Albury—over the river. All we need is to be allowed to share in that opportunity by some tweaking of Government policies. Then you would see money come into the State.

People here could not care which side of the border they live on. If they see a good house in New South Wales, or a good block of land, they will go there. It is interchangeable. But if you see someone move from Victoria to New South Wales all of a sudden New South Wales gets the GST, the rego, and a lot of other stuff but the resources they are sucking out of the Government are largely still coming from Victoria. We identified that, right along the border, Victoria has well and truly cut New South Wales's lunch. I grew up at Holbrook. When I was a kid going to primary school in the seventies, Wodonga basically did not exist in any way like it does now.

As much as Albury is big—I think it is still a little bit bigger—the growth in Wodonga has been extraordinary. Victoria has a big advantage because it is a smaller State so it is easier for it to relate to its

regional areas. I am not saying that it is easy—it is certainly not as easy for New South Wales—but there is an opportunity there, and it will not hurt any of the stuff that is going on in Sydney. I think that the Government is doing a good job in Sydney but it is too Sydney focused. There are a lot of opportunities out here, and they are very sustainable. We think western lands reform, native vegetation reform and reform in planning would all cost the Government no money but would lead to more income over time brought back for the Government and for private people.

The Hon. MICK VEITCH: What about increasing delegations to Councils for planning purposes? Do you think there is merit in doing that, particularly in regional New South Wales?

Mr WHEELDON: I think there is. The system has become more and more complex. At Wentworth there are two planning professionals. There are sometimes some limitations but you could delegate. The other idea that was put to you earlier was about having a one-stop shop so that there is one officer responsible for interpreting RMS's policy and the policies of the Department of Primary Industries.

I can give you one example with regard to DPI. When we were doing these 10-hectare blocks DPI put in an objection. I said, "Come and have a look, and tell us what the problems are." They basically respond to every rezoning application in our shire saying that there is not enough agricultural land. We say, "Come. We will fly you around the shire and show you it all." I said, "Why don't you come and have a look?" They said, "We can't look; we do not have the resources." So they are opposing things that they have not even seen. It is a desktop exercise. It is a NSW Ombudsman policy that you need to base decisions on logical, probative evidence. I would submit to you that a lot of Government decisions are not being made that way but are based on a feeling that this is the right thing to do—as opposed to the facts.

The Hon. MICK VEITCH: I have a last question before I hand over. We have been talking about a one-stop shop—one access point of Government agencies for developments. If that could not be located in Wentworth, where do you think it would be best located in order to service Wentworth?

Mr WHEELDON: The closest large settlement to us is Broken Hill, but they are more outback. We are Victorian but we happen to be in New South Wales—we follow the AFL, we get the Victorian weather et cetera. The council—and I cannot speak for the council at the moment; my father is the mayor—has been more pushing to be linked in with the Murray areas. If it was just one, probably Deniliquin or Griffith or somewhere a bit closer. The issue is really that there are all these different spots. If it was a push to decentralise government, and in this case it would almost be better for us if none of these regional offices existed. With planning it would be better if we just had to deal with Sydney. I mean, ultimately it goes to Sydney anyway.

The Hon. MICK VEITCH: Maybe the one-stop shop, the one point of contact, would be better located in Sydney.

Mr WHEELDON: For big developments people can deal with it, there is no problem, but it is more that there is no clarity of decision-making; it is not able to get a clear decision from one point. For small developments, for example, with Western Lands, there is a lady who works for me in the country; she needed to write to Dubbo to get approval to put a swimming pool in. She already had the approval from council. So everything needs two approvals. Just for a swimming pool or something like, it is a crazy waste of time. In our area people just decide "Well, I will just live in Mildura. I won't bother with any of that"; they have got other things to do with their life. That is why Victoria has gone so far ahead.

The Hon. ERNEST WONG: Correct me if I am wrong, from your conversation, are you advocating for more of those residential developments in this area? Is that something that you have been talking about or have you got any kind of evidence in regards to the economic benefits that you would be able to get in this area if there are more of those residential developments? Is that something that you have in your mind?

Mr WHEELDON: There is an area called Buronga, Gol Gol, which is in Wentworth shire, which is literally just across the river from Mildura. It is a minute to cross the bridge—you can swim; it is 300 or 400 metres crossing the river. It is not hard to get across—you zip over and zip back. So if someone has got a job it does not make any difference where they live. Really we are just part of that market. They have developed about 15 kilometres away from the river on the Victorian side, so it is getting quite a long way from the river. On our side we have not even developed the areas close to the river. So in our area people want to be close to the river because it is even a different micro-climate; we have a lot of over 40 degrees Celsius days in summer, it is very hot, so of course people want to be down by the river where there are more trees and all that sort of stuff.

In terms of the precise evidence for that, I do not have that, but it is overwhelming common sense that people want to be beside the river in that environment. We have the land, it is just that a lot of our land is locked up in Western Lands leases. There has been a lot of land rezoned of standard, 600 square metre blocks, in this Buronga, Gol Gol, area. The department has allowed for a couple of thousand lots in this area; so they see a lot

of growth, but that took 10 years to get through. The reason it took 10 years to get through is the department said, "No, you must do your LEP first. You must do your rural study first".

The Hon. MICK VEITCH: Which department?

Mr WHEELDON: The Department of Planning. So they have got this system, and I would submit to you that these rural studies that they require are really of no value. What you should be having instead is an assessment. In the same way as you have got an environmental impact statement for a development, you should have an agricultural lands impact statement or something like that. At the moment we have not had our rural study; it has not even got through. The council has been prevented from voting on it; they have decided that everyone on the council has an interest in a farm, or a relative has an interest in a farm, so no-one can vote. They are actually blocked from doing a rural study, but the department then says, "No, you can't do this and this and this because you haven't got a rural study". It is a bit of a catch 22.

These rural studies, they have this strategy for the area; everything has got to be strategic. But our experience at Wentworth was when they wanted to put an LEP through, which was very much driven by the department rather than the council, they did not need any strategies to wipe out existing housing rights on old farm blocks and things like that; they did not need any strategy. To change the setback rules they did not need any strategy. So the strategies only come when it is stopping you, prohibiting something. They are not a very strategic organisation. Sorry to be critical of them. The other thing I think is worth mentioning is that I think you are only hearing a part of the story, because I do not think there are that many property developers that have probably come and seen you, because the department has a lot of power and I think they feel like they will be adversely affected in their business.

The Hon. PAUL GREEN: I love what you say where it is at in terms of planning. Your concerns about mapping and stuff like that, can you maybe elaborate why mapping may be the best way to proceed?

Mr WHEELDON: There are not enough resources to do all the studies. It should be all property specific. One of your other witnesses stated that it does not really matter, we can go out and say this should be there and this should be there and this should be there, but the reality is that the proponent is going to come up and say, "No, I want this to be here". So you cannot really predict what businesses and what opportunities are going to come up. We do not know whether a certain industry will be pre-eminent in the future or whether it will even exist. The objective that we are going to set out—we will do this grand plan and everything must be here and this thing must be there, it just does not work in practice. It is a nice idea and probably does work in some dense urban environments.

Then with the mapping you have got to have the resources. If you have got to check what is high-value agricultural land, obviously it depends what type of crop you are growing, your environmental matters. In our LEP they have just mapped half of the shire as being in a biodiversity overlay. That was not based on any actual hard evidence or ground truthing. That does not impact people that severely, but it basically means complying development is prohibited. You are allowed to build a shed as part of complying development but you cannot do it on that half of the shire. It is just lunacy.

The wetlands mapping, which I mentioned before about the sandhills being mapped as a wetland—I was on council at this time and we went through it—there was a report done by some University of New South Wales people, which looked very high level at the wetlands in New South Wales, but it specifically stated in the report, "This is not for property-specific mapping", but the department has then gone and used it, and it is wrong. The initial report was sort of identifying the big-picture areas for further analysis. I am a solicitor also and I did a conveyance for a mate in Sydney once. I looked up all the maps and the overlays and they were all perfect. So where government has the resource to do this mapping and overlay work properly it can do it. I have got about 55,000 acres in Wentworth and I am a small landowner. There are a lot of big properties.

The Hon. PAUL GREEN: Is one of your concerns about an injustice being done if the mapping is not correct and therefore sterilises people's opportunities or land?

Mr WHEELDON: Yes. I know there have been a lot of personnel changes, so I do not want to pin it on any individuals or anything like that, but the department of planning has had scant regard for the rights of most rural property owners. For example, in Wentworth there was a provision that if you had a lot that was originally created for a dwelling, you could have a dwelling on it. I took advantage of that and applied and consolidated in a small area for a better planning outcome. But my concern is for one of my retired schoolteachers. They need these sorts of things as their retirement. It is their nest egg.

Then the department just goes through and wipes that out without any strategic study. It says to the shire and to landowners, "You must have a strategic statement to be able to do anything," but it just produces these reports and whatever to make a change. I would not be fussed if it had gone to you guys, to some broad

parliamentary authority, but in this area the department has a lot of discretion to make the rules of the State and it has a lot of impact on people. The biggest impact is just the lost opportunities that are going in New South Wales. I think the department is trying to be more conscious of these things but there is a lot of room for improvement.

The Hon. PAUL GREEN: I will pass you on to Mr Colless, because I know he has quite a bit of experience with the upcoming laws.

The Hon. RICK COLLESS: You mentioned the issue of the rural study. Can you tell us what it is or what it was supposed to be and why it has not happened?

Mr WHEELDON: The department requires that there be a rural strategy—

The Hon. RICK COLLESS: Which department?

Mr WHEELDON: The department of planning, and really the Department of Primary Industries. It requires that there be a rural study to support a change in the Local Environment Plan or for rezoning because of the concern that we would get rid of all our agricultural land and be left with no food production. It is obviously well intentioned. However, it is fairly ridiculous within our environment, as I have argued, where we have way more agricultural land than can ever be used. The process at Wentworth is that they prepared a draft a long time ago—

The Hon. RICK COLLESS: When you say "they"—

Mr WHEELDON: The council. The council has to prepare a draft, so it gets a consultant. It got a consultant at a cost of \$100,000. The department has to approve the draft. The council cannot just produce a document that it wants; it has to produce a document that it wants and the department will approve.

The Hon. RICK COLLESS: Again, can you clarify which department you are talking about?

Mr WHEELDON: The department of planning. But DPI acts as a referral authority, so you have really got two of them. In many cases the planning department just takes the advice of the referral authority. In any event, DPI has a very hardline position that there should not be any reduction in agricultural land—zippo. It is amazing when you see Sydney, which has far more fertile agricultural land than Wentworth, and every single little bit of it—apart from the land up at Richmond that is flood-prone—has been developed. That is an overwhelming economic plus. That is understandable but it is difficult, because these DPI officers are just sitting in an office at Orange, nowhere near us, and will not come and see us or look at the evidence.

Where we have been able to, the council has got politicians in a plane and flown them up and down the river. You are welcome: I am sure the council would agree to do that, because it has done that as many times as it can. It shows that there is actually no problem and no way we can run out of agricultural land. Our shire is 2.6 million hectares. It is mainly grazing land. It is mainly native vegetation. There are 300,000 or 400,000 acres that are cleared, propping land, but that is obviously a minority. There is no way you can irrigate all that land. There is not enough money.

The Hon. RICK COLLESS: Did you say it was \$2.6 million?

Mr WHEELDON: Yes, in our shire.

The Hon. RICK COLLESS: What proportion of that is Western Lands lease and what proportion is freehold?

Mr WHEELDON: There would be about 95 per cent Western Lands lease, or maybe a bit more.

The Hon. RICK COLLESS: The freehold land is close to the river and the town, is it?

Mr WHEELDON: Yes. It is a patchwork. I have a farm that is about 80 per cent freehold and 20 per cent leasehold, but they are little patches.

The Hon. RICK COLLESS: Were those small blocks applied for separately and individually to be freehold? How did that come about?

Mr WHEELDON: no, that was just the State opening up land. There were plans for a railway from Wentworth to Broken Hill. Back in the days of the riverboats, this was a pretty happening place. It was the highway of the time. We were on the Murray and it was a really fast-growing area up to 1900.

The Hon. RICK COLLESS: I am a bit confused as to how there can be little blocks of freehold land in amongst the Western Lands lease. What was the basis for freeholding those small blocks?

Mr WHEELDON: The freehold blocks tend to be located together but there can be lots that are isolated. For example, we have one property that is an island. We wanted to go to a different bank to get a loan. We had five freehold blocks and one leasehold block on the island. The leasehold block was small in comparison with the other blocks. We were told that to just get a mortgage on that leasehold block, we had to survey and subdivide the whole lease—and that was going to cost us \$50,000, so we did not bother doing it.

The Hon. RICK COLLESS: Was it Crown Lands that told you that?

Mr WHEELDON: Yes. You do not really have to change a lot of fundamental things. It is not like one of these things where you have a Labor or a Liberal philosophy and you have to throw it out the window. It is not a changing philosophy in most of these areas; this is just a matter of executing better. You do not have to become hardline. There is a lot of overlap in the laws. There is a lot of miscommunication where the local message is not getting through. It is not a matter of saying, "We want carte blanche for this or that." It does not worry me at all the level of environmental scrutiny we want to have. Obviously planning is all about avoiding land use conflict.

The reality is in our area and in most of rural New South Wales there is not a lot of land use conflict. The whole Act is being driven by land use conflict. That is the reason the planning Act was set up: land use conflict. You see that in the city. People are right beside each other. They get fussed about the development next door and all that, but out in the country we have few instances—I was on council for 3½ years and we only had a couple of issues—where neighbours were arguing about things. We do not normally have it. That is one of the beauties of being on a council in the country.

One other thing: I will mention one of the best examples I have of where this one-size-fits-all approach has gone crazy in the department of planning. Street prostitution is a serious issue in Sydney. It is not an issue in Wentworth. We have no street prostitution. Because street prostitution is an issue in Sydney, the department of planning has mandated that brothels must be an allowable activity because brothels are safer than street prostitution. Brothels must be an allowable activity in every LEP in the State. So I am in a bizarre situation where, on our farm, it is very difficult for me to have a house on our property, but we are allowed to have as many brothels as we like. It is too ludicrous!

This LEP has been written for the city. To me it is about accountability, because it is really the planning department's LEP, not the councils'. It is a little like the allegations being made about Clive Palmer, that he was a shadow director of his company and he was really calling all the shots. He says, "No, I wasn't; I had nothing to do with it". That is really like the way the department is acting towards the councils. The councils get the crap beaten out of them, frankly, about why we cannot build near the river or why we cannot do this or that. Really the councils have nothing to do with it.

I think if the department understood the area more, the policy would not be in place. There are win-wins; you do not have to hurt the environment. There is absolutely no need to do so and there are very few local people who have any desire to do anything against the environment. They love being in the environment.

The CHAIR: Does anybody have any final questions?

The Hon. RICK COLLESS: Going back to the land titles issue and freehold versus Western Lands lease, are you aware of the land title system and how it operates across the border in Victoria?

Mr WHEELDON: It is pretty much all freehold opposite us. In Mildura it is all freehold, except that there is a little bit of land in Mildura that is set up as a college lease system. There are some blocks of land where the Chaffey family, who set up Mildura, kept a few blocks to fund the education establishments in the area. It was only a small number of lots, but those lots are not desirable. We even have a micro example in Mildura itself, where leasehold land is second class. That is basically the situation we have. We are competing with Victoria. There is an argument that I am sure some committee members will be sympathetic to, and that is we do not want to give away the Crown estate. But these properties have been in these families for six generations, and ultimately you need someone to look after this land. These people have to be responsible for it.

In my opinion, it would be a win-win for everyone, a win-win for the State, if there was more flexibility. Our council has argued for the 20 kilometres and around the towns to be freehold. I would like to see the very good start in Western Lands running hospitals and schools. I cannot understand why the State that is arguing that more money needs to be put into those areas is spending money to slow economic activity. In our experience, regional offices of the department of planning do not add any value—and that may be different in other regional areas. We could go straight to Sydney; we do not need them. They do not help us; they actually make it harder.

The CHAIR: A lot of the title issues are historical, obviously, and involve property rights. They are quite complex to change.

Mr WHEELDON: Yes, there is a Crown lands issue.

The CHAIR: Before you go, you offered to table a document. When I had a look at the document you tabled, I noticed you tabled only a couple of pages out of the report. I would prefer it if you could send us a copy of the full document supplementary to your submission.

Mr WHEELDON: Yes, sure.

The CHAIR: Thank you for all of your help. We will definitely get to Wentworth at some stage.

(The witness withdrew)

(The Committee adjourned at 14:43)