

**REPORT ON PROCEEDINGS BEFORE**

**STANDING COMMITTEE ON STATE DEVELOPMENT**

**REGIONAL PLANNING PROCESSES IN NSW**

**UNCORRECTED PROOF**

**At Ballina on Monday, 19 September 2016**

**The Committee met at 10:00 am**

**PRESENT**

The Hon. Greg Pearce (Chair)

The Hon. Rick Colless

The Hon. Paul Green

The Hon. Natasha Maclaren-Jones

The Hon. Ernest Wong



**TONY McATEER**, Coordinator of Strategic Planning and Environment, Richmond Valley Council, sworn and examined

**PAULA NEWMAN**, Strategic Planning Coordinator, Lismore City Council, affirmed and examined

**SHANNON BURT**, Director Sustainable Environment and Economy, Byron Shire Council, affirmed and examined

**MANFRED BOLDY**, Director Planning and Environment Services, Kyogle Council, sworn and examined

**VINCE CONNELL**, Director Planning and Regulation, Tweed Shire Council, affirmed and examined

**The CHAIR:** Welcome to the seventh and final hearing of the Standing Committee on State Development's inquiry into regional planning processes. I acknowledge the Bundjalung people of the Bundjalung nation, who are the traditional owners and custodians of this land. On behalf of all of us I pay respect to elders past and present and extend that respect to other Aboriginals present. The Committee is seeking ideas that will stimulate regional development and reduce the time and complexity involved in the planning approval process. It is also interested in maintaining community expectations regarding the environment and the economic aspirations of local businesses. We are hearing today from a range of witnesses including a number of local councils and Regional Development Australia. In accordance with the broadcasting guidelines, while members of the media may film and record committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography.

I remind media representatives that they must take responsibility for what they publish about committee proceedings and, importantly, that parliamentary privilege does not apply to what witnesses say outside of the evidence given at the hearing. I urge all witnesses to be careful about any comments they make to the media or to others after they complete their evidence, as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for broadcasting proceedings are available from the secretariat, and media representatives need to sign a copy of broadcasting guidelines. If a witness needs to take any questions on notice, we will follow up with the witness and ask them to respond within 21 days. If witnesses have any messages for committee members, please pass them to the members through the committee staff. Please turn all mobile phones to silent or turn them off. Would any of you like to make a short opening statement?

**Mr CONNELL:** Thank you. As a group we meet regularly as part of our Northern Rivers planning group. We have discussed a number of key common points in terms of presenting here today. Firstly, there is the element of recognising what regional planning is expected to achieve. Our view has been that, regardless of the various available mechanisms, as a group it is important to recognise what good regional planning attempts to achieve. From our perspective, regional planning provides the framework to achieve balanced, coordinated and sustainable growth in the region. It should provide the State and local government with a well-articulated vision that can be used to attract new investment.

Another key point is the need for a whole-of-government approach. We recognise that planning in itself is only part of a broader suite of actions, and including a whole-of-government approach and partnering with key businesses and community stakeholders. In terms of more holistic approach from the State Government, we recognise that the Queensland model of regional planning has achieved superior outcomes through the genuine integration of land-use planning with the prioritisation of and committed funding for key infrastructure projects, as well as the buy-in and support of relevant government agencies. This has been a fundamental deficiency of the New South Wales Government's regional planning policy process, in our view. Thirdly, we believe an emphasis should be given to seeking simpler, more transparent outcomes for the planning system. We recognise, similar to the views of many parties and stakeholders, and support a major overhaul in the form of the current New South Wales planning system.

At a strategic planning level, the current system of planning proposals is very convoluted and ambiguous and is undermining the confidence of stakeholders in the detailed strategic plans that both the State Government and councils produce. There needs to be a much simpler, more flexible and transparent system where the process is communicated more clearly and the framework for mechanisms such as voluntary planning agreements are better informed among developers, the community and councils.

**Ms NEWMAN:** To add to what Mr Connell said, because we to meet regularly as a regional planners group, I would like to reinforce that the current planning system is overly complicated. We definitely do not want another planning Act. The regional planning legislation is definitely not supported and the last thing we

need is more regulation, which will not make anything easier. Regional planning should happen in the regions and not in Sydney and not be largely dictated by Sydney's preferred outcomes. I believe that we need to have workable regions—for example, we are currently part of the North Coast Regional Plan. This area does not have a community of interests with places like Port Macquarie. I do not feel that for our communities that is a workable region. Regional planning has to happen in the regions and we have to have workable regions that local councils can relate to and local communities can relate to. I support Mr Connell's statement about a complete overhaul of the planning system.

**Mr BOLDY:** The council is very supportive of the Northern Rivers Regional Organisation of Councils [NRROC] approach to regional planning. It has been an active participant in a lot of those discussions. I will reiterate Mr Connell's statements from a NRROC perspective. Council sees regional planning as being very important for its future destiny in terms of its prosperity. It sees it as an increasingly important vehicle for growth management, particularly outside of the larger urban centres. It is a chance to establish a narrative for the area not only within our own local area but within the context of broader area—where we fit in and where we are likely to go. It is very important for our future. Good regional planning and good regional planning documents are increasingly being seen as investment attraction documents. Good regional planning documents are going that way terms of the format—what they say, how they say it and how they link into broader State strategies. They are seen as a way of bringing prosperity at a regional level as well as, when you combine all the regions, for the State and ultimately for the nation.

Mr Connell mentioned Queensland, and it is very evident in Queensland how regional planning particularly ties into initiatives like the developing Northern Australia initiative and opportunities for foreign markets. That is really one of the directions where regional planning is going. That is very relevant for areas in rural locations, and the North Coast region has quite a lot of that, particularly Kyogle. It is also a preferred way of articulating State interests. At the moment the framework within New South Wales has lost legibility compared to others States. There is a plethora of State environmental planning policies, section 117 directions, and it has become a very illegible system for people to follow, particularly people from outside the State who might be looking for opportunities to be a part of what the State can offer and what they can contribute to that. I think the regional plans provide a way of better articulating that in a more meaningful and contemporary way within the regions.

Whilst regional planning is very important I think a good solid State framework—I mentioned the State environmental planning policy [SEPP] and section 117 directions—has to go hand-in-hand. It cannot be seen as another layer, it has to be fully integrated into the whole system. Finally, there is scope to have better stakeholder participation. Regional plans are for the regions, for the people within those regions. You cannot do it as a bureaucratic agency exercise. There is a need to engage different stakeholders through task force type approaches. Different councils have different economic interests and different environmental interests—front loading what the regional plans look like and informing those processes up through the Minister. Ultimately, I agree that there is no need for another Act. It is just another layer. It is far better to fix the framework that we already have.

**Ms BURT:** I am in here in support of the Northern Rivers Regional Organisation of Councils [NROCC] planners group and their responses generally in terms of regional planning. In more recent times regional planning appears to have become metro focused, one size fits all, a very reactive and compliance driven exercise. It seems to be about targets and quotas rather than people and places, particularly in the North Coast area. In our region we are made up by a diverse and dependent network of local communities each with their own long-term vision. The public relations framework that has been in place for some time now is embedded in all of the councils. We have community strategic plans, delivery programs and operational plans which basically look at the community's aspirations and there is planning and funding around that.

At the moment there is a disconnect between the planning system and the strategic corporate planning system. It creates confusion for communities. In Byron Bay there is a disconnect and discontent at the moment with planning. The fact is that the "local" seems to have come out of "local planning". As Mr Connell and Mr Boldy have mentioned, there is a myriad of planning instruments at State and local levels and some of them conflict. Again it is one size fits all and the community is being lost in the myriad of legislation. There seems to be a lack of local place statements and character analysis which, particularly in Byron Bay, is very important. That would be my opening statement. I concur with comments made by my colleagues.

**Mr CONNELL:** Thank you for the invitation to present today. I reiterate what my colleagues have said about the legislation. As a strategic planner I would like to be spending a lot more time doing strategic work, yet I probably spend 80 per cent of my time interpreting the legislation we have and navigating a path through the minefield. It is hard enough for weathered planners to understand the legislation without having someone coming from interstate or a non-planning background to navigate through the system.

Another thing that was not touched on was investment in infrastructure. We are finding, particularly in Casino, that for urban growth to occur we are going to need major investment in water and sewer infrastructure to support that. The cost of that is beyond the means of the council alone and to expect private developers to foot the bill for a 20 or 30 year return period is not going to happen. We are at that pinch point at the moment where something has to give for that to happen. That is it from me. I am pleased to answer your questions.

**The CHAIR:** Could you expand on the comments you made about the composition of the region. How would you go about working out what this region should be?

**Ms NEWMAN:** This is my opinion, I will not pretend to speak on behalf of my colleagues. In respect to the Far North Coast regional strategy, that applies to the Far North Coast, which is the collection of councils at the table here, and Ballina. That worked as a conceivable region with communities of interest. When the new region was proposed it was extended to Taree, which has since been removed. It is from Port Macquarie north. There have previously been the two regions, the North Coast region and the Far North Coast region or Mid North Coast region. Putting us all into one regional plan will not make us work as a region. Things like communities of interest have to be considered and for it to be an understandable region. If we are talking to our communities we say the region goes down to Port Macquarie. No-one understands that we will not continue to function as a region just because we are put in a much bigger region.

**The Hon. RICK COLLESS:** Can I ask where you see the natural boundary would be?

**Ms NEWMAN:** A natural boundary is different to bureaucratic boundaries. Personally I cannot see a problem with the Far North Coast region being a region for a regional plan. I am not sure if my colleagues would support that.

**The Hon. RICK COLLESS:** In your view that would include Grafton?

**Ms NEWMAN:** No, probably not. Grafton would go south. For functional purposes the draft North Coast regional plan is effectively two subregions in any case. I see it as a more workable region for councils and the community.

**The Hon. ERNEST WONG:** Thank you for attending this hearing. With regard to the region of development, have you identified what the ratio of land use is in relation to agricultural land, reserved for national park or residential commercial development? Does that give a clear picture with regard to what kind of region we are looking at and how it could become a region?

**Mr BOLDY:** I was not actually here when the regional plan was crafted together. My observation is that there was not a lot of that done. I do not know that there was necessarily a good process informing the final draft regional plan where people had input into that. That is the important part. It is not so much about where is the region, it is about regional planning, it is about the process of planning, how you collect your evidence, what evidence you collect, what your narrative is, and how you associate different aspects of the region. Ms Newman touched on it; where you draw the bureaucratic line is an issue from an agency implementation point of view, but in terms of how you act, react or interact in an area our region is tied to Brisbane and south-east Queensland. That has a huge impact on our regional planning needs.

You can have that in a regional planning narrative and then you can have other administrative boundaries around that. Within our North Coast regional plan there is probably three distinct areas. I agree with Ms Newman, the Far North Coast region is a tight little region. We have a rural area and a coastal area and we both link into a major centre in slightly different ways, being Brisbane and south-east Queensland. I do not think that was done. I do not think people knew why they would do it. The question is why do you want to do that? What do you want to aim for? Regional planning is about where do you want to be and how do you want to get there? Then you look at what sort of data you need to help refine those thoughts.

It is as much about the process and the outcomes that you want as it is about boundaries. That is where there is scope for improvement. That is where there is scope to obtain more advantage from the process for local areas and the wider region. The world economy is booming. I mentioned the initiative to develop northern Australia. There is \$5 billion worth of infrastructure available to people up there. A lot of it is about agriculture. This is one of the prime agricultural areas in Australia. There is no reason that we should be missing out on those sorts of opportunities. It might just be because we need to develop our own narrative in that sort of context. We may need to identify what sort of agricultural land and urban land we have and how we tie into the services economy in South-East Queensland. That is all part of the information-gathering process.

**Mr CONNELL:** With hindsight, the preparation phase has lacked the skill and methodology to provide the information that you are seeking. The input of most councils was assessed according to what they currently have and by plotting on a map what is in their council area. Most are focused on their own council

area. While we try to be mindful of what is happening in the region, the reality is that you try to represent your council area and act in the community's best interests. Land use identification tends to be along the lines of: "What is on our zoning map? What are the current parameters and characteristics of our local area?" The management of that process requires some skill to be able to extract from a group of councils what is in the best interests of the region.

While there is some crossover of issues, councils tend to be quite isolated. It is a process of cobbling together the needs of each council area. We lack the skill to coordinate big picture scoping that looks at the interaction of land use, economics and environment. That probably goes back to councils fearing that if they do not identify exactly what they need for their own local area then decisions will be made at a higher level that will overtake the specific needs of each council. We need a more sophisticated process that is truly representative and can provide opportunities. As Mr Boldy said, we need the appropriate stakeholder interaction. To date, the process has been standard—a cobbling together of existing information and not much foresight about what we should be planning for in the future.

**Ms NEWMAN:** That is true. It is as if all our local strategies are glued together. The current draft regional plan is better than the current strategy because at least it talks about implementation and has an implementation coordination committee. The sophistication of the process is essential, and it has not been there.

**Ms BURT:** And engagement is missing.

**Mr BOLDY:** If you want to create opportunity you also have to ask the opportunists. You have to involve them in the process, to help refine your thoughts and work out what your vision is and how you might realistically get there. It is no good just having dreams. You need a workable vision. The more people you involve in that process the more likely you are to have achievable outcomes. You need a process that is true to the vision but that can be adapted. When refining opportunities come along that act as a catalyst for some of your ideas, you want to be able to make the most of them. The plan needs to be resilient enough to do that.

**The Hon. ERNEST WONG:** Are you saying that the process of thorough consultation is not there yet?

**Ms NEWMAN:** That is correct.

**The Hon. ERNEST WONG:** So you are saying that we need to continue consultation with all stakeholders—the agricultural community, the local community, the business sector?

**Ms NEWMAN:** Yes.

**The Hon. ERNEST WONG:** Do you think it would be better if we continued the consultation process before we identify the nature of the region?

**Mr BOLDY:** I personally think that is right. Having been involved in regional planning processes elsewhere, I think that is a more effective way to go. If you have a good range of ideas coming in early on in the piece—not helter-skelter; they need to be managed—and you refine those ideas along the way and use the expertise of agencies to put those ideas into workable government frameworks then you are more likely to get good outcomes. You are more likely to get the outcomes that people will look at and say, "I could be a part of that." That is what we want regional plans to be. Whether for economic purposes, social advancement or environmental management, that is a better, proven way of doing it.

**Ms NEWMAN:** It is about the preparation phase. It is not enough to simply say, "We will extend the consultation period on the regional plan." That is not what we are talking about. We are talking about the preparation of the plan. I worked in South-East Queensland when the regional planning started there. That took years. That involved big groups of people from agencies, industry bodies, agricultural bodies and local councils. After a while you think the process is losing its way, but you get a better outcome.

**The Hon. RICK COLLESS:** Were they all facilitated sessions?

**Ms NEWMAN:** Yes. Separate regional council groups had input into that as well. It was a long time in the preparation and there was the infrastructure commitment through that as well.

**The Hon. PAUL GREEN:** What did you see as the strengths and weaknesses in that system?

**Ms NEWMAN:** The strengths were in the people around the table doing the preparation.

**The Hon. PAUL GREEN:** A willingness to engage?

**Ms NEWMAN:** Yes.

**Ms BURT:** And ownership.

**Ms NEWMAN:** An example of the way not to do it is the draft North Coast regional plan. I do not mean to slur any of the departments involved in that. All the councils have recently prepared growth management strategies. Our ability to have input into the development of that plan was incredibly limited. In the last phase, directors and planning staff were invited to meet with Department of Planning and Environment staff. We had two hours in a room with the draft. We were not allowed to take it away and we were not allowed to see it before we got there. That was incredibly frustrating. We all said, "What are we going to do in two hours?" So, yes, we were consulted, but not in the same way as everyone else who had an interest.

**Ms BURT:** I agree.

**Mr CONNELL:** The point that Ms Newman made before was that we were going to be a new region and we were asked to consult on a significant document and process while we were still getting used to the idea of being part of a much-extended region. While there is generally goodwill among councils that come have together, how do you work out a series of priorities and make important strategic decisions in a two-hour session? It is not workable.

**The Hon. PAUL GREEN:** But would not a lot of those priorities already have been dealt with? You would have worked on your local plans for years. You would have known where you wanted to go. That would have been embraced at a higher level. I agree that two hours for that meeting is shocking and that you had no opportunity to have ownership of that document before or afterwards. But would it not have been a matter of bringing together what most councils knew beforehand?

**Ms NEWMAN:** They were not regional priorities. They were not regionally focused, which is what Mr Connell and Mr Boldy were saying. It is not just about joining—

**The Hon. PAUL GREEN:** Were they focused on planning priorities or economic priorities?

**Ms BURT:** The problem with the process is that it did not really identify the challenges that the region has at the present time. That would be what we would want the strategy or the plan to address. What are the challenges? Where are we trying to go? What are the aspirations of our communities? What does that look like for strategic land use planning and infrastructure planning? It is not just about roads; it is about our telecommunications capacity and social services. There are a range of things that are important and quite challenging at the moment. As a region, we would like to collectively sit around the table with various agencies and develop a plan.

**The Hon. PAUL GREEN:** In that plan did Taree fight for something that Port Macquarie wanted?

**Ms NEWMAN:** We do not know.

**Ms BURT:** We have got no idea.

**Mr BOLDY:** That is the other thing. As a document, if we are supposed to operate as one region, it is hard enough to get involvement with our little far North Coast subregion, let alone get any involvement with Coffs Harbour or Port Macquarie. We do not even know who some of those people are, let alone talk to them at a regional level. You mentioned growth management strategies. I said at the outset that I think regional plans are a very important document in terms of investment attraction and giving a narrative of what growth you like. No key drivers are identified for what growth really should be in the region. What will drive it?

We know that there is tourism and we know that there is a bit of agriculture, but in terms of the broader context of markets, be they interstate or global or whatever, there is no articulation of any of that. Growth here has often just been, "What is the average of your past five years residential growth?" And you project that into the future. That is not a plan; it is just a projection. That says nothing about what you want to do or how you want to get there. That is where there is a missed opportunity, and also how the region works.

We had quite a debate here about the role of Lismore versus Tweed. A lot of it was hung up about the term "cities" and the like. If that was discussed early on in the piece and instead it was more about what is the function of those centres and whether they are they regional centres, we would say, "Yes, they are." Are they different in their roles? Yes, they probably are. That could have been ironed out early on in the piece but instead a tag was slapped on which caused considerable consternation in the area here and it probably missed some of the other arguments.

**The Hon. PAUL GREEN:** Was that a bureaucratic tag or an elected tag?

**Mr BOLDY:** I think that was a bureaucratic tag.

**The Hon. PAUL GREEN:** Because most elected people realise the uniqueness of your towns and villages and your regional centres.

**Mr BOLDY:** It is not one that is necessarily used in planning language. We talk about centres as opposed to whether or not it is a city. Yes, it is a city and so are Sydney and Brisbane. It is more about what role does it play. Is it a regional centre, a principal activity centre or a subregional type centre? That is out of context.

**The Hon. PAUL GREEN:** Are you happy with where the strategic regional plan is up to?

**Ms NEWMAN:** We are not sure where it is up to, to be quite frank. We were told at a meeting last week that a new person has started on the executive in Sydney so they think it might change again. So we are really not sure.

**Ms BURT:** That is probably a good point to bring out. A lot of the planning for our region is driven by Sydney, not the region itself. Again, we find that if we have a relationship and work with the agencies within our region the outcomes are often a lot better in that the particular staff are more familiar with what we are talking about, whereas once it goes to Sydney it seems to get lost in a larger policy vacuum.

**The Hon. PAUL GREEN:** It is exactly for that reason that we are conducting this inquiry. We need to ensure that regional people are in charge of their planning processes.

**Mr CONNELL:** I refer to your earlier question about when the councils came together to discuss that draft regional plan. The issue is that because we have been working together as a region for some time we have formed relationships and we know people. We all have a pretty good understanding of the issues, the politics and all the elements within our particular region. When it came to going to another region we were trying to be polite but we were not really in a position to do so, as we said. We did not have a relationship and we did not have a full coverage of those issues. I am sure that the other group knew their issues pretty well, and that was the difficulty in cobbling together that larger area in one hit like that. We are very confident about it and we certainly regularly meet.

The Northern Rivers Regional Organisation of Councils [NRROC] is a very good model compared to other models that I have seen. It has a strong level of both executive, political and officer input to it. All the groups are very functional and we do regularly meet. I think that is the strength that we would like to see going forward. Whatever decision is made by the Government we will certainly support it, but I think that there is certainly strength in the fact that we have established networks in our NRROC region which can really contribute to a good strategic planning base.

**The Hon. PAUL GREEN:** You are suggesting that the strategic plans should be fundamentally rammed through the regional councils, given that their relationships have already been built and are established, and they know the narrative? Would that be a better way of ramming them through rather than going down a bureaucratic pathway?

**The Hon. RICK COLLESS:** How do the boundaries compare between NRROC and the North Coast Regional Plan?

**Mr CONNELL:** They are quite significant. There is a joining of the mid coast area with the new North Coast Regional Plan.

**The Hon. RICK COLLESS:** Would you describe the councils that are in NRROC?

**Mr CONNELL:** Yes, all the councils here today except for Ballina.

**The CHAIR:** All the councils here today plus Ballina?

**Mr CONNELL:** Yes, sorry. Then you have got the mid coast which goes south down to —

**The Hon. RICK COLLESS:** I am trying to get a handle on the NRROC area which you say has worked reasonably well compared to the North Coast Regional Plan which also takes in the Clarence, Coffs Harbour and Port Macquarie council areas.

**Mr CONNELL:** Yes. It is not only the discussions that we have amongst ourselves; we need a very strong relationship with the State Government, particularly with the Department of Planning, and a strong relationship with its regional office. That is the interaction that we do need. Just for the pure logistics of having meetings and what have you, we do not find the travel too impacting at all. We generally find a central point where we meet. Ballina is often a good meeting point. But to suggest that we are going to travel down to Coffs Harbour or conversely for those regions to come up here, it is a huge impost. I think there is a very strong basis, and I think the general feeling—and I have discussed this with our councillors—is that we feel very supportive of our current NRROC arrangement and we are struggling to adapt and find that transition to the new broadened area.



**Mr BOLDY:** I think the way NRROC works at an executive and officer level is a very good resource to use for planning purposes. You get a good cross-section of technical and political, and I think both are very important. The risk is if you start to spread that out over a much broader region, that resource just becomes a lot more diffuse and you start to lose some of its punch, whereas here it has developed into a form that, as I say, works well and can help inform these sorts of processes really well. There are some very knowledgeable people both at the political level and at an officer level which could provide the State, be it regional planning, exercises or similar, with a good means of getting a good evidence base into that sort of planning process. That is what was a bit lacking, from my observation of the regional plan.

There was no real political involvement in there as opposed to the Queensland model. Under the Queensland model the Minister sets up regional planning committees. The mayor of every one of those councils within that region is involved, agencies are involved and it is the toing and froing of ideas. But the planning agency is responsible ultimately for putting the document together. But it gets tested along the way and you come up with a document that says something about the direction that those stakeholders want to go in. That is at the forefront of good planning, I think.

**The Hon. PAUL GREEN:** It is collaborative because mayors know what the vision is because they have been elected.

**Mr BOLDY:** Correct.

**The Hon. PAUL GREEN:** The general managers have knowledge of the planning laws and they know how to engage with what the mayors are bringing on. Then you have the financial directors who are also engaged. They are able to put these plans together and move forward. But if that then moves up to the bureaucratic level a lot can be lost. It will be missing the heart—the relationship with and understanding of local communities that have evolved as a result of all those strategic relationships—and it is then clinically put into a planning process.

**Mr BOLDY:** It can. As I say, you have got to have a good relevant vision. It has got to be a real one, not just some generic white bread thing, which we tend to have. Unfortunately, the North Coast Plan is probably down at that sort of level. It has got to be relevant to the region. You are not likely to get that if you are relying on bureaucrats in Sydney—you are only going to get that out of the people in the region—and it has also got to be something that you can actually get onto the ground. That local knowledge, political knowledge, the officer knowledge and also the other stakeholders, those people who are involved in business in the area, or want to be involved in business, they are the ones who are going to give you a good, strong, robust plan and help you realise that vision.

**The Hon. PAUL GREEN:** Last Monday when the Committee was at Albury we saw the Evocities model where a lot of councils came together to drive economics, planning and opportunity. It can work, so it is very important that we get that blood clot, so to speak, away from the bureaucrats, between them and the Northern Rivers Regional Organisation of Councils [NRROC].

**Ms NEWMAN:** We have a very good relationship with the regional office and in working with those regional staff.

**The Hon. PAUL GREEN:** But in Sydney.

**Ms NEWMAN:** It is still Sydney.

**The Hon. PAUL GREEN:** We have to get it out of Sydney.

**Ms NEWMAN:** Yes.

**Mr McATEER:** Can I just give one example? NRROC started a process with an integrated regional transport plan. Halfway through the process Transport for NSW took over the process and we ended up with a generic regional transport plan—not an intergraded plan at all. That is a classic example of where the bureaucracy has taken over the process from the regional group.

**Mr BOLDY:** We do not want to make it an "us and them". It is not that people in this region do not want to have anything to do with Sydney. There is a lot of knowledge there and a lot of resource, but it is how you tie it together. How do you get best advantage out of it? Ultimately, a regional plan has got to fit within a State framework as well.

**The Hon. RICK COLLESS:** We need a defined hierarchy for that planning process—NRROC or the Far North Coast Regional Plan fits here, the Mid North Coast Regional Plan fits there, and it goes down the coast. All those plans have to be linked together so they are coordinated.

**Mr BOLDY:** They should, and they should fit within the implementation frameworks. Whether it is legislation, statewide strategies, separately little sector strategies, all of that needs to align a little bit for a regional plan to work well. Where do you want to go? What do you want to do? Ultimately, that has got to come out of the region. You cannot have that second-guessed by people. That is very, very important. It is putting that sort of stuff together into a document and making sure that it is consistent with where the State is going in its broader implementation frameworks. That is a good role for the State to play, that is a good role for Sydney to play.

**The Hon. PAUL GREEN:** If you do not have that ownership you end up pulling away. No-one owns the document, everyone goes back to doing what they believe their community's expectation is and nothing happens.

**Mr BOLDY:** We do not want a dust collector.

**The Hon. PAUL GREEN:** You just slog your way through the future.

**Mr BOLDY:** That is right. We want something that is going to help us make our own luck.

**The CHAIR:** A few of you have mentioned infrastructure issues and lack of coordination, but there is a good example here of the reverse—for example, the Pacific Highway duplication and upgrading has been on the books for many, many years and has been underway for many, many years. That is a key piece of infrastructure for your region. Given the knowledge that that is going to be produced, how do you work that into your own planning processes? How does it work on the ground?

**Ms BURT:** For Byron at the present time it is a major consideration because of Ewingsdale Road and the situation we face there. We have more than 16,000 vehicles a day on that road. It is challenged, subject to road blocks and all sorts of issues at the moment when the traffic hits peak times.

**The Hon. RICK COLLESS:** Can you explain where that road is?

**Ms BURT:** Ewingsdale Road?

**The Hon. RICK COLLESS:** Yes. Between where and where.

**Ms BURT:** It is from the Pacific Highway into Byron town centre. What we have got in Byron in particular is a bit of a growth corridor, be it organic, at the moment with a number of developments that have occurred either through zoning or through land use in the zonings creating a lot of pressure. The Town Centre Master Plan for Byron has just been adopted by council, which is looking to revitalise and redevelop the town. So there is a lot of pressure on that road because of where it is, what is on it and where it leads to. That is at the forefront of council's infrastructure planning. At this point in time we are looking at what it will cost and who needs to be involved in terms of duplicating that. That is millions of dollars, and it fits outside of some of our funding models in terms of if it is 94 or 94A, or even voluntary planning agreements. So it is quite challenging at the moment and there are discussions going on with the RMS and other agencies to see if we can resolve that. But, again, it needs an all-of-agency approach as well as a development approach.

**Mr CONNELL:** I think it is just that it is very piecemeal—the discussions, negotiations and identification or understanding of the State's priorities when it comes to major infrastructure such as roads—and it is very hard for the councils to get their heads around that and their future planning. It tends often to be an individual lobbying exercise from councils at different points of time. When developments and development sites come up that you need to unlock, you are all in there trying to get a meeting with the relevant Roads and Maritime Services [RMS] representative et cetera, and you have got your local members obviously thrown in the mix as well. Everyone is trying to do their best but if there is no sort of broader State vision clearly saying that if council is being unreasonable in some disparate sort of development wanting RMS funding and infrastructure commitments, that should not distract a broader vision there. I suppose it is that fact that we all struggle to understand.

There is probably a lack of vision from the State's perspective, but a lack of interaction and regular dialogue with a common purpose of: Where are we heading with this? So the State does not get distracted and pestered by councils at different times unreasonably, whereas if they have got genuine development sites, major development sites to unlock that is when they need the State's assistance. Take the Tweed area, we have got as much development planned on our books as anywhere in the State and we need to unlock some major access onto the major highways. Once again, it is really a direct individual lobbying exercise for the council and its local members to get the attention that it needs to facilitate that development.

**The Hon. PAUL GREEN:** Earlier Mr McAteer made a really good point about the sewer and water supply. The Country Towns Supply and Sewerage Program is a major part of infrastructure growth and the

capacity to pay for that program is quite often restricted in smaller towns and villages. Do you want to make a comment on how that helps or hinders your opportunity to cater for the future of your villages or towns or shires?

**Mr McATEER:** In the example of Casino, we are at a pinch point now with land supply for urban growth. We are seen as an affordable housing centre on the North Coast. We are inland from the coast and we have a lot of regional migration from the coast or from Lismore towards Casino because land is cheap. The problem we have got at the moment is to release more land we have to go to sort of satellite areas of town—because we have floodplains surrounding the town—and to establish those services it is quite expensive. We are looking in the order of \$6 million to \$8 million just to extend the services to one area and we have identified potentially three or four areas where we could go. Therein lies the issue from council in funding that infrastructure is: Which one do we throw our money towards? Which one has the most interest? Asking a private developer to provide that infrastructure is not on because while we are expecting positive growth, and the demand is there, that sort of return on a \$6 million to \$8 million is over a 20- or 30-year period. Developers are not interested in that sort of risk. So the regional plans when we were in our sort of initial discussions were: Okay, we are going to push infrastructure into the plan and funding of that infrastructure. Now my understanding is that the infrastructure side of things is still there as part of the implementation but the funding from Treasury is absent. What we have got at the back of the draft regional plan is a list of councils with developments that are going to need some sort of financial assistance for that to happen and a commitment from the Department of Planning and Environment that it will help us try to find sources of funding.

**The Hon. PAUL GREEN:** Is that an upfront cost that you would be happy to pay back over time?

**Mr McATEER:** I imagine that we could put a contribution onto each lot to repay that money. As I say, from council's perspective we do not have surplus funds to throw at it.

**The Hon. PAUL GREEN:** Sure, but if you got a hand-up that would be helpful?

**Mr McATEER:** Yes, it could be an interest-free loan or something along those lines. That would help us to pay back per lot contribution over time, sure.

**The Hon. RICK COLLESS:** Thank you for your good submissions and, particularly, your good recommendations. I go back to cross-border issues. Are there any inconsistencies with planning regulations on either side of the border that are inhibiting growth and development in New South Wales?

**Mr BOLDY:** I think legibility of the system. The system in New South Wales fundamentally is still pretty much what it was in 1980, when the Environmental Planning and Assessment Act was introduced. Queensland has had a couple of iterations. A great example is the State Environment Planning Policy [SEPP]—and I cannot even give you the number of SEPPs. It does not matter whether there are 20, 30 or 40 of them; in Queensland there is one. There is one State code for all of those policies. The policies all reflect the State's interest in planning matters and the codes articulate how those matters are looked at. The Act sets the framework for how assessments are done and the like. It is quite a legible system, not necessarily perfect but much easier to understand. It is particularly pronounced here, being just across the border. Sydney is going to grow just because it is weak. The system is not irrelevant but it is so big and quite prosperous already. It is always going to grow and so it is not as big an issue. But for us, we are competing with a system that is just across an imaginary line, which is miles simpler. If you are an investor and the land either side looks the same, you are likely to go where it is easier for you. That in turn gets bigger and more attractive, so the distinction between the system is helping us lose advantage in the area. It is very important here.

**The Hon. RICK COLLESS:** Mr Boldy, you said that we need an overhaul of the planning system. What process should we go through to achieve that aim? We need to establish the bones of a new planning system. Do we need to throw out the old Act completely and start again? How would we go about finding the bones of a new Act?

**Ms NEWMAN:** It was almost there and then it was thrown out when the Government lost its nerve.

**Mr BOLDY:** There needs to be government commitment to go down the process of change.

**The Hon. RICK COLLESS:** The white paper, green paper process almost got it, is that what you are saying?

**Ms NEWMAN:** It had the elements of it. It had good strategic planning and regional planning. There are always things that can be improved, but it was almost there.

**Mr CONNELL:** It was an excellent process. The commitment of the Government at the time showed that it was really striving for it. It was a best-practice system after much investigation both nationally and

internationally to find the best for New South Wales. There was great consultation, great communication and the information was clear. It is such a shame, and everyone was really disappointed, that it fell over. Yes, you have to throw out the existing Act. It has tried to cobble together elements that are different—issues such as native vegetation. It got confused along the way between economic and social issues. There has been an attempt to fit too much into one Act. It has to be simpler. There are other great models. The Queensland Act has been totally simplified, as is the case in other States. You would have to seek a fundamental overhaul, rather than just retrofitting piecemeal.

**The Hon. RICK COLLESS:** That is very useful feedback.

**The Hon. ERNEST WONG:** In two submissions, both councils support a stand-alone regional development plan, but with a need for flexibility. When you talk about flexibility, what model are you looking at? Are you looking at spot rezoning? If so, how would the EPA play a role within regional development?

**Mr BOLDY:** How you do it through rezonings and the like is important and it has to be streamlined—

**The Hon. ERNEST WONG:** It is the end of the line.

**Ms NEWMAN:** It is the end of the line, exactly. What is more important is working out what you want to do and why you want to do it. But that is the value in regional planning. Its value is in the strategic sense more than in the statutory sense. The focus for us is about where we want to be strategically and how we want to get there. Whether you do spot rezonings is an aspect of detail. It is more about why you want to do it.

**The Hon. ERNEST WONG:** I am trying to find out exactly what you mean by flexibility. Is it flexibility in executing the whole plan, within the plan or at the end of the plan?

**Ms BURT:** I think it is the deliverables of the plan in terms of having the ability to make amendments or changes that suit communities as they arise within those communities. At the present time everything is quite standardised—the standard template LEP does not suit all circumstances, and there are all sorts of issues around how we manage that. The Codes SEPP is another example where it is a one-size-fits-all. Most of the councils on the North Coast cannot benefit from the Codes SEPP because of the exclusions in it. Again, I think it is about the deliverables from regional planning, which are a framework, the structure of a plan, what we want and where we want to be, an action plan in terms of how to get there, who is involved and what it will cost and then the details in terms of each of the communities and working out what that will look like in terms of a local strategy and planning deliverables to achieve the greater vision.

**The Hon. PAUL GREEN:** You said that the process was heading in the right direction and probably would have got there. Was one of the best things about the process the fact that it was dealing with the contact with the community and taking out the risk for the developer so that the developer would have confidence that a development would get up?

**Mr CONNELL:** I think it was really overtaken by Sydney. Most of the regional areas—and probably some of the Sydney structure in that fraternity—were looking for change, but realistically it got down to issues that do not relate to regional issues such as the very fussy bits of the planning system in inner-city Sydney. That really dominated the discussion, and it could have been managed in a different way. In terms of actually getting the structure right and the flexibility of local areas to develop their own specific planning systems for their needs, that is where the process was headed in the right direction but unfortunately fell over.

**The Hon. NATASHA MACLAREN-JONES:** Mr Boldy, in your submission you refer to catalyst action programs to promote development. I would like to know more about them, particularly what you would see as programs for the area.

**Mr BOLDY:** That is all about where do you want to go and how are you going to get there? Are there things that might be priority things that you would like to see done that will in turn catalyse other things? In our region of the Far North Coast, in the hinterland area, the council has been advocating the Summerland Way, Mount Lindesay link. That is about getting access to markets, to transport hubs in south-east Queensland for export purposes, growing our agricultural sector, growing our value-add for the agricultural sector and doing that through some infrastructure catalyst. This goes to something we were talking about earlier on regarding the Pacific Highway and how you do infrastructure spend. There is often a reluctance with State agencies, Treasury in particular, to have any financial commitment.

**The CHAIR:** It is their job.

**Mr BOLDY:** That is not the issue. We are talking about a plan for the future. It is about kicking things off. Identifying things like that. With the agricultural sector a catalyst might be an infrastructure piece of work which is going to grow that sector into the future which, in turn, attracts jobs and people into the area. You have

to look at it that way in terms of what is your strength. Our strength in Kyogle is agriculture. We have certain catalysts for our area. On the coast there might be different things to look at. It is about being strategic, working out how you are going to get to where you want to go and identifying what are some of the key aspects and focusing on them early in the piece. Having that embedded in your narrative and the staging as part of your narrative—how are you going to progress your plan?

**Ms NEWMAN:** If I could give an example for Lismore on infrastructure, it is the base hospital funding. It is critical to Lismore's future. Brilliant, every one loves it and it is a real catalyst. Lismore is a service centre so it has added to that. Just a quick comment on infrastructure though. There is no contribution to local water and sewer. If that was a private hospital council would be able to put something like \$2 million towards water and sewer, but we cannot on the State hospital. Those flow-on impacts are that the community has to fund it. The impact of that on the roads. The community is very grateful and the hospital is significant to Lismore and significant to the region. When it comes to infrastructure there needs to be a bigger understanding of local infrastructure and the impact that has on costs for councils, communities and developers of having to provide that water and sewer.

**The Hon. PAUL GREEN:** Does the Department of Health apply to another government agency to waive it?

**Ms NEWMAN:** They build their hospital and the infrastructure keeps up.

**The CHAIR:** They build the hospital and assume that the tax will work?

**Ms NEWMAN:** The Crown is exempt. Council initiated a process with the local health district around the redevelopment of the hospital and that has been a really good process. Ultimately we have to then apply for funding to upgrade sewers and so on. It is a catalyst.

**Mr BOLDY:** The plan helps validate what you want in terms of infrastructure priorities in the future. That is what a good plan does. It helps validate infrastructure spend for the State as much as it does for councils in the region. That is the benefit of doing it that way. Whilst the current draft regional plan has gone up a couple of notches and has a lot of good stuff there is an opportunity to go a little further and make it a really proactive plan for the area.

**The Hon. RICK COLLESS:** If I can go back to the issue of infrastructure. All the people we have spoken to throughout the course of the inquiry have raised that as a major impediment to regional development. In the Richmond Valley submission you talk about that at some length—the cost of infrastructure making development generally unviable, depending on the cost. You give an example of servicing a new urban release area costing \$6 million for water and sewerage infrastructure before it can commence. On that particular example you gave can you tell us how the section 94 contributions were levied and what was the quantum of those levies compared to the cost of providing the infrastructure required?

**Mr McATEER:** That is not even including the section 64 contributions, that is purely and simply to build lighting mains, sewer mains, pump stations, reticulated water from the existing settlement out to one of these satellite communities. That is before you even release your first lot.

**The Hon. RICK COLLESS:** The section 94 contributions you levied did contribute to that?

**Mr McATEER:** We do not charge section 94, we have a section 94A plan which would recoup potentially half a per cent or one per cent if the development exceeds the \$100,000 or \$200,000 limit. There would be a small contribution from the development. At those rates you are not going to recoup a multi million dollar investment on infrastructure. We would be looking at a special section 64 charge, albeit there are limits on how much you can charge there. At the end of the day if a private developer invested in that sort of infrastructure and there were other developers who were going to come online we would look at voluntary planning agreements to recoup those funds.

**The Hon. RICK COLLESS:** That was a council development?

**Mr McATEER:** No, that was a private development. As I say the interest was there to release these lands, but based on that infrastructure they do not see it as viable. That interest has gone cold now. We have lost the momentum that we had. Council invested a lot of money into cultural heritage assessments, feasibility and looking at yields. We funded the water-sewer assessments and as soon as you see that the reality hits. That is not everything. We would have had road infrastructure, telephone and power. A lot of infrastructure would have been put on. That is \$6 million for water and sewer.

**The Hon. RICK COLLESS:** Can you give us an idea about how you think that should be sorted out? It is all very well to say that the State or Federal Government should pay for it but ultimately it is you and I that

are paying for it. It all comes from the community somewhere at some level. What sort of process should we go through to make that more achievable?

**Mr McATEER:** Looking historically it was slightly different. There used to be a fund available for small villages to be sewerred. We have a couple of small villages that were on septic systems. There was this fund available.

**The Hon. RICK COLLESS:** Country towns water supply and sewerage plan.

**Mr McATEER:** That was it. When it came time for us to build infrastructure the fund was empty, there was no money available. Possibly a scheme like that to provide funding on an interest free loan arrangement or low interest loans. I do not think that there is any suggestion that it should be a free ride for the developers.

**The Hon. PAUL GREEN:** They would.

**Mr McATEER:** Up front investment to assist in small regional councils where that is a major investment. That is probably a quarter of our budget for a year. We do not have that sort of money laying around.

**The CHAIR:** With regard to the project you spoke of, what was the yield for the lots?

**Mr McATEER:** It would have been in excess of 1,000 lots. That quite possibly was a 20-year supply for Casino.

**Ms NEWMAN:** The margins are not there in places like Lismore and Casino. In Sydney you say \$25,000 a block for infrastructure. Here it can be the difference between doing a development and not doing it and yet there are lots of benefits in doing the developments in Lismore and Casino. It is not on the coast, which is stressed—all those sorts of good planning reasons.

**Mr McATEER:** As I said before, Casino is seen as an area with affordable housing. Kyogle is probably in the same boat. You can buy a fully serviced block of land in town for \$120,000. Putting aside that \$6 million or \$8 million, when your infrastructure costs are around \$60,000 to \$70,000 and you have to buy the land on top of that, there is not a lot of margin left for profit. The carrot is not there to entice the private developer to invest in that. There has been a big push lately for affordable housing. Land might be \$120,000 in Casino. In Lismore it is probably \$220,000, and if you go to the coast it is \$500,000. The area is entry level for a lot of first home buyers.

**Mr BOLDY:** We talked earlier about what sort of analysis has been done. There is a very important type of analysis that probably has not been done in this area. Where do you want to spend the infrastructure money, why and over what period of time? How does that facilitate growth? What are the benefits of that? Sometimes people think, "If they are going to spend money in that area then we are not going to get it." It is not like that when you analyse it more carefully. In Kyogle's case we are not averse to growth being directed to Lismore or Casino because they have abilities that Kyogle does not. They have transport hubs and services that Kyogle benefits from. The Kyogles of the world get to leverage off those centres. Strategically, directing growth or using seed funding to start that growth can have advantages for places like Kyogle. We are not talking about huge numbers. If we get a percentage or two of growth then that contributes significantly to our prosperity. Good regional strategic planning does that. It asks, "How do you get the best bang for your buck across the region by using your resources wisely?"

**The Hon. RICK COLLESS:** Mr Boldy, you made a comment about there being major agricultural industry in the Kyogle shire. Has the application of e-zones on some of that agricultural land put undue restrictions on agriculture?

**Mr BOLDY:** I was not at Kyogle when the e-zones were originally devised. My assessment of them is very similar to that of the paper that the State Government put out. The science was not necessarily there to back those zones. There was a lot of discussion in council about the e-zones. It caused a lot of concern across the community, some of it probably undue. The council resolved to take them out, in line with the Government's recommendations for Kyogle. For Kyogle at the moment it is not an issue because council decided to go back to a blank slate. If there are to be any environmental areas there, the decision is to do it properly, in accordance with the guidelines.

**The CHAIR:** Are there any other comments on e-zones?

**Ms NEWMAN:** Lismore did it with science, according to the guidelines we had for the implementation of environmental protection zones. I believe our experience was common to other councils, such as Byron and Ballina. Richmond Valley were lucky; they got through early. It was like that. Was it perfect?

Did we apply the zones perfectly? With hindsight, probably not. Was it going to impact on agricultural production, which is very important in the Lismore local government area as well? No. However, that probably was not very clear to landowners. There was a lot of politics around it that, to be honest, was mischievous. It was not clear to landowners what the impact of the zoning would be. The realisation for Lismore City Council is that if farmers are confused about the impact of e-zones and the e-zones are not necessarily going to protect the environment then we need a better system of environmental protection. Rather than focusing on the tool, we should focus on the outcome.

**The CHAIR:** That is a good point.

**The Hon. RICK COLLESS:** Mr Boldy, in your submission you talk about a time when the demand for sustainable management practices was much more of a key focus. Do you think there has been a changing of the guard over the impact of environmental management and achieving a better balance between the social and environmental aspects?

**Mr BOLDY:** I think there is a change in emphasis. When the original Act came in in 1980 society had a very strong focus on the environment. That is not to say that it does not now. I think the systems have developed so that environmental management has become mainstream. There are different views on how effective that is. Now there is an increasing focus on growth, on economics. That is not necessarily reflected by the language of the legislation in New South Wales. Without meaning to denigrate the environment, it is all about the environment. Language is important because it is all about the message you send to the target audience. As part of attracting investment you want to make sure that you have the right balance. In that sense, the current Act is not as contemporary as it could be.

**The CHAIR:** Thank you so much for your time today. This has been a very interesting discussion.

**(The witnesses withdrew)**

**KERRY GRACE**, Chief Executive Officer, Regional Development Australia Mid North Coast, affirmed and examined

**ALEX SMITH**, Chief Executive Officer, Regional Development Australia Northern Rivers, affirmed and examined

**LORRAINE GORDON**, Program Director, Farm Co-operatives and Collaboration Pilot Program, Southern Cross University, sworn and examined

**The CHAIR:** Do you want to make an opening statement?

**Mr SMITH:** Yes, I would. Having been in the job for only three months but having had a long career in business around the world and 20 years here in the northern rivers region in a variety of different businesses, I took the job mainly because of the economic development aspects. I want to state that the mission of Regional Development Australia Northern Rivers [RDANR] is to drive economic sustainability and that means employability of a work force, strong healthy businesses with money to invest and growing. That is what our job is. There is a lot I could talk about with that but I do not intend to. I just want to focus on one area, that is, the speed at which the south-east Queensland economic area is growing and our ability to take advantage of that—not to try to accommodate it but to actually play into it and drive investment in the northern rivers region that can interlock with that growth area.

The Queensland Government has defined the Scenic Rim area as a strategic development area. The forecast is 36,000 new jobs in that area by 2030. There are several reports that have been published along those lines. I understand my colleague Manfred mentioned the Mount Lindesay deviation and the Bromelton freight exchange but I will cover it again quickly. There is a very sizeable intermodal freight hub being built at Bromelton near Beaudesert. The reason it is being built there is that the Port of Brisbane has stated to the major transport companies that the cheapest way to get containers to the port is by rail, not road. So SCT Logistics, the commercial partner in that, has decided to build that freight exchange there.

The reason that we have this problem with being able to tap into that economic growth for the northern rivers is we cannot get heavy vehicles through Kyogle up over that range to the Mount Lindesay range and to that Bromelton freight exchange. I will give you an example of how incongruous this is. Trains come up from Sydney with double-stacked containers. They get to Casino. They take off the top stack because you cannot get it through the tunnel in the switchback to get it over the range. They put it on trucks. They take those trucks through to Tweed and up through the Gold Coast and then to the Port of Brisbane.

A \$60 million investment to upgrade the deviation of the Mount Lindesay Highway would allow us to take those trucks straight through. It is a \$1 billion investment to fix the tunnels on the train line. Just fix the road. My view is that if the deviation went through it would put Kyogle within 70 kilometres driving distance. One-third of the population of the Tweed shire works in Queensland. Approximately 3.2 million people are within two hours drive of where we are sitting right now. We have to have an economic strategy that plays into or taps into that growth. We cannot pretend that Wollongong and Sydney do not exist. That is all I want to say.

**The CHAIR:** Members of the Committee had very interesting conversations with the councils before you arrived and you are all singing from the same song sheet.

**Ms GRACE:** Similarly to Alex, I have only been in the role quite recently, five weeks in fact. I apologise for my colleague Lorraine Gordon who is obviously no longer in the role. She has just been held up in traffic. What I can bring, as well as the Regional Development Australia [RDA] information, is nearly two decades of working in the community economic development context. My work has been with many of the most marginalised people throughout the region of the mid North Coast, which is where I have been based, in particular, Indigenous communities and youth as well. I have some really good context around how planning can support, or not, growth for those people.

**The CHAIR:** We would all be interested in hearing a bit more about that as we are in the process of concluding our other inquiry specifically into Aboriginal enterprise development and the planning issues there. So feel free to provide us with more information on that.

**Ms GRACE:** An example I can provide to the Committee is that I worked as a manager of an Aboriginal corporation in the community of Bowraville, which is just south of Coffs Harbour. You will probably hear about Bowraville quite regularly. During that time we saw more than \$1 million funding come into the community with the aim of developing enterprise. But one of the issues is that although the people working in the community sector are very astute in their skillset, running enterprise is not necessarily the



skillset, and that is where the money was resting. What you see in the community now is a lot of empty shops, empty opportunities and lost hope for the community because those strategies just simply did not line up.

I see an enormous amount of opportunity. I have consulted with the Department of Education and with Aboriginal Affairs about prosperity in Aboriginal communities. I see an enormous amount of opportunity in creating situations where community is completely bolted into industry so the opportunities that truly exist are leveraged by education, by non-government organisations and by not-for-profit organisations. It is very possible, particularly in the guise of social enterprise, to be able to bridge over what are essentially many labour markets programs and education programs that are actually going nowhere.

No doubt you have heard about recidivism of education where people have so many certificates that they can wallpaper their walls. But I think in a strategic planning sense, when I worked at Mimi, I used to keep planning documents that stood really high on my desk. They were local government, State government, Federal Government and different non-government organisations. The documents did not speak to each other. I really believe that significant change can come about when the documents are truly bolted in. There are lots of scraps that consultants can pick up. I have worked as a consultant. If they do not have the mindset of collaboration it is very easy for an organisation to take a direction and a community with them that is not cohesive to anything.

**The Hon. ERNEST WONG:** Some council representatives mentioned that the process of consultation has not been thorough enough and that not all stakeholders have identified the nature of development that would better suit individual councils. In your submission you referred to delegating local councils to the independent process. Would you be able to elaborate on that? In your submission you also said that agriculture and industry were of prime importance in the mid North Coast. What process would be more suitable to try to identify the nature of that regional development that is linked to economic development within the area?

**Ms GRACE:** My information I can share with you comes from the notes that my colleague has left with me and from the knowledge I have of the region from living there. I know that agriculture is a significant industry in our particular region. When it comes to the way the community has been consulted, my colleague Lorraine Gordon told me that the only consultation that went into the particular northern plan was one phone call. At the time she noted that it was just a tokenistic gesture that had taken place and there was no intention really to truly consult with the region's RDA about what might happen and then, as a result, the local governments as well. In terms of recommending how it could be better suited, I think there needs to be more thorough consultation on the ground with industry as well as local councils.

**The Hon. ERNEST WONG:** Infrastructure is probably of the utmost importance in relation to regional development. However, funding is critical to development. Usually councils rely on section 94 contributions, but only 15 per cent eventuates. What are your thoughts in that regard?

**Ms GRACE:** I must apologise as I do not feel I have been in the role long enough to have that information. Could I take that question on notice?

**The Hon. ERNEST WONG:** Yes.

**Mr SMITH:** I wish to comment on both questions. It seems to me that a lot of the regional planning is done bottom up through councils rather than looking at the economy of the region itself. Because of the way in which councils operate it is very difficult for industries to roll up their sleeves and get involved in economic planning which then drives infrastructure planning, et cetera. When you sit down with the chairman of Northern Co-operative Meat Company, or Norco, or someone like that and you ask, "How do we double the size of your business? What infrastructure do you need?" that is when these things come out.

It is not about section 94, or 94A for that matter. As a matter of fact I do not get involved in that. If you are talking about property development, that is fine, that is council. But when you are looking at infrastructure on a northern rivers perspective, a helicopter view, I am talking about highways so people can get their product to market so they can generate revenue, so they can reinvest their profits and hire people. People who do not have jobs find it difficult to buy houses. I think we have to go back to the other end of the chain and say, "How do we drive the economy at its base level? How do we identify the top companies, the top employers?"

By all means use the local government areas as a means to do the bottom up, get the joint organisations across this, have an infrastructure joint organisation so you have one voice on infrastructure for the whole northern rivers region or the mid North Coast for that matter. If you get your input from each individual council you will only get the perspective of rates, roads and rubbish. You will not get, "How does my biggest payroll in Casino make more money so it is not threatened with closure?" For example, Northern Co-operative Meat Company, the biggest payroll in Casino, brings the cattle in from Roma by road. It has to come in and it is processed there. They then shift that to their freezer works at Yatala in Queensland. One of the hindrances of them having to do is that they ship it in 40 foot containers but they can only half fill them because the containers

are too heavy for the bridges. So their half full containers leave the Northern Rivers and go to Yatala, are stored there, they fill the containers up and send them to the port of Brisbane for export.

**The Hon. RICK COLLESS:** So there is a pinch point there.

**Mr SMITH:** There is a pinch point, exactly. So how do you get that helicopter view of where that pinch point is? Do you ask the Kyogle Council or do you charter the infrastructure joint organisations with the job of mapping the infrastructure for the whole Northern Rivers? So I think that is, in my view, a better answer.

**The Hon. ERNEST WONG:** When we talk about regional and economic development at the end of the day we are trying to create jobs to make this region more sustainable. In that regard we are looking at two different issues. The first is the planning process to be able to achieve that goal, but you would probably be more into the business drive to help sustain this development. Have you ever had that sort of business dialogue with the stakeholders and the State Government to make sure that this is being articulated and communicated? Do you think that has been inadequate here and how can we progress it?

**Mr SMITH:** Just to jump in there. I have a lot of meetings with stakeholders. I am actually deputy chair of the Northern Rivers Cooperatives Alliance, which is the chairman of Norco, the chairman of NCMC, the chairman of the Macadamia Processing Company. These are \$700 million or \$800 million companies, they employ lots and lots of people. You sit down with them and you say, "How do we drive this? How do we make this a better place to live? How do I get the skills? The worst thing you can hear is they cannot hire the people because they do not have the skills. So what you need to do is to bring that by getting yourself involved in that. They should be at this Committee. You should be hearing from them. The other side is: How do you get that back to the State? You go to the regional leaders group meetings, you go through the consultation process of putting submissions in et cetera, but there are some fundamental barriers. I harp on south-east Queensland because in planning New South Wales there is a barrier. There are lots and lots of instances of, "We do not look over the border". That to me is crazy.

**The Hon. RICK COLLESS:** Can you expand on that, particularly in relation to the barriers that we see in New South Wales?

**Mr SMITH:** I will give you an example. I spent some time with Geoff Provest. Geoff knows the Tweed inside and out. He would tell me how many people actually live in the Tweed and work in Queensland, how much money the Tweed Hospital spends on Queensland patients—

**The Hon. RICK COLLESS:** He tells us every day.

**Mr SMITH:** Yes, I know he does. Did he tell you about getting Machinery Drive upgraded to a State significant road? Normally you would put a pin down and say, "What is the traffic around it?" But when Planning looked at Machinery Drive they only did the arch that was in New South Wales. To me that is crazy. It is not about investing in infrastructure so Queenslanders can use it; it is about coming up with strategies that mine the economic benefit of what they are doing there—convincing people to not build that factory in Burleigh, to build it in Murwillumbah. It is not that hard, the land is a third of the cost. That is what I mean about getting the stakeholders—maybe what we should be thinking about in the Northern Rivers is that the borderline should be a special economic zone. It should have its own economic strategy for the benefit of both States and it should possibly be one financial instrument. Maybe the State needs to say, "I will tell you what we will do. We will write a convertible note for X and we will invest it in that region but we want off the top the return on the investment." Why not give them the opportunity to do it? One of the things I have been pushing is that the regional development agencies [RDAs] should be the service provider to run the joint organisations, because we are the bridge between government, economy and local government. That maybe the way to do it.

**The Hon. RICK COLLESS:** In your role as chair of Regional Development Australia—

**Mr SMITH:** Chief Executive Officer. Don Page is chair.

**The Hon. RICK COLLESS:** Sorry. I am asking about the geographical area that you actually cover. As I understand it, it is principally funded by the Federal Government?

**Mr SMITH:** Yes.

**The Hon. RICK COLLESS:** Do you have any influence over the other side of the border?

**Mr SMITH:** I have only been in the job for three months but the general strategic direction I am taking is to work with Jock McTavish as much as possible as the Cross-Border Commissioner and to meet with all the politicians who represent the border. I also take the time to go over the border and meet with my counterparts on the Gold Coast.

**The Hon. RICK COLLESS:** So there is an RDA counterpart of yours based in south-east Queensland?

**Mr SMITH:** Yes. Scenic Rim Regional Council. There are really not that many—you have only got Scenic Rim and Gold Coast I think. Frankly, those people have their own strategies and they are doing very well. Scenic Rim, as I said, is a strategic development area but to go up into the Toowoomba area and have a look at Wellcamp airport, for instance, we are missing out. They have three or four Cathay Pacific freighters a week going out of there straight to Shanghai. Yes, I do cross the border and meet with them but we do not come up with one plan. We try and interlock our plans. For instance, if it is freight and supply chain plan mapping we would try and interlock them. What are they planning to do? So we are not leaving money on the table—we are not doing something over here, while they are doing something over there. We try and get it as close together as possible. It is about efficiencies.

**The Hon. RICK COLLESS:** The Committee has heard from previous witnesses that the NRROC area was a better planning region than perhaps the area that has been done under the North Coast Regional Plan.

**Mr SMITH:** This is where you get into one of the problems that is across the board in New South Wales. What is the Far North Coast? What is the Northern Rivers? What is the North Coast?

**The Hon. RICK COLLESS:** How far is your area?

**Mr SMITH:** Woolgoolga to Tweed. You would call it the Far North Coast, I would call it the Northern Rivers. NRROC covers that area, it is exactly the same regional footprint. Clarence Valley swings both—sometimes they will want to play in Mid North Coast and come back, it depends on whose votes they get. The way that I look at it is that the Northern Rivers is three river valleys: the Tweed, Richmond and the Clarence. They each have different economies and you have a strategy that focuses on each of those different economies. That Inland Way—now that the Grafton bridge is being built, it means that B-doubles can actually turn left at Grafton and go all the way. It was a nonsense to think you needed to upgrade it before then but now they are—

**The CHAIR:** I take the opportunity to welcome Ms Gordon to the hearing. Would you like to make a short statement? We have been having an interesting conversation about the economic development of the region?

**Ms GORDON:** Just a couple of things. One of the really important areas that I was working on when I was the Chief Executive Officer of Regional Development Australia was the importance of our agricultural and horticultural industries on the Mid North Coast, in particular for Indigenous communities and the opportunities that were there for Indigenous communities and younger people looking for work. In my time at RDA we did a lot of work on promoting horticulture and agriculture within the region, and that extends right up to the Far North Coast as well.

The other area that we were very focused on was affordable housing and medium density housing. We did some quite extensive promotion around granny flats as another alternative to get into affordable housing, and as another income for retirees and families. So I think the housing, agriculture and horticulture sectors are extremely important for the Mid North Coast. I also think that the linkages between west and east are often underestimated, including the importance of the opportunities that flow from the west to the east—instead of always focusing on north and south and the Pacific Highway. We need to make sure that those road linkages are at a standard where we can transport goods, services and people from west to east. That probably applies more from west to east than east to west.

**The Hon. RICK COLLESS:** I would like to ask about the environmental planning instruments. We heard from the previous witnesses that there were far too many different planning instruments in New South Wales—particularly when we compare it to what is happening in Queensland. Can you give us your view of how that is constraining regional development in your area?

**Ms GORDON:** In all honesty, at the time I was CEO of Regional Development Australia we had a town planner in our office. She was across a lot of these sorts of issues. I took guidance from her on some of the problems that were preventing industry development and so forth in the context of planning. I can only go by hearsay when I talk about the difficulties and challenges that people have in getting things done, getting them through and being able to develop industry opportunities. I have not experienced it first hand, so I can only go on what other people are saying.

One issue that has come up and continues to come up is the backlog of work that sits with Crown Lands. That is quite prohibitive in many ways of getting industry to be able to move ahead. It is all about time, I

guess, and if things do not move quickly industries just move to another region. The same applies to local government. If the local government does not have a can-do attitude it tends to—

**The Hon. RICK COLLESS:** You mentioned in your statement a few minutes ago that agriculture and horticulture are very important industries in the Mid North Coast area. I well understand the developments that are occurring, particularly in the blueberry industry. What are the planning constraints that are holding that industry back from going ahead as fast as it would naturally go if those constraints were not there? Are there issues that the planning process could sort out to allow that to develop further?

**Ms GORDON:** Certainly in the processing and packaging side of things. You could say that in some local government areas it is nearly impossible to get anything like that through these days.

**The Hon. RICK COLLESS:** You are talking about a processing plant rather than the actual growing of the fruit.

**Ms GORDON:** The growing is another thing. That is more about capacity-building between farmers—farmers working together. I am not sure that planning can play a role there.

**The Hon. RICK COLLESS:** What about the role of e-zones over agriculture land?

**Ms GORDON:** That is definitely a hindrance. The fact that the Native Vegetation Act is floating around in cyberspace and was not sorted is not helping. That does not help development either, within those sectors. The unknown does not help when people want to plan or to expand. If it is not sorted in one region people will go to where it is sorted. So we lose opportunity in that context. Trying to get any form of value-adding through packaging or processing is problematic.

**The Hon. RICK COLLESS:** Is there an issue with zoning or trying to identify fit-for-purpose land for the industrial-agricultural industry, such as packaging sheds? We have heard from other witnesses that there should be an easier road to allowing farmers to construct packaging facilities and even marketing facilities on the farm.

**Ms GORDON:** And processing facilities on the farm, even more importantly.

**The Hon. RICK COLLESS:** Exactly. There are all those sorts of issues. What are the constraints in that regard?

**Ms GORDON:** First you have to jump through all the hoops of local government, and then the Environment Protection Agency [EPA] has to come in and check whatever plans might be in place. For instance, I will talk about poultry. It is getting harder and harder to do anything with meat chickens because there is a limitation on how far they can be carted. There are very few processing facilities about. There are very few local government organisations that would support processing facilities for meat chickens. This is reflected in other industries, such as pigs, goats or other small—

**The Hon. RICK COLLESS:** The poultry issue has been raised with us already.

**Ms GORDON:** Poultry is a problem. The NSW Food Authority, unfortunately is not on the ground so you would have to talk to somebody in the head office in Sydney. If an investor wants to develop processing facilities they would want to talk to somebody or show them plans or ask, "Is this on track? Will this be accepted?" That person is not available. There is one person located in Sydney who you can talk to, and you will be referred to the web site. If someone is going to spend millions of dollars, referring them to the web site is pretty average. So that is an issue.

There are incredible opportunities, even for waste, to look at on-farm composting and all sorts of things. From an EPA perspective, that is sustainable and it needs to be supported, but I do not think that it is supported. There is just one barrier after another, so investors walk away. That is one of the biggest hindrances, particularly when you are looking at organic meats. The big poultry operators have big set-ups already in place but some people want to get into those niche agricultural markets. The North Coast is very good at that, but those sorts of things are a huge hindrance.

**Mr SMITH:** With respect to the blueberry industry, NSW State Development and industry have just engaged Regional Development Australia Northern Rivers to do a study of the blueberry industry purely from a business hindrance perspective. We are not looking at water or what-have-you.

There is one aspect that is going to cause problems for everybody, and that is the itinerant workforce. Where do they sleep? We have farms coming into the region around Grafton. A Canadian farm is coming in there that will have 1,200 employees. At Tabulam Mountain Blue Farms employs 700 pickers. About 100 of those would be locals so there are 600 Ni-Vanuatu, Fijians or whatever coming in on special visas. Where do

they sleep? Where do they get fed? How do they get transported? There has to be a solution to this because this study has come as a result of complaints made by council, NSW Department of Primary Industries [DPI], Local Land Services and Crown Lands all the way through to the New South Wales State Government to ask, "What are we going to do about it?" Couple that with the Woolgoolga area, where some of these farms are right up against people's back fences. Then you get spray drift and all sorts of things going on. As Lorraine has quite rightly pointed out, most of these co-operatives coming together, or the corporate farms, want processing facilities. So there is an industry that you could focus on. You could come up with the top six problems and solve them—let them grow.

**The Hon. RICK COLLESS:** When is the study that you are doing likely to be released?

**Mr SMITH:** We only just kicked it off last week. We want to have it done by year end. It is not going to be the magic pudding. We will say, "These are the issues. Here are some options. What is the next step?" With respect to the itinerant workforce, do we touch on visas? I am not sure that I want to go there.

**The Hon. RICK COLLESS:** There is not much we can do about that.

**Mr SMITH:** We probably should get input from the Department of Immigration and Border Protection to ask, "Have you got any plans?" The main thing is how you house the workers, because I do not think it is going to get any better. Even in Coffs Harbour and places like that there are issues with rented houses right now, which will blow up eventually. There are corporate farms. The Costa Group has a big farm at Corindi. Mountain Blue is a big farm. The Golden Lion group is coming in from Canada. There are a lot of smaller growers, as well, and we should not ignore them. But it is just to identify the issues and then come forward.

**The Hon. RICK COLLESS:** Across the North Coast, can you give us an idea of how many itinerant workers there would be as this industry develops?

**Mr SMITH:** There are probably a couple of thousand now. At the rate of growth of the farms, that could double in a decade quite easily, so you would be looking at possibly 4,000 to 5,000 itinerant workers coming in. They cannot all live in Byron. It is going to be a business issue. The Oz Group Co-op, which is a big cooperative for blueberries in that region with owner-operator farmers in a cooperative, needs to hire the pickers. They do not have the corporate presence to lobby in Sydney and get good lawyers to solve their problems. These are farmers in their own right, and I think that they need a voice. By the way, the blueberry industry is only one example of other industries in this part of the world that will use itinerant workers.

**The CHAIR:** Going back to our core focus, which is the planning system itself, in your submission you talk about flexible planning provisions allowing for unplanned opportunities to be realised. Please expand on that and perhaps give a few examples of the sorts of things you are looking at.

**Ms GRACE:** I guess one potential example could be that we are looking at a certain degree of flexibility. When I think of some of the projects developed through community economic development work, they can really come from left of centre. These developments need a degree of flexibility so that issues can be addressed. If community and industry momentum is there but they come up against a brick wall of planning rules or things that have not been identified, they become impossible. Once people lose that momentum they go back to why bother.

**The CHAIR:** Can you think of any examples?

**Ms GRACE:** One example I can think of is a man who owns what was a butter factory and it received a significant amount of Federal funding in partnership with a non-government organisation for a fit-out. The non-government organisation was a disability service and its intention was to set up a disability enterprise within that centre. An enormous amount of hoops had to be jumped through to make sure that the facility was fit for use, but by the time that happened the NGO had lost interest in it. The infrastructure that was purchased sat underneath the manager's house and hundreds of thousands of dollars were lost. Now the owner of that particular building has gone into some kind of business himself and he is value-adding some kind of cosmetic product.

**The CHAIR:** Some time ago I went to Townsville to talk to people about the Northern Australian initiative. How could we get the Federal system to provide the same sort of direction and support in an area like the Northern Rivers?

**Mr SMITH:** In the same way that the North Queenslanders did it, which is to promote the payoff—if you do X, this is what will happen. The Northern Rivers and some parts of the mid North Coast are like the South Island of New Zealand. You have to pick the winners and look at what industry will grow and what will gather momentum. You need to look at how to kickstart it. North Queensland has done what the Darling Downs

is doing. They did not wait for permission to build a jumbo airport. They built it and the first passenger flight is going out of there in the next few weeks straight to Shanghai. We have to play into that environment. We talk about environment planning. We have Byron in the middle of this, and in Byron a majority of people want things done in a certain way. But the corridor in the western side of the region through Kyogle and Casino could be the backbone of a significant growth area.

There is no reason why it could not become part of the strategic development area around the Scenic Rim. We should assume victory—we should assume it will and play into it. Then we need to look at what we needed to do to get it there. We need decent rail, decent roads and we need to look at investment cases and targeting the people looking at investing in those regions and say, "Do it here, not there". By the way, I noticed that the Premier of Queensland announced exactly that the other day to try to attract businesses from New South Wales into the South East Queensland model. Are we going to fight? The way to do it is to treat the Northern Rivers as a special economic zone but take into account the Byron Bays of this world. We have another project that is designed to kickstart agricultural technologies. I do not know what issues will come out of that, but driving the productivity of farming and horticulture in the Northern Rivers, supply chains and all those sorts of things.

**The Hon. PAUL GREEN:** You have talked about itinerant workers. Surely farmers have always needed a lot of manpower. Where did those workers stay?

**Mr SMITH:** The blueberry industry is new.

**The Hon. RICK COLLESS:** It is essentially on old dairy land, is it not?

**Mr SMITH:** It is essentially old grazing land. It just so happens that the climate and the soil are perfect for blueberries. The fellow who started it, Ridley Bell, was an agricultural scientist in Melbourne and he started to develop the industry. It is just that the product has to be hand-picked. Eventually a robot will do it, I am sure, but we are 20 or 30 years away from that. If you took green leafy vegetables, for instance, that is another area that is growing right across the whole North Coast. It has to be picked when it is fresh; there is a 24-hour cycle time.

**The Hon. PAUL GREEN:** The building industry obviously has quite a large input into local economics. Do you have comments on affordable housing? Are people moving to the area?

**Ms GORDON:** I think there needs to be a whole new focus on what affordable housing is. It is critical to have transport links to where affordable housing is being built. Medium-density housing is important, not necessarily high density, with a mixture of residents who would live there. It is important to have a percentage put aside for government housing in a community of mixed people. A lot of work has been done in this space, and the North Coast Ageing Strategy is quite detailed in what it has done with the affordable housing model. They are waiting to get certain projects that will assist in that space. We have a massive issue on the North Coast, as do other areas but probably more so on the North Coast, in that we have a very high level of ageing population. That is going to continue to be the case. We are losing a lot of young people to the cities, and we tend to be growing in the retiree space.

How we are going to accommodate people moving forward? We are all scratching our heads, to be honest. The whole affordable housing issue needs to be looked at very carefully and high density is not the answer. Sprawling it out west of the highway is not the answer. That starts to impinge on where we can make money and that is horticulture and agriculture. It needs a whole of government approach, which we do not see. We seem to see everybody working in their separate spaces but not looking at how this fits in together. Is there an opportunity to comment on the actual planning process?

**The CHAIR:** Absolutely.

**The Hon. PAUL GREEN:** That is why we are here.

**Ms GORDON:** I just found at the time of reviewing this that it was quite bizarre. Initially we had a phone call into the Regional Development Australia [RDA] office from planning in Sydney asking our thoughts. That was a 15 minute conversation. I thought it warranted a little more than that. It felt like a tick-the-box exercise. We were then given a draft document at a round table in Coffs Harbour of all different government representatives, which was hundreds of pages thick, 400 gloss, full colour draft planning document which absolutely disgusted everybody in the room, including other government departments. I could not believe that a draft document would be produced in that format.

**The Hon. RICK COLLESS:** Who coordinated that meeting, planning?

**Ms GORDON:** It was the Department of Planning and Environment and they produced this draft business plan, what we are responding to here. It was very light, I felt, on detail. That is a photocopy of it. That was produced in full gloss 400 GSM as if it was a fait accompli. Most people that were sitting around those tables could not believe the budget the Department of Planning and Environment must have had to be able to produce a document like that in a draft form, particularly when it is the department of environment. I think it needs to be said because to me that is a total waste of taxpayers money to see that sort of a publication coming out when it is a draft for discussion.

Many comments were thrown around at that particular meeting. I cannot recall the date of that meeting. I could look that up. When I read the document I felt it was wordy, wishy-washy and with not a lot of attention to detail. It is hard to provide feedback or comment without being able to specifically look at maps in detail. You could not ascertain what was going on with rezoning and so forth by the maps that were supplied within that document. I am not sure what the consultation process was and at what point it got into the nitty-gritty of specific local government areas.

**The Hon. RICK COLLESS:** We have had a lengthy discussion with the previous witnesses here today about that very issue.

**Ms GORDON:** Good.

**The Hon. RICK COLLESS:** They raised exactly these issues.

**Ms GORDON:** Good.

**Mr SMITH:** Can I echo Ms Gordon's comments. The objective seemed to be to produce a document. That is what is broken. The objective with planning is not to produce a document it is to produce a strategy and then to get into the tactical side of the strategy, not to then say, "Well, our job is done".

**The Hon. PAUL GREEN:** Do you have any comments on the role of E2 zones in terms of opportunities for or sterilisation of opportunities?

**Mr SMITH:** Let us ask the obvious question, what is an E2 zone?

**Ms GORDON:** We do not know what an E2 zone is.

**The Hon. PAUL GREEN:** If you do not know what it is do not worry about it. It has some impact on mapping of E2 zones.

**Ms GORDON:** That is what I am looking for. That is the sort of detail that I wanted to see.

**The Hon. RICK COLLESS:** Hence my question about the environmental planning instruments.

**Ms GORDON:** We did not know the terminology of an E2 zone. Where are the detailed maps? At what point do we sit down and have a look at what you are proposing? There was no detail in this document. I had not heard anything on that point.

**The Hon. PAUL GREEN:** You are suggesting that the RDA up here has had no input on the E zones and the impacts of that over the agricultural areas?

**Ms GORDON:** None whatsoever.

**The Hon. PAUL GREEN:** That is disgusting.

**Ms GORDON:** We are working so heavily to promote agricultural and horticultural industries and development but we have had no input. It felt like they ticked the box, consulted the RDA, had a 15-minute conversation on the phone, had a two hour meeting face-to-face, which was enough and that was it.

**The Hon. RICK COLLESS:** But the E zones are not as a result of that document there. E zones were applied under the planning legislation by councils over agricultural and other land, which puts a constraint on what they can do with their agricultural practices.

**Ms GORDON:** Okay.

**The Hon. RICK COLLESS:** One of the things we are looking at through this inquiry is to look at the fit for purpose land planning exercise. A bit like what has been done under the biodiversity legislation, where land of high biodiversity value is being identified. If that is the case we should be saying let us evaluate agricultural land that should be protected for agriculture.

**Ms GORDON:** Absolutely.

**Mr SMITH:** Subsequently, having been a farmer, where is the voice of the people using that? I have a situation at the moment where we are trying to get land for a technology company that wants to relocate from Parramatta to Lismore. We are running into all sorts of issues with the classification of the land. They want to put in a robot factory.

**The Hon. RICK COLLESS:** It is something that we will look at through this inquiry.

**Mr SMITH:** The RDA role is to be the advocate, be the voice, but if we do not get asked—

**Ms GORDON:** We are not consulted.

**Mr SMITH:** Because we are a threat.

**The CHAIR:** Thank you and if you do any studies on E2 zones feel free to let the Committee know.

**Mr SMITH:** If you could like any information on south-east Queensland please call.

**(The witnesses withdrew)**

**(Luncheon adjournment)**



**BERNARD GRINBERG**, Director, Ballina Beach Village, affirmed and examined

**The CHAIR:** Mr Grinberg, welcome and thank you for coming along to talk to our Committee today. If you would like to make an opening statement, we would be happy to hear it and then we can entertain you with some questions.

**Mr GRINBERG:** That would be great. Thanks very much for having me. I have been a resident of the North Coast since 2001 when I returned to Australia from the United States. I grew up in Melbourne, graduated in engineering from the University of Melbourne and have had a long career in technology and business in Australia and the United States. In my previous corporate life I built up over 24 years Australia's largest software for publishing company called Cybergraphics. This company was a software provider for such prestigious organisations as Fairfax, News Limited and INL, as well as numerous international publishers. My company had over 200 employees in Australia, the USA, England and Asia and, after mergers and acquisitions, it still trades under the name of ATEX. Between 2001 and 2009, I served on numerous community associations, made representations at local, State and Federal level regarding community and business matters and was a driving force behind getting bikeways in particular into Byron Bay.

Because of this, I became quite familiar with various council processes, including section 94 developer contributions, how to relate to community infrastructure and how and why they are gathered and used. I served on a few council committees and represented both the Ewingsdale and the South Ballina communities through their progress associations and executive positions. My wife and I continue to work as consultants in this area, primarily to small and medium businesses. In 2009 my wife and I bought the caravan park at South Ballina and renamed it Ballina Beach Village. As far as we know, Ballina Shire Council was the underbidder for the property prior to that and, shortly after we purchased it, made us a further verbal offer to buy it at a rate less than what we paid for it. However, we obviously did not accept the offer and within six months of the purchase we had rebuilt the village from a broken-down caravan park employing two people to being the vibrant number one tourism destination by night in the Northern Rivers for visitors, primarily families from south-east Queensland. We employ 12 people on a regular basis and up to 20 people at peak periods. At those peak times we have over 500 visitors on our site and are larger than many Australian villagers.

Through the seven years since we have owned the property, our biggest overhead, obstacle to success and greatest roadblock in running the property, in addition to the usual business concerns, was the Ballina Shire Council. We know that our experience is not unique to us or even to this particular council in the area, as we have seen many instances with Byron and Lismore councils. The experiences I will give you mostly relate to Ballina but some refer to other councils as well. Based on this experience, I will first discuss council issues in general that have an effect on planning, since your committee is interested in State and regional planning, and then provide some details that affect us and others in similar situations. This is mostly, as I said, based on Ballina council which is a little bit different to some of the other ones. It is commercially by far the most active council and itself participates in commercial ventures, being a large land developer and operator of the airport with retail interests and campgrounds.

These are the issues I consider to be major issues in general with councils interrelationship to development in the area. There is quite a lot of red tape. We keep saying that, and there are different views about whether that is a good or bad thing. I was at a general community meeting held in Lismore, chaired by the then local member, Don Page. I remember that after a couple of hours people speaking against red tape one of your fellow MLCs, Jan Barham, stood up and said, "I see nothing wrong with red tape. It stops all these things we don't want to happen." I think that is quite right. It is really quite difficult in my view. Giving council expanded powers of enforcement and entry, combined with a fair bit of lack of oversight of local government by the State will most likely lead to more such problems. I understand there was legislation less than a year ago which gave councils more powers of entry and enforcement. Implied in such powers is an assumption that councils are competent, honest and transparent. About various things going on. I said, "This doesn't smell right, Don." He would say, "The first thing you have to assume is that there's incompetence. After that, it could be cronyism or dislike or personal issues." I think he was quite right.

From a more global viewpoint, when one looks at the structure of local government and planning in particular, there seems to be a lack of overarching principles—for example, best I know is, and I am not a lawyer but I have had significant exposure to it, there is no protection in law of property rights in this State. There is some at Commonwealth level. There is no protection of the rights to farm, which most of the people in the non-urban areas of this and other shires do. These things are not protected. I have been reliably informed that there is no compensation for what could be called regulatory taking when planning decisions take significant utility away from landholders. This is unlike in the United States, for example, where one of the constitutional

amendments has protection for regulatory taking—in other words, if you can do something on your land and the government authority takes those rights away, it has to compensate you somehow. In my view it is too easy for cronyism and low-level corruption to occur within councils. There are not enough checks and balances, and I think these issues are too small to be referred to a very busy ICAC. I do not think it would bother. It is too busy with bigger stuff.

The ICAC guidelines, interestingly enough, do not appear to cover the case of councils having business interests that compete with landholders while exercising planning and regulatory powers over the same landholders. I will give you some examples of that. Council staff have a lot of resources to mask the evidence, put it aside and make it "unappear". Removing a party's transactions can be readily masked, in my view, within councils. I have certainly observed the manipulation of elected councillors by the staff. The staff have a lot of time and a lot of resources. The councillors are part-time people. They are overwhelmed by the amount of information that is presented to them. The staff are then free to carry out ideological, personal or even commercial agendas. In my view there is a lack of checks and balances and transparency in financial matters.

Most typical councils around here have a finance committee. If you review their minutes, they do not look like the finance committees of a large public corporation, which is what they are. What happens is that staff put to the councillors, "Please spend money on this and please spend money on that." You do not see profit and loss. You do not see cash flow. You do not see a balance sheet. In fact, when I checked with the auditors—for Byron shire, admittedly, but I think they are the same—I said, "Do you check for all these things?".

They said, "No. We check only that councils comply with the statutory reserves. We do not look at related party transactions or pecuniary interest. None of that is important." They are not audited like a public company, which is what I think they are. Staff can be demonstrably incompetent with, as far as I can tell, no consequences. It can be getting the camber of a road wrong X number of times or forgetting to inspect things. It always becomes a problem for the person on the outside, not the inside. It seems to me that at times the staff appear to create more work for themselves and generate revenue by selective vindictiveness or vexatious legal action or endless nitpicking. One local planner told me that this all began as an unintended consequence of allowing the outsourcing of certification to private certifiers. Outsourcing sounded quite good but it did not lead to a reduction in council staff. The smarter council staff left and became private certifiers. The perhaps different council staff stayed behind and generated work for themselves so that they would not lose their positions.

It is relatively easy for councils to use ratepayer funds to fight ratepayers in court, with no disincentive. Given the opportunity to mediate, such as with the Small Business Commissioner, they do not want to do that. It is easier to fight ratepayers in court. The pecuniary interest register is an interesting matter. There is supposed to be a pecuniary interest register for all councillors and senior staff of councils. It is not verified in any way by an independent body. It is generally not available on council websites. The Ballina one certainly is not. I have not checked the other ones. In one case I know of, a recently retired Ballina councillor asked for it on my behalf. I asked to look at it because I was worried by things. He was from then on intimidated by the management. He was told, "Now you have crossed to the dark side." That did not make him feel very comfortable. My understanding is that councillors' support of such practices is secured by a mixture of bullying some councillors and favouring others with appointments or remunerated secondments. Somehow the staff generally seem to be in control. The councillors do not have the time or skills to analyse complex issues. I think that is a failing.

I have also noticed other issues, and I will give examples of all these things, if required. They can ignore or abuse State planning guidelines, State environmental planning policies [SEPPs], or section 117 instruments, with no Minister or department empowered or willing to enforce them. When I raise these issues with either the local government department or the State planning department, they point at each other. Local government says it is a planning issue and the planning people say it is a local government issue. There is no single point at which council issues can be overseen and overreach can be prevented. The planning department people say they have no power; they have only advisory power with council. That is the end of my general statement. I will provide illustrations from our personal experience. Where I have expressed an opinion, all those opinions have been formed over several years.

**The CHAIR:** Mr Grinberg, the Committee requires only a short opening statement. What you have said is very interesting. It is at the margins of our terms of reference but it is relevant. Some of the issues you have raised are common to every form of government in the world.

**Mr GRINBERG:** Of course.

**The CHAIR:** They are also common to many corporations. We appreciate you raising them. We will go to questions, and you may embellish your answers with some of your examples. If we do not get to everything we would be very happy to receive the rest of your information in the form of a written submission.

**Mr GRINBERG:** Yes.

**The Hon. ERNEST WONG:** You have spoken about how staff are manipulating councillors. Is that situation specific to this particular council or are you seeing it across local government? That would make regional development unsustainable. The Committee is inquiring into regional development. If you think that is something that could be detrimental to the whole planning process then we need to take note of it.

**Mr GRINBERG:** The simple answer is that I am very familiar with what happens here. My understanding is that it is rather similar in Byron and Lismore councils. I can give specific examples from Byron and Ballina. As one government employee put to me, the issue is overreach with no oversight. If you were to generalise, it would be different for each council. The dynamics of each council are different. The members' views would be different. But in general it is too easy for a council to overreach its powers and manipulate the situation to whatever end it chooses. There is not the effective oversight that exists in many other spheres of life. I can show you how it hinders development. My specific example relates to us, but I know this situation is repeated here and in the three shires that I have personal exposure to.

**The Hon. ERNEST WONG:** How could measures be incorporated into the planning instruments to tackle the problems you are talking about? Does there need to be reform of the capacity, authority or power of local government?

**Mr GRINBERG:** I have specific recommendations on these issues. I am happy to go to them. I have examples from two areas. I have specific recommendations that I think should be applied to both planning and local government. I would like to talk about e-zones, which have had a massive effect here. We are still in limbo. There are about 1,800 properties in Ballina shire that are still in zoning limbo because of e-zones. That is a fairly significant number. There has been a devaluation of properties as a result. My other example is that I am almost at the end of a personal quest to have a development application approved by this council. It has taken us six years, and we are almost there. I will illustrate what went wrong. Imagine that you are trying to start any form of development. You have to jump through hoops because there is no clearly defined zone that matches your use. On the other hand, you are trying to do something and you must meet hundreds of conditions to obtain consent. That is extremely difficult to manage.

**The CHAIR:** We will deem e-zones to be a joint question from Mr Green and Mr Colless.

**Mr GRINBERG:** Okay.

**The Hon. RICK COLLESS:** We will ask our own questions, thank you, Chair.

**The Hon. PAUL GREEN:** Thank you for drawing my attention to that.

**The CHAIR:** Then we will come back to your development approval issue, Mr Grinberg.

**Mr GRINBERG:** I will answer in that sequence. After each section I will jump to the relevant suggestions for changes that might address the issue.

**The CHAIR:** Yes.

**Mr GRINBERG:** E-zones are quite interesting. I will speak from a personal point of view, but it will make sense from a global point of view. We bought our property in 2009. I received two section 149 certificates. I imagine members are familiar with that certificate. It tells you what you can and cannot do on your land. It specifically said:

There are no such draft LEPs applying to the subject land. There are no draft environmental planning instruments or draft planning instruments that apply to the subject land.

So I had two section 149 certificates that told me there was nothing in the wind. Less than six months after our purchase of the park, a new local environmental plan [LEP] was released that, amazingly enough, put us into a zone called E2—environmental protection—in which our holiday park cannot exist. That is not a permitted use, with or without consent.

**The Hon. RICK COLLESS:** That was six months after you got that letter.

**Mr GRINBERG:** It was after we got the section 149 certificates. It was less than six months; it was probably from November to about March, from memory, in the year the local environmental plan [LEP] was gazetted. We thought it was a mistake. We went through the usual process of lodging our paperwork with council and organising deputations. They said, "Yes, we admit that you are going to lose some rights, but you can use existing-use rights." That was the story told to everybody else who objected. By the way, it was not that well known. The new LEP was advertised only in—you have to laugh at this—a free newspaper that is not

distributed to rural landholders, by and large. You would have had to read a newspaper that you did not get to find out if you had been put into a zone in which you cannot conduct your activities.

**The Hon. PAUL GREEN:** When you bought the property as a business, what did you intend to do with it, given the section 149 certificate said you could—

**Mr GRINBERG:** What you are currently doing.

**The Hon. PAUL GREEN:** You would have considered some options?

**Mr GRINBERG:** Not only that. I am not a planner, but I engaged one. The planner showed me all the things that you can do with consent in that zone, which was zone 7F. There was a long list of things you could do—everything from what we were actually doing, through to hotels, motels and other things. I thought that was great. I understood that I would have to get a development application. This is all with consent. But I had not understood that what I was actually buying—which was a going concern; a caravan/holiday park—would somehow not be permitted once the zone changed.

**The Hon. PAUL GREEN:** I want to clarify that. When you bought the business you wanted to expand it. Then some planning processes were laid on top as time went on that sterilised all thoughts of expansion?

**Mr GRINBERG:** Yes. As we discovered, zone E2 was an absolute attempt to get us off the land. There were other people. The previous mayor of Ballina Shire Council, Councillor Phil Silver, said to me when I said it was a bit of a problem, "It's about time people stopped making money from improving land." We were then told face-to-face by the council ecologist, "You shouldn't be there." The planning for the e-zones in Ballina shire had taken place over at least five or six years prior. Former councillors gave me boxes of literature full of plans for e-zoning, including our land. You asked how this affected our planning. We were planning to fix up a rundown property, to improve it, and to enhance it within the accommodation sphere to intensify its use. It needed some new cabins and some cabins needed to be refurbished. By the way, this land has been used for a caravan park since 1979, and it was a farm for about 100 years before that. We are not talking about virgin forest being cleared.

In our case, the planning for the e-zone had been going on for years. We were not told the truth about the section 149 certificate. Yet, shortly afterwards, even when we had a deputation to council, we were told that they understood we would lose some rights, but that we had existing-use rights. We then sought legal advice. This was told to everybody who objected. We went to council and said that we were worried about it, and they said, "You have existing-use rights." We checked what that meant, and it does not mean much in this State. They are transitory and there are specific judgments. From memory, one was handed down by Justice Kirby. These are transitional things; they expire if you change anything at all. Essentially, we would have been at best frozen in time at 1979. The original development application was issued by a shire that no longer existed. We have been essentially frozen in time at best. At worst, we would have been blocked from doing anything at the park.

When we raised the flag, we pointed out that there was a specific departmental guideline which said they should not to this; they should not apply it widely. The council responded by telling us that it was only a guideline, and that they could ignore it. We pointed to various State Environment Planning Policy documents, and they said they were all optional and that they could do what they wanted to do. You asked whether this has a real effect. My neighbour owns his land in a consortium. He is an older chap; even older than I am. Occasionally a member of the consortium, marries, dies or something else happens and he has to get a new valuation. He has a sequence of valuations for the land. The threat of the e-zone—just the threat—halved the value of the land. We submitted a copy of that valuation at a meeting most recently with Minister Speakman.

**The Hon. PAUL GREEN:** Can you table that for the Committee?

**Mr GRINBERG:** I am certainly happy to do that. The gentlemen in question has authorised me to table it.

**The Hon. PAUL GREEN:** What was the value?

**Mr GRINBERG:** It went from about \$5.2 million to about \$2.6 million, from memory.

**The Hon. PAUL GREEN:** That would not do much for business confidence in terms of regional planning, growth, and economic stimulation.

**Mr GRINBERG:** You are absolutely right, but it is worse than that. We have a mortgage on our property, as many landholders do. They are mostly farmers and they rely on finance. If the bank lending you money finds out that the value of the land that you borrowed against has halved, you have a big problem. When

people come along wanting to help us to grow the business, the first thing they ask for is a valuation. They look at two things: the section 149 certificate, which says you are now a deferred matter—and they do not know what that means; and the valuation of the land, which has halved. These things are highly detrimental to any form of development, and they extend across 1,800 properties in this shire alone. This is what we found when we asked how many people were affected. We had public meetings with several hundred people turning up.

**The Hon. PAUL GREEN:** I want to get the evidence we need for the Committee's inquiry. E-zones have indirectly had a sterilisation effect—

**Mr GRINBERG:** Absolutely.

**The Hon. PAUL GREEN:** —on certain properties that probably had an opportunity to provide regional jobs?

**Mr GRINBERG:** Absolutely. You would go to a council and say that you wanted to do something, but this is now going to be an e-zone.

**The Hon. PAUL GREEN:** I refer to issue No. 7 in your submission. Reference is made to a section 117 directive. Can you help the Committee to understand what a section 117 directive means in regional planning terms?

**Mr GRINBERG:** After a long process—I would almost call it a saga—starting with Minister Hazzard, an investigation report was prepared by independent consultants Parsons Brinkerhoff. The report—having been massaged by the Department of Planning and Infrastructure—went to Minister Stokes, who issued a section 117 directive. That turned the e-zoning somewhat around, but I would not say completely. It said that the first thing you have to consider is the current land use and what it has been used for over the past two years. That is the concept of primary use.

Like most people we know—we know several hundred people, or probably 1,000 people in this area—we thought that was pretty good because most primary use is self-evident. I remember showing people around farming areas and they have trouble stepping over the cow pats. In our case, our property looks like a camping ground and a holiday park. It certainly does not look like an environmental protection zone. The primary use is clearly what it is; it is self-evident. However, the section 117 was issued, probably a few months ago—not that long ago. The Ballina council's response was, "This is all too hard and we are going to put Mr Grinberg's, his neighbour's and quite a few other properties into the too-hard basket. We will leave them alone for at least several years." Three years was mentioned as a minimum.

We were to be left in limbo for another three years because the section 117 did not indicate a timetable for zoning the land. The effect of that, by the way, is we deferred the matter as far as an LEP goes, and we are still operating under a 1988 LEP. The aim of the standard LEP system was to get everybody on the same level pegging page. We are still in that thing. My understanding is that the council has been reminded in our particular case, because we personally objected to this to the planning department. The deputy head of the planning department, Marcus Ray, who I think is chief counsel wrote to Ballina Council and said "Could you please zone Mr Grinberg's land?" It was very kind of him to do that. Ballina Council said, "No, we have no intention of doing that. We are going to stick to our timetable."

**The Hon. RICK COLLESS:** So they point blank refused; they did not just defer it?

**Mr GRINBERG:** No, they said, "In three years time we will look at it."

**The Hon. PAUL GREEN:** Which for three years will prevent any opportunity for expansion, regional development growth or economic increases?

**Mr GRINBERG:** Absolutely. I do not dare get a valuation or sale for anybody else. The other thing that the council did—and this is quite deep—you often hear about DCPs. It is the next layer down and theoretically it is not a legally binding document. However, effectively it is because if you challenge a DCP and the council does not agree with you, you are back in the Land and Environment Court, as you are with most other things. The DCP in Ballina shire is about 12 volumes from memory. It is a substantial document and it is highly prescriptive down to the number of strands of wire you have to have on a fence on rural properties. It explicitly says it relies on e-zoning as a fact of life. It has not been revised since the deferment. Essentially it is e-zoning by another name because it goes deeper and wider, past the point of just the e-zone itself.

You might say that we are still under the old LEP but the councils say no. But the DCP has got specific provisions. This was pointed out to Minister Hazzard who then tried to get the department to do something about it. I understand the department is finally, under the third Minister in a row, investigating this matter.

Again, the words that are consistently used by the planning department and planning Minister staff is "overreach" and in my view "a lack of oversight". I do not think these issues are addressed.

**The Hon. PAUL GREEN:** Mr Grinberg you talked about the massive property beside you that has been devalued. Can you tell the Committee by how much it was devalued?

**Mr GRINBERG:** Fifty per cent—from approximately \$5.2 million to \$2.6 million. Though that is an operational property that has a small licensed sand quarry in one corner and the rest of it is a cattle property. So it is productively used and owned by a consortium of people who basically—I have to say that the older members of that consortium—see it as their retirement fund. They quite often, like ourselves, have very modest superannuation funds. Our properties are our investments and we still working them. On top of that you have got vegetation overlays and wildlife corridors.

Interestingly enough I can give you another example. Mr Harris, who has attended some of the meetings with me, owns a large macadamia property. Moving away from my particular case, Mr Harris resuscitated a degraded dairy farm and turned it into an extremely successful macadamia orchard. In the various parts of his orchard—he runs it pretty much organically and tries to minimise pests—he planted a lot of native trees. He got rid of weeds and all sorts of horrible things and erosion. He has been slapped with overlays and wildlife corridors making most of his land unusable, including parts of his orchard under the e-zone thing. There are several layers of this—the LEP, the DCP, wildlife corridors and overlays.

**The Hon. PAUL GREEN:** So he planted 60,000 trees?

**Mr GRINBERG:** Yes, at least.

**The Hon. PAUL GREEN:** And spent more than \$1 million revegetating—

**Mr GRINBERG:** Revegetating on top of a very successful farm. Again he is now highly constrained as to what he can do with the property.

**The Hon. PAUL GREEN:** We are here to inquire into regional planning processes, one of which is the e-zone. On my understanding of it, Mr Harris has done all the right things—he is probably the most stringent environmentalist—yet 35 per cent of his land will be sterilised under this e-zone mapping?

**Mr GRINBERG:** Yes, that is correct. It is even worse than that because when you read the DCPs—I cannot quote the Byron shire DCP because they often tend to borrow from each other at least in concept, size and detail—it says "E-zones and land adjacent to e-zones shall be constrained in the following way." Essentially, the constraints spill onto the land adjacent to it. Mr Harris would very much be in that category and adjacent to him were other properties which grew other crops such as coffee and ran cattle which were in a similar boat. It is Mr Harris's property, which is called Piccadilly, is just south of Bangalow.

**The Hon. PAUL GREEN:** I highly recommend a tour.

**Mr GRINBERG:** When you go there you feel like you could eat off the grounds under the macadamia trees. It is manicured and it is exactly what this region should be known for—tourism and primary industry. All those things are affected. Probably in a way the Environmental Planning and Assessment Act under which all these things happen states that economic and social impact should be taken into account. I know of no economic or social impact, or statement even, in any of the actual LEPs that took place. Even when the consultants, Parsons Brinckerhoff, came they were told to look only at the environmental impacts of e-zoning on us. They did not ask us what happens to our business, what happens to our social standing, our children's properties and all that sort of stuff.

In a way the whole economic and social impact of the Environmental Planning and Assessment Act is ignored. That goes to your question, Mr Wong, about the impact. If you ask me why—perhaps a hypothetical question—there is quite a lot of ideology. After the most recent council elections in the area there was a congratulatory advertisement in one of the papers that said, "Really great, the forces of growth and jobs have been defeated." So you are looking at a fundamental approach which says that growth and jobs are not the things we want to do.

**The CHAIR:** Mr Grinberg you are talking to members of the upper House. We have North Koreans Greens—

**The Hon. RICK COLLESS:** In the upper House.

**Mr GRINBERG:** I understand.

**The Hon. PAUL GREEN:** It was said earlier that if you want to buy a house you need a job.

**Mr GRINBERG:** Yes.

**The Hon. PAUL GREEN:** It does not help people in this area who want to live the dream. It is getting harder to provide jobs.

**Mr GRINBERG:** And this is a high unemployment area. I think the Lismore local government area probably has one of the highest number of people on unemployment benefits. I do not think Ballina and Byron are that far behind. It is really hard to get a job. In our case, we increased our employment from two people to 12 people regularly, and more at peak times. They are all local people and a significant number of them were actually out of work.

**The Hon. RICK COLLESS:** The Committee received a submission from Kyogle Shire Council. Kyogle Shire Council, along with several other local government bodies gave evidence before the Committee this morning. In its submission it talked about the things that you have talked about—the SEPPs, section 117 directions, LEPS and so on. It makes this comment:

The plans have tended—

"the plans" being the local environment plans and so on—

to reflect priorities from 20 years ago when comparative regional growth in many locations was higher and less of an imperative for prosperity in many regions, including the New South Wales Far North Coast, and when the demand for sustainable environmental management practices was much more of a key focus.

Do you agree with that statement? Do you think that is the sort of issue that we need to address to fix your problem and perhaps some of these other problems to which you have referred?

**Mr GRINBERG:** I certainly agree with the statement. The e-zones are counterproductive. Think about somebody seeing a koala on their land or a bit of native regrowth or something like that. They would actually have an incentive to get rid of it while it was still small because they would not want an e-zone on their land. People like Mr Harris and ourselves have planted quite a lot of trees and we actively remove weeds. Weed management is very significant on the North Coast. There are a lot of invasive weeds from camphor laurels to barner grass and lantana—you name it. We actively remove weeds from our property and the nearest road sides. We look after the environment. Effectively, in a way the more you do the more you get punished for that. It is very much a lock-up.

I think it is worth commenting that when Kyogle Council got to section 117 they said, "We are just going to forget e-zones." They are not implementing them at all whereas the three northern river councils—Ballina, Lismore and Byron—are still, I would say, recalcitrant. I should probably mention one other thing. I am an engineer so principles matter to me. Engineering is principles and practice. A great deal of e-zoning was done from aerial photographs. I consult for a local company that specialises in aerial mapping of agriculture. The principal of that company submitted a paper saying that anything you draw on land that is based on aerial photographs is flawed—it is out by 10, 20 or 30 metres. It just should not be done. There was virtually none or very little ground truthing done to create these e-zones. It was scientifically badly done and I do not think that has been fixed. They still used aerial photographs for the latest plans.

To compound that they allow for split zoning. In other words, you can have one part that is Torrens title—this is your parcel of land and its cadastral boundaries are extremely well known. We have an entire legal system based on Torrens title. In fact we are a pioneering country in that respect. However, the council would come along and say, "I will draw this squiggly line all over your property,"—in one case around one tree and in other cases around a clump of something—and say, "That is a different zone." Think about how you would administer that. A surveyor would have to come along with pegs and mark out the interzonal boundary because there are things you can do on one side but not the other. How do you administer it? This is actually creating red tape, and I think "red tape" is an understatement. The combination of aerial photographs, lack of ground truthing and allowing split zones compounds the problem even further.

**The CHAIR:** We only have a couple of minutes left. I am sure you appreciate we need to keep to the timetable.

**Mr GRINBERG:** I will be very quick.

**The CHAIR:** If you would very quickly run through—

**Mr GRINBERG:** The development application [DA].

**The CHAIR:** As I said, we are happy to take anything you have not finished as a written submission.

**Mr GRINBERG:** Okay. I have covered a great deal of this. Again this is a personal view and I will just summarise the worst of it. Shortly after we buy it we are told we are in violation, even though we checked

with our town planner. We actually met the general manager in person: "There is nothing wrong with your property." Then we get a letter from council saying, "You are in violation of your licence. You have overstepped your licence." That was about the same time that the local environment plan [LEP] came out. We said, "What do we have to fix?" They said, "You have too many camping sites and you are not licensed for them." So we have to put in a regularising DA.

I will cut to the chase. We are within two or three items which we have agreed to finalise now. This has been going on for six years. It has cost us roughly half a million dollars that should have been reinvested in the thing and it has achieved nothing. This is just lines on the ground. One toilet block had to be built. From memory we finished up with 103 consent conditions which broke down into over 526 line items of consent to regularise. Essentially the camping area had been in use for 25 years. This is just drawing lines on the ground. On top of that, many of the conditions were contradictory. I will give you an example. We were asked to comply with a large number of Rural Fire Service [RFS] requirements but we were also asked to plant a large number of trees. We had to hire an expert to go over that. When we hired the expert, he said, "You cannot plant all these trees." And the RFS agreed with the expert. The council still insisted we plant the trees even though that would violate the Rural Fire Service rules and we would become unsafe and probably uninsurable. It has taken years to resolve this.

If you want to know about an even more direct disincentive to business, we were given the first version of the DA with those hundred conditions and they said, "We will give you the DA but you will not like it." I said, "Why not?" They said, "Because we are going to charge you a \$600,000 developer contribution." Again I remind you this is for painting lines on the ground where camping sites are. I said, "How is that?" Several weeks later I received an explanation which effectively assumed that my camp sites would be more or less like little houses, they would be occupied 100 per cent of the time and each person occupying the camp site would drive to town and back every day. Our camp sites are occupied 10 to 15 per cent of the time at best, mostly during holidays and weekends.

When I put that back to council—they refused several times—and I am an engineer so I recalculated the whole thing, I said, "I will give you \$80,000. My customers do not go to swimming pools or use childcare centres. They come here from south-east Queensland, they have a holiday and they go home." I said \$80,000 was my best offer. What I calculated was the potential impact on my sites given their lack of frequency of usage. They said no. We finished up in court. We settled at a compulsory conference for \$125,000. We only settled because I could not stand the process. We had also spent about \$80,000 on legal fees and council spent all of the money that they got from us on their legal fees. They engaged more expensive lawyers than we did.

**The CHAIR:** I think you have made your point.

**Mr GRINBERG:** I have to tell you the DA process is excruciating. I know lots of people who have actually given up, thrown their hands up and said, "I am leaving. I cannot cope with this." If you want an impediment to process, the section 94 system is badly broken throughout the State. Most councils—in fact, every council I know—has experts who draft it for them and the staff try to operate it. They are incredibly complicated formulas that have six or seven terms in them. You are looking at an absolute mess. I know for a fact that in Byron they finish up with a whole bunch of money which they have to invest because they cannot use—because they do not know how it works. That is section 94.

**The CHAIR:** Thank you very much.

**Mr GRINBERG:** Would you like my specific recommendations?

**The CHAIR:** We have gone right over time so we would like you to table them.

**Mr GRINBERG:** I will table the specific recommendations.

**The CHAIR:** We will read them. We have another witness waiting so it would be unfair to keep going. I am sorry you have had so many troubles.

**Mr GRINBERG:** We are almost at the end of them, we hope.

**The CHAIR:** Let's hope you get to a very good outcome. Thank you again.

**Mr GRINBERG:** Thank you for the opportunity.

**(The witness withdrew)**



**WILLIAM EARL PAYNE**, Principal Engineer, Ardill Payne and Partners, sworn and examined

**The CHAIR:** Thank you for your firm's submission, which is very helpful. Would you like to make an opening statement before we proceed to questions?

**Mr PAYNE:** Following on from what Mr Grinberg said, the development application [DA] process is very frustrating for everybody—no matter how big or small you are. That process needs to be simplified, as do the rules that create that process and the legislation that it operates under. If the process is made simpler then that will help applicants from the very big to the very small. The process has been made simpler in other parts of Australia so it is doable. We have a very old system that does need change. The other aspect is the need for other ways of funding infrastructure other than the section 94 and section 64 system that we currently operate under. They would be my two main issues that I would like to see addressed.

**The Hon. ERNEST WONG:** In your submission you mentioned that a lot of infrastructure will not eventuate and you suggested a plan for regional infrastructure. Should that plan be initiated by the individual councils and then communicated with the State or should it be initiated by the State and consultation then had with various councils?

**Mr PAYNE:** What would be the way to do it? I see it as something in between council and the State—for example, in the way that the water supply system is run in this area. There is a council that sells the water to the local councils, it collects money for it and has a long-term goal that is well funded. I do not think the local councils have the human resources to plan that far ahead. Ballina council is one of the exceptions because it is a wealthy council. Byron Bay council does not have the capacity to do it and Lismore is probably in between that. In the past councils went to the Public Works Department for that planning and engineering ability. They said, "We think we need to do this." And Public Works would organise that. They were something above council—well, they were part of the State machinery I suppose but the funds came from the State. I think local councils would struggle with developing the infrastructure for the planning and certainly collecting the money to do it. If they went to the State and said, "This is our growth plan. Can you help us in how we should work-out our infrastructure, coordinate what wants to be done and then help us with funding?" That would cause more delays than currently occur. I think if there was something regional that could do that—a super council or a body that had more of a local content.

**The Hon. ERNEST WONG:** You say that there should be more delegation of local councils in the planning process.

**Mr PAYNE:** Yes.

**The Hon. ERNEST WONG:** On the other hand, you have also identified there are differences between councils—for example, Byron Bay and Ballina councils. So how can we incorporate them into regional development that the Government should be promoting, because at the end of the day the local council or the local stakeholders will probably have a better understanding? What would be the best or most sustainable way to help them to develop? How do you propose to incorporate them together so that we can have all the intelligence of local people but it will be initiated by the State Government? Funding?

**Mr PAYNE:** Funding and expertise. Everything you say is exactly right. The local intelligence is essential to what is required and what is desired. The local capacity to do that by technical ability and money does not exist—that is the shortcoming. I do not know exactly what the solution is but it something that used to be like Public Works. They had the money and the expertise to do it, and they were given priorities by the State in negotiations with the councils. That just does not happen anymore. The State withdrew that funding mechanism, that grants system 20 years ago. It outsourced their expertise to consultants, and that was one of the contributors to the situation we are in now. It is not just funding; it is funding, technical ability and engaging with the local councils and stakeholders to find out what they want, when they want it and how they want it done. Whether that is a Public Works Department again, or something like the Public Works Department, that is fully funded by the State or if it is controlled by the local councils and there is an entity above them that prioritises things across local council boundaries, that works in this area. The examples I use in Melbourne are similar to that but the Melbourne council decided to take over all those things because local councils just could not manage things at that scale and it has worked very well in Melbourne.

**The Hon. ERNEST WONG:** There are a few councils that would support a standalone regional development Act, rather than having the overall State plan, to give them more flexibility. What do you think about that?

**Mr SMITH:** You cannot have both. Another regional Act or regional council that existed under the current scheme would just make things much worse—there would be another layer of legislation and compliance to address. I think a regional Act would be preferable because it would allow local content, local voices to be heard, local intelligence to be picked up, and it would provide the funding that you need to pay for these things and also to pay for the people to work out how these things are to be done and when they have to be done. So it is a planning, management and construction regional council I suppose. That would be my preference, provided the other system was not made to apply.

**The Hon. ERNEST WONG:** You mentioned State Environmental Planning Policies [SEPP]. For instance, you mentioned SEPP 71, which has now been replaced. You also mentioned SEPP 14 and the mapping being out of date. Can you elaborate a little more on that?

**Mr PAYNE:** SEPP 71, we just trip over it from time to time. I am an engineer, not a town planner, but when we have had to deal with development approval processes, our only contact with the SEPP 71 is a request to the State Government to waive a submission about SEPP 71. It becomes something you address that has no substance or point to it, really. Once upon a time the coastal council was running and it had more say, more teeth, then it was in some ways useful, but at the moment it does not seem to do anything. Whether that it is repealed or just diminished dramatically—

**The Hon. ERNEST WONG:** Can you give me more information about SEPP 14 mapping?

**Mr PAYNE:** Again, taking on what Mr Grinberg was talking about, SEPP 14 mapping was done very roughly a long time ago. In 20 years I have been doing it, we changed two SEPP 14 boundaries. It took two or three years to change them, and they are on very large projects, and we had time to do it. We knew the mapping problem. The submission process went through the State and they were revised. Things are just of date and were drawn very crudely at the time, so with a felt pen over an aerial photograph. By the time that it is reduced to the scale you operate, it could be 50 or 60 metres wide and when you are abutting something that is in a SEPP 14 area, you often have to have 100 metres of buffer to it, so you end up sterilising what can be large parts of otherwise developable land. It needs to be done more accurately, basically. The last one that we changed, the SEPP 14 boundary went through a part of undevelopable land, but the buffers to the developable land made it problematic. It was just incorrectly mapped.

**The Hon. ERNEST WONG:** You are saying with the SEPP 14 map, it is just a boundary?

**Mr PAYNE:** Yes.

**The Hon. ERNEST WONG:** You said if there is a change to the environment, that needs to be revisited to make sure that the regional development plan will be able to go along with those—it does not matter if it was agricultural land or reserved for national park or whatever it is. Can you clarify what you are suggesting the Committee should advise the Government on regarding what needs to be revisited or renewed so far as this particular mapping?

**Mr PAYNE:** Both of those issues need to be addressed. There are areas where the vegetation is different to what is mapped, because the original mapping was so crude. That is site specific and not broadbrushed. A large part of the SEPP 14 is regionally accurate. The issue about the scaling of the boundaries is common to all SEPP 14 maps, so these days if that was mapped it would be done digitally. The line would be electronic and accurate to a metre or so, not 50 metres, as it currently is. It was just drawn by somebody and then, as it has been scaled up, the boundary became so wide. Both of those things need to be addressed. The common thing is the inaccuracy of how it was drawn. The second one is that some of the vegetation has been incorrectly mapped.

**The Hon. PAUL GREEN:** I note you gave a substantial answer to the complying development issue?

**Mr PAYNE:** Yes.

**The Hon. PAUL GREEN:** Which is a regular comment coming through about quickening the process. Can you make some comments about that?

**Mr PAYNE:** The complying development process was supposed to have made things really quick, but that just has not happened. As I say in my submission, in some instances it is now quicker to lodge a development application [DA] and get a construction certificate [CC] than get a complying development certificate [CDC]. The differences are that if you are just doing a garage roof or a small extension to your house, that is quick, but, for example, in Ballina, if you want to do a house extension under a CDC, because it is mapped as acid sulphate soils you just cannot get through, even though you are just doing some extensions above a house. If the mapping says it is acid sulphate soils, the CDC does not get through.

**The Hon. PAUL GREEN:** What would you say is the solution? What would you like to see happen?

**Mr PAYNE:** I think it is the same as the DA process, a more prescriptive solution to what you need to do to a CDC. If you want to just extend or modify your house by a certain area, then you are allowed to tick that box. If it can be shown to be compliant with the Building Code of Australia [BCA], tick that box—if it complied with the BCA, if it complied with the setback requirements, if it complied with height requirements, if it was built from the right materials, if you needed a car space, just the rudimentary things that people would see as being required for a house extension or a small unit development.

**The Hon. PAUL GREEN:** Which could stimulate the local economy substantially if it is an Airbnb. There has been some recent evidence about blueberry farming and the temporary accommodation that was needed. If someone wants to make a buck to help pay the mortgage, it would make sense to have some simple complying development opportunities like a house addition?

**Mr PAYNE:** Yes. You really require the people who deal with this day-to-day to sit down with the people who make the rules to make it work, basically. It is as simple as that.

**The Hon. PAUL GREEN:** Spoken like a real planner. Mr Payne, I draw your attention to 2.5 of your submission, "Opportunities to increase delegations for regional councils in regard to regional planning making process." In the last paragraph you say:

Although an appeal mechanism to a separate entity should be available, there have been many instances where the overturning of Local Council decisions by the State have produced some poor local planning outcomes.

Can you reflect on that for us?

**Mr PAYNE:** Yes. I used the example of the West Byron development there. I will talk about that one. That was identified—correctly or incorrectly—as an area that could be developed as a residential adjunct to Byron Bay. The council at the time decided that it should definitely not be developed, mainly for environmental reasons and traffic—there were significant issues around it. So they rejected the application. The applicants went to the State, rolled council, it was approved to a scale that was even greater than what they went to council for. I was asked by a community group in West Byron to evaluate the submission. I went through it. It was done by high-profile expert consultants and it was done the way it should be done, but it was done in a way also to present the best case for their client. The outcome is savage overdevelopment of the site, very poor traffic outcomes.

Both councils, in my view, should have allowed something to happen there. They should have sat down and negotiated with the developer and come up with some sensible solution. If they had done that, then what they ended up with by the State would not have occurred. So the State appeal mechanism allowed an overdevelopment of the site, basically, that has the potential to—if it went that way, I do not know if it will or not, I think it would have the capacity to kill the goose that laid the golden egg. So it becomes like everywhere, not Byron Bay. So that is an example of an appeal mechanism that ruined the outcome. It is also an example of council ruining the outcome.

**The Hon. PAUL GREEN:** Do you see that happening much?

**Mr PAYNE:** Not a lot. I think there has to be some sort of appeal mechanism in the current system. I would prefer there to be no need for an appeal mechanism—that the solution could be worked out locally and with expert input and compromise. We represent a lot of big developers and a lot of small developers and none of them wants to go to the NSW Land and Environment Court. It is just a toss of the coin—a very expensive thing. They would like certainty. To have that, I think there should be a more prescriptive system for people to follow—not the one that we have at the moment—to take out the personal agenda and politics of local officers and councils. It will not be perfect but that is what I think should be done to remove some of the politics and personal agendas that go with what should be an on-merit review of applicants. Very few people want to go to court. So with respect to appeals, I do not see a lot of it, to be honest—no.

**The Hon. RICK COLLESS:** I notice that your firm has offices in New South Wales and Queensland. What are the major differences in the New South Wales and Queensland planning frameworks? Do you have any thoughts or brickbats and bouquets for each system?

**Mr PAYNE:** The Queensland system as it stands is a much newer system. I do not know if they looked at what New South Wales had and decided, "We won't do that!" I think they must have done something like that. We do mainly high-rise and medium-rise developments in Brisbane and the Gold Coast. They are large councils that have resources—financial and human—to prepare comprehensive policies and ways of addressing them. The policies become objectives and they develop ways of addressing those objectives.

In a fraction of the time you can get to the core issues around a development by going through their on-line, very good control documents and finding out, before you even buy the land or start doing anything, what the issues are and whether something is worth pursuing.

**The Hon. RICK COLLESS:** That would be on a generic basis, irrespective of where, or the type of building.

**Mr PAYNE:** That is right. We only started doing that about three years ago. It was a breath of fresh air for us. I am not saying that it is perfect but uncertainty is a big thing in development. People do not want to put money into things that they are not certain about. The certainty that that system provides is an overwhelming recommendation for that style of system. The down side is that Brisbane and the Gold Coast are well behind in providing infrastructure for things.

We did a job on Chevron Island where the traffic already does not work. They approved this very large building because they had confidence that they would have the money to fix the roads up. Here that would not happen; you would not be able to proceed until things were in place.

**The Hon. RICK COLLESS:** So here the fixing of the road would have had to be part of the development.

**Mr PAYNE:** Yes.

**The Hon. RICK COLLESS:** And that would add extra cost.

**Mr PAYNE:** It could stop the whole thing. In my submission I said that in New South Wales, Ballina Council has a well-planned—probably overly conservative—estimate of what infrastructure is required. The cost to provide it is huge. We have small developers come in who want to do things. As Mr Grinberg said, they just say, "No, I'm out," when you explain how much it costs to do really simple things. The section 94 system loads everybody. It is a generic system but it does not take into account the real impact of the development. You just get corralled into a bigger pen. As a consequence, development does not proceed, the contributions are not collected, the infrastructure is not built.

**The Hon. RICK COLLESS:** It is a downward spiral.

**Mr PAYNE:** In Queensland the framework is very good but I am quite shocked sometimes at how slow the infrastructure comes along and how prepared they are to say, "Don't you worry about that; that is coming later." I spent some time in Melbourne a few months ago. They did something similar but the State or Melbourne forward-funded the infrastructure. You turn up to these states and the growth standards, and everything is there just waiting for whoever comes along next to do the next bit. That is a much better solution.

**The Hon. RICK COLLESS:** Who funds that in Victoria?

**Mr PAYNE:** In Victoria it is the City of Melbourne. That is obviously a huge organisation. Mr Wong's question to me was whether it is a regional super council or something. You need an entity that is big enough to go across the issues to do with infrastructure and has the funding to build it for the future, with the knowledge—the certainty—that something will happen there, so they will recover their costs.

**The Hon. RICK COLLESS:** I will ask you a bit of a hypothetical question. Given the restructuring of local governments that we have just been through in New South Wales, there has been a lot of concern expressed about what that is doing to smaller councils. You are saying that those small councils need to take on board the need to have a bigger global view of their local areas.

**Mr PAYNE:** Yes.

**The Hon. RICK COLLESS:** Is there a better way to deliver that than simply having bigger councils—perhaps through joint organisations? Do you have any views on that?

**Mr PAYNE:** I do not have any strong feelings about merging councils. I provided an example in the submission. The position within Byron and Ballina shires is quite different. Probably neither would like to be joined. Rous Water provides water to both of them, and has forever and a day. So it is like a super council but it is not; it is just a separate entity that works across all councils. So I would think something like that could work without causing a political uproar or furore about more mergers.

**The Hon. RICK COLLESS:** You make some good comments about infrastructure in your submission. You talk about the opportunities for providing infrastructure and so on. One of the opportunities you identified is recovering costs by developer charges over time at a lower rate than currently being made. What sort of time frame were you thinking about? Is it a generational time frame or a depreciation time frame?

**Mr PAYNE:** No, more of a depreciation time frame, the time frame of the development. Upfront costs are cruel and cash flow can kill a development.

**The Hon. RICK COLLESS:** It raises a good question about whether this generation should be paying for that or it should be spread out over future generations.

**Mr PAYNE:** It used to be spread out over a very long time. The State would have a long-term funding program of 40 years for huge projects, and local councils would have smaller versions of the same thing. A long-term plan now is 20 years, and it is revised every 10 years for no great benefit.

**The Hon. RICK COLLESS:** It just puts up the costs of everything really.

**Mr PAYNE:** It seems to go up and up and up. When I started in my role here the Ballina Shire Roads plan was a \$20 million plan over 20 years. Twenty years later it is a \$140 million roads plan over 20 years. In that time not many new roads have been built. Ballina Council is quite a well-organised council, as far as local council go. That aspect of it is a conundrum. One of the greatest things that happened in our land development program was the Commonwealth's Building Better Cities program. If you could show that you had infrastructure that was required to be built to allow things to happen then the Commonwealth funded a large portion of it.

**The Hon. RICK COLLESS:** Ballina airport was upgraded under that program, was it not?

**Mr PAYNE:** No, but Ballina Heights was. Council got a grant because of the growth in the scale of the airport. That allowed a road to be built that council could not afford to build. The developer is now paying that back as the money comes in. It was an excellent system.

**The Hon. RICK COLLESS:** Talking about needing a more prescriptive system with policies that are more suited to a particular region, do you have any thoughts about the types of processes should be put in place to develop those policies, given competing land uses and competing views of sections of the community?

**Mr PAYNE:** There would have to be a genuine amount of community consultation, not being talked down to about what is worth saving and what is not worth saving. There are many examples of people trying to do the right thing but getting rolled in their attempts to do the right thing by a top-down view of what is required. A lot of that view is the State scientist saying what is right and what is wrong. A lot of what they think is right or wrong is their own personal view. If different scientists have different views then one of those people will determine what the policy will be. The ramifications are severe from e-zones to examples that I used in my submission of endangered species legislation. The way this legislation could be interpreted is so injurious to what common sense would say would be a good result. You get the opportunity for local council officers to say what they think something means and how to interpret legislation.

**The Hon. RICK COLLESS:** I note in your submission that you would support a regional planning Act if it was along the lines of the section you talked about. That is very interesting. There has not been a lot of support for a separate regional planning Act, and you said if it was under the current system you would not support it either. The local government people here this morning said they strongly support a complete reconstruction of the planning legislation. They said the basic framework of the green paper, white paper process about two years ago was the right sort of approach. Do you have any thoughts in that regard?

**Mr PAYNE:** No, I am not familiar enough with that.

**The Hon. ERNEST WONG:** You mentioned affordable housing. Do you mean community affordable housing or housing affordability for the younger generations? Are there rises in property values here that some of the community cannot afford? Were you talking about community affordable housing to accommodate some Indigenous community members, whom I think you said constituted about 3 per cent of Ballina's population?

**Mr PAYNE:** You rarely hear the issue of affordable housing raised in Ballina. In Byron Bay it is a hot topic. They are different communities with different land values. Byron Bay is an international village in regional Australia, so the values of land are so high and the demands of people who go there are so high and that does not work. People are providing lower cost housing, but it is still not terribly affordable. It is basically cheap rental housing that they hold. They have been caught out a couple of times by the planning process. It is an example of why you cannot merge councils in some ways. If Byron Bay needs something like that, Ballina does not, but Byron Bay would like to see a mechanism that would allow affordable housing to be easily approved but done in a way so that the framework worked for Byron Bay.

Recently an affordable housing project fell over in Byron Bay that was generally okay, but it fell over because of car parking. In the SEPP for planning around affordable housing, it is based on metropolitan parking requirements. In a city you do not need car parks—when I lived in Sydney I had a car but I never drove it. In

Mullumbimby you need at least one car per resident because there is no public transport. The developer applied to have the affordable housing built under that planning legislation, but people objected mainly because they thought it was out of character with a heritage area. But the main issue was that they did not have any car parking and people are sick of cars filling up the streets without providing on-site car parking. If there was a regionally aware planning instrument that allowed a complying development certificate for affordable housing in that precinct and that CDC had addressed the parking requirements of Byron Bay not of Newcastle or Sydney then it probably would have been approved.

**The CHAIR:** That concludes the hearing for today.

**(The witnesses withdrew)**

**(The Committee adjourned at 2.30 p.m.)**