

GENERAL PURPOSE STANDING COMMITTEE No. 4

Wednesday 9 February 2005

Examination of proposed expenditure for the portfolio area

INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

The Committee met at 2.00 p.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. J. C. Burnswoods
The Hon. K. F. Griffin
Ms S. P. Hale

The Hon. D. E. Oldfield
The Hon. E. M. Roozendaal
The Hon. J. F. Ryan

PRESENT

Department Infrastructure, Planning and Natural Resources
Ms. J. Westacott, *Director-General*
Mr. P. Sutherland, *Deputy Director-General, Office of Rural and Regional*
Mr P. Lucas, *Chief Financial Officer*
Mr G. Prattley, *Acting Director-General*
Mr G. Smith, *Executive Director, Corporate Services*
Mr S. Haddad, *Deputy Director-General*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000

CHAIR: Today we are looking at the areas under the jurisdiction of the Department of Infrastructure, Planning and Natural Resources. I declare the proposed expenditure open for examination. The usual arrangements in relation to this being a public hearing and the publishing of evidence et cetera apply.

The Hon. JOHN RYAN: First I will deal with questions from the notice paper the last time we met. I refer to a discussion I had with Ms Westacott relating to a review of the internal audit report done by Deloitte. I note that notwithstanding the fact that Ms Westacott said she did not have a problem with tabling the report, and she was asked to table the report, the Committee does not have it. Are you able to table the report? Is there some reason why you have not tabled it so far?

Ms WESTACOTT: In the questions on notice, in the way the information was requested from the department, the report was not requested I am happy to provide the Committee with the report.

The Hon. JOHN RYAN: Do you have a copy of it with you now?

Ms WESTACOTT: No.

The Hon. JOHN RYAN: *Hansard* clearly shows that I asked you to take the question on notice. Notwithstanding the fact that the Committee secretariat did not do that, it was fairly clear that the Committee wanted it. Is there a reason why you did not supply it in response to your own undertaking to supply it on notice?

Ms WESTACOTT: In the transcript you asked for it.

The Hon. JOHN RYAN: And you said you would take that on notice.

Ms WESTACOTT: I said I would take it on notice. In the information that was provided to the department, it was not sought. As I said, I am happy to give it to you.

The Hon. JOHN RYAN: Did you need any special information? You said that you would take it on notice.

Ms WESTACOTT: I have answered the question: I said I would provide it to you.

The Hon. JOHN RYAN: The material the Committee gives you is just additional assistance. I think you are able to sort that out for yourself. In any event, you also indicated that the report was provided to the department free of charge or at no additional cost. However, you have said that the report costs \$11,880 in your reply to a question without notice. I cannot reconcile the two statements. Can you provide the Committee with more information as to how a report that costs that amount of money is supplied with no additional cost?

Ms WESTACOTT: When we contract auditors such as Deloitte we contract them for a set amount for an annual services provider. This particular audit was funded from its total budget so in terms of additional cost it was within the total budget that we had allocated for the work of Deloitte for the 12-month period.

The Hon. JOHN RYAN: Obviously it was at the expense of doing some other work?

Ms WESTACOTT: That is correct.

The Hon. JOHN RYAN: So it is not at no cost?

Ms WESTACOTT: "No additional cost" was my response.

The Hon. JOHN RYAN: What is your annual budget for Deloitte doing work under that contract?

Ms WESTACOTT: I will take that on notice but I have it here. The annual audit program has a budget of \$176,000 of which the fees of Deloitte are part of that budget. I am happy to, on notice, provide you with a detailed breakdown of the specific fees of Deloitte.

The Hon. JOHN RYAN: Why can you not provide that detail now?

Ms WESTACOTT: Because I do not have it with me.

The Hon. JOHN RYAN: Are any of your officers able to provide it more quickly?

Ms WESTACOTT: I am sorry, \$176,000 is for Deloitte.

The Hon. JOHN RYAN: That is all for Deloitte?

Ms WESTACOTT: Yes.

The Hon. JOHN RYAN: Is there some reason why that amount of money does not appear as a consultant report in the annual report?

Ms WESTACOTT: Deloitte is a contractor and it is paid for under the government contract.

The Hon. JOHN RYAN: They are nevertheless consultants. How do you determine the difference between a "consultant" and a "contractor" for the purposes of the annual report? I notice that BSR Consultants—a company that even has "consultants" in its name—is also not mentioned in the annual report for the amount of funding that it receives. It is related to one specific project but the other funding which, as I understand it, runs into millions of dollars to BSR, is not acknowledged in the annual report. Why are some consultants acknowledged and some consultancies not acknowledged?

Ms WESTACOTT: We follow the Premier's Department circular, from which I am happy to read the relevant section. "For the purposes of these guidelines a consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist advice or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors."

The Hon. JOHN RYAN: Notwithstanding the fact that you asked Deloitte, for example, for specific advice, that is a contract—

Ms WESTACOTT: We follow the Premier's Department guidelines in respect of what is classified as a "contractor" and what is classified as a "consultant". In this regard, Deloitte has contracted to us on an annual basis for the \$176,000, as I said. That work was accommodated within its contract. The work of Deloitte is internal auditing, which is a contracted responsibility.

The Hon. JOHN RYAN: The Opposition has material available to it in which there are line items shown against accounts rendered to Deloitte which indicate amounts deducted and paid to Deloitte of \$2,640, \$6, 660 and \$15,015, all of which are noted in this document as being for internal annual support professional service, internal audit 25 hours and professional services April 2004 internal audit review. They appear to be specific amounts paid to Deloitte specifically for the review of this internal audit. On two instances the line item actually indicates that. That material seems to be at odds with the advice you have already given to this Committee. Will you confirm to the Committee that no payments were made to Deloitte for the review of the internal audit? If not, what were these line items for?

Ms WESTACOTT: I have made it clear that the payments that were made to Deloitte for this particular audit were \$11,000. I do not have the document to which you are referring. I am happy to take it on notice. The advice I have is that the cost of that audit was \$11,000 and that was part of its annual audit contract for which they regularly invoice us.

The Hon. JOHN RYAN: Can anybody at the table tell the Committee why Deloitte was paid amounts relating to an internal audit review on 18 May, 25 May and 23 July? Was that for this particular project or something else?

Mr LUCAS: Mr Ryan, Deloitte are a part of the internal audit process. Deloitte, together with the internal audit branch, provide internal audit services to the organisation. Whilst the Director-General has said she will take on notice the specific invoices and pull those out, I would believe that those were part of that internal audit service as part of the internal audit, and not necessarily part of the internal audit review.

The Hon. JOHN RYAN: What is the difference? What other audits has Deloitte done for the department during this time that could be described as "review of internal audits"?

The Hon. JAN BURNSWOODS: Madam Chair, Mr Ryan read out some dates. I assume they come from two different financial years, is that correct? I think there were some dates in May and July. To which year is the Hon. John Ryan referring?

The Hon. JOHN RYAN: The question of the Hon. Jan Burnswoods does not have anything to do with whether my question is in order.

The Hon. JAN BURNSWOODS: It would help us understand. Are you referring to different financial years?

The Hon. JOHN RYAN: The Hon. Jan Burnswoods does not need to understand but she is simply interjecting. I have asked a question. It is clear what it is.

The Hon. ERIC ROOZENDAAL: It is up to the Chair to determine that.

The Hon. JOHN RYAN: Nobody has even asked for a point of order. The Hon. Jan Burnswoods simply asked a question that is not in order. I have asked a question of the witness who was in the process of responding.

The Hon. JAN BURNSWOODS: We are really pleased to have you along and being so helpful. It is a fairly simple question to find out how many financial years the honourable member is referring to. If he wishes to act as Chair and tell us that it is none of our business that will help him get answers, I am sure!

The Hon. JOHN RYAN: To clarify the question, I am asking questions about material that was dealt with in the previous estimates hearing when the Committee was told that there was no additional cost for a review of an internal audit. I have referred to three payments made to Deloitte for items that appear to be described as a "review of an internal audit". Are there any other jobs that Deloitte does that could be described as a "review of an internal audit"?

The Hon. JAN BURNSWOODS: That is why I asked how many financial years are being referred to.

The Hon. JOHN RYAN: There are two, but two of the items are certainly listed within 2003-04.

Ms WESTACOTT: As I said, I will take it on notice. Mr Lucas might provide some more detail. Deloitte is part of the internal audit program and I imagine that it would invoice the department for services to that program.

The Hon. JOHN RYAN: It would.

Ms WESTACOTT: There are a number of things that it audits. Mr Lucas can provide some more detail. As I said, I am happy to take it on notice. The advice I have is that the cost of the audit was \$11,000, that was within its contract and that is what I meant by no additional cost to the department.

Mr LUCAS: Additionally, Director-General, the nature of the work Deloitte does and the necessity of our accounting system to reduce a description down to 40 characters means that often people will refer to the work by Deloitte as "internal audit review" or "internal audit work". Without actually looking at those particular invoices we cannot tell exactly what they entail. The nature of other things that they would do as characterised as internal audit work or review would be the normal parts of an internal audit program that had been agreed between the internal audit branch, the audit committee and Deloitte as the allocation of the work between those two. They may cover things such as fleet, information technology, payroll type work and accounts payable payments.

The Hon. JOHN RYAN: Relating to that audit were remarks about BSR. Does a person called Tony Kafer still work for the department?

Ms WESTACOTT: No.

The Hon. JOHN RYAN: What were the circumstances of his departure?

Ms WESTACOTT: Mr Kafer resigned. I am not prepared to talk about the circumstances of his resignation—it is a matter between him and the department.

The Hon. JOHN RYAN: Did his resignation have anything to do with allegations of impropriety?

Ms WESTACOTT: As I said, I do not think it is appropriate for me to comment on the circumstances of his resignation.

The Hon. JOHN RYAN: Are you able to rule out that impropriety was not part of the circumstances for his departure?

Ms WESTACOTT: As I said, I am not going to comment on the circumstances involving a third party who is not here to speak for themselves in their decision to resign from the department.

The Hon. JOHN RYAN: Have you referred any aspect of Mr Kafer's work to the Independent Commission Against Corruption?

Ms WESTACOTT: No.

The Hon. JOHN RYAN: Are you familiar with an officer called Helen Francis?

Ms WESTACOTT: I know who she is. I have not personally met her.

The Hon. JOHN RYAN: Are you aware that she was promoted by Mr Kafer from a grade 9 to a grade 11 position without there being any external review?

Ms WESTACOTT: I am aware of that. I do not believe—and I can check with Mr Smith—that she was promoted. My understanding is she was given an acting opportunity, a higher duties opportunity, and I do not believe she was permanently promoted to that position.

The Hon. JOHN RYAN: Did that promotion involve moving from—

Ms WESTACOTT: As I said, she was not promoted. She was given an opportunity to act at higher duties, which is a common practice in the public sector.

The Hon. JOHN RYAN: Did that acting position involve moving from Wagga Wagga to Sydney?

Ms WESTACOTT: She was seconded from the Wagga Wagga office to undertake a special project, yes.

The Hon. JOHN RYAN: Did—

Ms WESTACOTT: There was nothing unusual about that. She was the particular expert in the field, as I understand it. She was seconded to work on a particular project and she had the most knowledge in the department of this particular issue. There is nothing uncommon about seconding people from regional offices to undertake projects in head office.

The Hon. JOHN RYAN: There might be something unusual about it if it means that the person virtually worked in Sydney—I have on a 2004 calendar indicated in red the number of days on which she was working in Sydney and not in Wagga Wagga and claiming expenses. Her expenses amounted to some \$39,000. What was the project she was working on that required the department to find her, rather than someone else, and accumulate \$39,000 worth of expenses?

Ms WESTACOTT: She was not appointed, as I understand it, by Mr Kafer. I will get Mr Smith to give me information about the project she was working on.

Mr SMITH: Helen Francis was working on the integration of the Planning New South Wales and the previous DLWC information management systems. We had a pilot project to commence that integration work which was centred on the Queanbeyan, Murray, Murrumbidgee office. Helen Francis was the information technology [IT] manager for that region and was seconded by the previous CIO, Amanda Spalding, to the head office ICT team to project manage that work because of her experience working as the regional information technology manager.

The Hon. JOHN RYAN: Why was it necessary for her to come to Sydney almost every day for a period in excess of eight months? There is virtually not a week in which she did not come to Sydney, with the exception of two weeks, and on many occasions she actually stayed in Sydney over the weekend. What was the project she was working on in Sydney that required her to be in Sydney for so long, raising nearly \$40,000 worth of expenses?

Ms WESTACOTT: As Mr Smith said, this person was seconded to a head office project. It is common practice to pay people a living-away-from-home allowance when they are seconded to head office to do particular projects. We do this because it is often the people in our regional offices who have the most expertise.

The Hon. JOHN RYAN: Was it not possible to find someone in Sydney to carry out that work, at \$40,000 in expenses?

Ms WESTACOTT: This person was regarded as the person who had the greatest expertise. There is a very strong belief by staff in our regional offices that they should be given an opportunity to participate in some of these head office projects. They often are the most skilled people. It is not uncommon practice to second people and therefore pay them a living-away-from-home allowance.

The Hon. JOHN RYAN: Has any matter relating to Ms Francis' appointment and these expenses been referred to the Independent Commission Against Corruption?

Ms WESTACOTT: No, because there is nothing corrupt about paying someone a legitimate living-away-from-home allowance if they have been seconded by a manager to do a particular piece of work.

The Hon. JOHN RYAN: I find it interesting. Are other people seconded at similar rates with similar promotions under similar circumstances?

Ms WESTACOTT: We second people from regional staff quite often in the department. It is a decentralised organisation of people.

The Hon. JOHN RYAN: For nine months almost every day?

Ms WESTACOTT: It is not uncommon to second people in for periods of six to 12 months.

The Hon. JOHN RYAN: Almost every day they need to work in Sydney? Would it not be cheaper to simply move them to Sydney?

Ms WESTACOTT: Sometimes that occurs. Sometimes they have family obligations that require them to return home.

The Hon. JOHN RYAN: That might be sometimes. In this case, what expertise did Ms Francis have that was specifically needed in Sydney that was not available anywhere else?

Ms WESTACOTT: I will get Mr Smith to answer that.

Mr SMITH: Helen Francis was nominated by the manager of regional operations as the best person available in New South Wales to provide for the integration of the natural resource management and the land use planning information and IT systems. When Helen Francis commenced work on that project at the approval of the previous CIO, Amanda Spalding, she developed a project team around her and she was in fact leading that project team. Her continuation was monitored in terms of performance against project deadlines and targets. Her performance was very good and that was the reason she continued on in that project management role for a considerable period of time.

The Hon. JOHN RYAN: Is Ms Francis about to leave the department or accept a voluntary redundancy?

Ms WESTACOTT: My understanding is that she has left the department.

The Hon. JOHN RYAN: I am not surprised.

The Hon. DAVID OLDFIELD: Especially with all that expertise!

The Hon. JOHN RYAN: Indeed. It must be great to lose that expertise. And there is no aspect of that being investigated for impropriety?

Ms WESTACOTT: Not for impropriety. Obviously we have investigated whether or not the claims were legitimate, but it is simply not improper to pay a living-away-from-home allowance to people who are seconded for a project in head office. It is not inappropriate to second people from regional offices; otherwise you end up with head office people who are not often the most expert or the most knowledgeable about how operations work out in the field. Doing all of the projects, regional staff do not get an opportunity to develop their skills or to ensure that the department's projects reflect what is happening in our regional offices. In all the organisations in which I have worked in the public service that have been decentralised it is a very common practice to second people from regional offices to do special projects. When you second people you have to pay them a living-away-from-home allowance. My understanding is that Mr Smith has looked at her allowances and he is satisfied that they were paid according to the public sector guidelines.

The Hon. JOHN RYAN: What were the circumstances under which Mr Smith looked at them? Why did he look at those specifically?

Mr SMITH: The living-away-from-home allowance that was claimed by Ms Francis was actually lower than her entitlement. That was my understanding from the human resources branch that reports to me. I asked the human resources branch to look at that to ensure that the claims that Ms Francis was making were appropriate in terms of the award provisions. Whether she claimed more or less than she was entitled to, it is important to apply the award as set by the Industrial Commission. Human resources has had a look at that. There were no discrepancies in terms of the allowance that was paid to her.

The Hon. JOHN RYAN: So your concern was that she might not have been paid in full, which was the reason it was drawn to your attention?

Mr SMITH: No. The claims were not made by Helen Francis in terms of the award. I understand from memory that they were very similar to the amounts that she would have been entitled to under the award. Nevertheless, her claims were a little different. I cannot recall the detail, but the human resources team that reports to me reviewed her claims while she was a member of our staff and indicated to me that both the amounts claimed and the way she claimed them were appropriate.

The Hon. JOHN RYAN: I was asking whether you recall why they were drawn to your attention.

Mr SMITH: My recollection is that they were drawn to my attention because she claimed the allowance in a way that was different from other employees.

The Hon. JOHN RYAN: Would you like to explain what you mean by "different"?

Mr SMITH: I cannot recall the detail, I am sorry. I would have to take that on notice.

The Hon. JOHN RYAN: So you would be prepared to give that detail to the Committee on notice?

Ms SYLVIA HALE: Ms Westacott, as Director-General you would be aware that a number of residential parks have either closed or are under threat of closure. Given the significant decline in this sort of housing, which is affordable and has easy entry and exit, what role is the Department of Infrastructure, Planning and Natural Resources playing in relation to this matter?

Ms WESTACOTT: Do you mean residential caravan parks as in permanent resident caravan parks?

Ms SYLVIA HALE: Yes.

Ms WESTACOTT: I will take that on notice. We did do some work on caravan park regulation. As part of our strategies for the North Coast, the Illawarra, the Hunter and the Central Coast we are looking at the role residential parks play in both a tourism role and an affordable housing role to ensure that that accommodation is available to low-income earners, not just for permanent residents but for affordable holiday accommodation. So I will take that on notice. It is something that I have raised with my planning teams on the Central Coast because I am aware of one or two residential parks that have come under some pressure for redevelopment. As you say, they provide an important role for affordable housing, particularly for affordable purchasable housing for low-income people. We want to see that mix of housing maintained in our strategies, particularly in places like the North Coast, which as you know is under a lot of population pressure, and in places like the Central Coast, where there are obvious affordability and access issues.

Ms SYLVIA HALE: But you are also aware that it is a problem in Sydney?

Ms WESTACOTT: Yes, I am aware of the particular park that you are talking about, and I am happy to take that on notice and give you some more details.

Ms SYLVIA HALE: But also the closure of parks, for example, at Parklea.

Ms WESTACOTT: Yes. I will take that particular one on notice and give you some proper details.

Ms SYLVIA HALE: Turning briefly to planning for Parramatta Road and the M4 East extension, I understand that you are the person responsible for setting the Director-General's requirements for the preparation of the environmental impact statement [EIS] for the M4 East. Can you confirm that both the EIS for the M4 East tunnel and planning proposals for the revitalisation of the Parramatta Road corridor will be exhibited concurrently?

Ms WESTACOTT: That is certainly the intention. When we launched the Parramatta Road project we said that we would exhibit concurrently both the EIS for the M4 East and the broad land use and development patterns for Parramatta Road. That is still our objective. As you know, the EIS has not been on exhibition yet, and we are talking to the Roads and Traffic Authority about that. But it is still our objective to exhibit concurrently both the EIS and the broad land use proposals for the Parramatta Road corridor.

Ms SYLVIA HALE: Will the planning proposals and funding for the Parramatta Road corridor cover the entire length of Parramatta Road from Strathfield through Leichhardt and into the city? Will a whole-of-corridor approach be applied, or will it be managed in stages?

Ms WESTACOTT: We are certainly applying a whole-of-corridor approach in the development of the land use transport options. We have a task force which I sit on. We have all of the mayors and relevant general managers and planning staff from the respective councils. We have divided the road into four segments because, as you know, there are quite different characteristics. The Marrickville-Ashfield precinct is about preserving heritage, about trying to potentially look at such things as shop-top housing in the heritage areas and how we restore those heritage buildings. Then we have Homebush Bay and Sydney Olympic Park, and then we have those bits around Strathfield. So we divided it into four precincts. The task force may recommend that the best approach to those land use options is in fact a staged approach. We have not ruled in or out any of those options but we want to see a whole-of-corridor approach and we may in fact stage certain things according to those four precincts.

Ms SYLVIA HALE: Amongst community members I have spoken to there is a concern that great attention is being applied to the preparation of detailed plans for the Burwood end but that there are only more general plans for the remainder. One concern is that this will facilitate acceptance of the M4 East extension because it will focus on the beneficial results that may occur for Burwood but ignore the longer-term problems further down the corridor.

Ms WESTACOTT: As I said, there are four precincts. Each precinct has a group of people—that is principally the council and its planning staff, and the mayor. Each of them is required to come up with a broad vision statement, a detailed precinct plan. Those are all being considered concurrently. I think more work is being done in Burwood because the council itself had done a substantial amount of work on its local environmental plan. So in some respects they had already done a lot of the detailed planning.

Obviously because of that, more options are available there than there are in other parts of the precinct, but I do not believe that is correct. The intent is to take a whole-of-corridor approach and we have given each of those precincts an opportunity, and indeed funding, to ensure that we get that whole-of-corridor approach. All of those provision statements have gone back to each respective council for endorsement and we will be integrating those in our final land-use options. So I think the Burwood example is really because the council itself had done a very detailed local environment plan.

Ms SYLVIA HALE: Can you give an undertaking that any detailed plans or modelling for the whole of the Parramatta Road corridor will be made available prior to any decision being made on the M4 East extension?

Ms WESTACOTT: Yes. We have been very clear about the M4 East extension. The director-general's requirements that we have set for the M4 East are probably the most stringent that have ever been set. As you know, they require the M4 East to link with the Parramatta Road redevelopment project, or the renewal project for the corridor, and one of the very clear requirements under the director-general's requirements is that there is some alleviation of traffic and transport congestion on Parramatta Road. So it is absolutely essential that we assess the M4 East, and the Minister has made it very clear that the M4 East will be assessed on the basis of the extent to which it frees up that traffic and contributes to the redevelopment of Parramatta Road.

Ms SYLVIA HALE: So that modelling for the entire length of Parramatta Road will be publicly available and the planning for that will be available before any approval is given to the M4 East extension?

Ms WESTACOTT: Yes. Remember that the EIS has to go on exhibition for quite some period, as you know.

Ms SYLVIA HALE: Under the director-general's requirements for an EIS for the M4 East extension you mention "funded urban renewal initiatives". Can you explain what you mean by that phrase?

Ms WESTACOTT: We have funded the local government authorities along the corridor to do the detailed planning. I guess I am referring to it as "urban renewal" because we picked that corridor because so many parts of the corridor are rundown and suffering from, I guess, years of lack of strategic planning. As you know, it is a mix of car yards and some residential—some quite high-quality residential—now. So we are funding those land-use studies and those options for local government as part of a kind of approach of urban renewal.

Ms SYLVIA HALE: What extent is the funding? How much have you allocated?

Ms WESTACOTT: We have allocated \$2 million for the planning of Parramatta Road.

The Hon. DAVID OLDFIELD: Ms Westacott, I imagine you would remember that previously you have told the Committee that you have in your package a car and driver. You have also previously told us that you have a driver's licence, which is current. Do you still have the car?

Ms WESTACOTT: Do I still have the car?

The Hon. DAVID OLDFIELD: Yes. Do you still have the car?

Ms WESTACOTT: No, I do not have the car.

The Hon. DAVID OLDFIELD: So you no longer have a car and driver?

Ms WESTACOTT: I have a car; I do not have the car.

The Hon. DAVID OLDFIELD: Okay. Do you still have a car supplied within your package?

Ms WESTACOTT: Yes.

The Hon. DAVID OLDFIELD: Do you still have the driver in the package?

Ms WESTACOTT: No.

The Hon. DAVID OLDFIELD: Is it a different driver or do you just not have a driver any more?

Ms WESTACOTT: The person who was in that position was in a temporary position. I made a commitment to the PSA that as part of the reduction in staffing in our department we would target initially temporary staff. He was one of those non-essential, temporary staff and when his contract was finished—when his time was finished—he was not renewed.

The Hon. DAVID OLDFIELD: Were there any costs involved in his non-renewal?

Ms WESTACOTT: In what sense?

The Hon. DAVID OLDFIELD: In the sense of redundancy pay or any such thing.

Ms WESTACOTT: He was a temporary section 27, or former section 38, employee. I doubt that there were any, other than the normal leave entitlements or payments provided.

The Hon. DAVID OLDFIELD: You doubt it; you are not sure.

Ms WESTACOTT: I am happy to take it on notice, but I doubt it. He was a section 38 employee.

The Hon. DAVID OLDFIELD: Okay. If you could take it on notice and tell us if there was anything other than that which would be normal under the circumstances. Do you have a new driver?

Ms WESTACOTT: No, I am being assisted with my driving in other ways. I have answered the questions about my driving for this Committee in the past.

The Hon. DAVID OLDFIELD: These seem to be different questions though, because circumstances have clearly changed since the last time we talked to you about this. You say that you are being "assisted with your driving in other ways". How are you being assisted if you have a car allocated but you do not have a driver?

Ms WESTACOTT: I access the Premier's Department pool. I travel with other people.

The Hon. DAVID OLDFIELD: So if you require a driver you get one from the Premier's Department?

Ms WESTACOTT: Correct.

The Hon. DAVID OLDFIELD: So, in a sense, you do have a driver, but it is just not a permanent person—it is when you need one.

Ms WESTACOTT: No, I do not have a driver and part of the duties of the person who was in the previous position, as we have said in answer to a question on notice, was driving and they performed other administrative duties, as is the same in many other parts of the public sector where people have driving responsibilities for the executive as part of their administrative role.

The Hon. DAVID OLDFIELD: But you do currently access the Premier's Department should you require a driver?

Ms WESTACOTT: Very occasionally—as do a number of senior public servants.

The Hon. DAVID OLDFIELD: Actually all the other public servants that I have questioned on this matter claim that they have neither cars nor drivers.

Ms WESTACOTT: I am sorry; people access the Premier's Department pool. That was my point.

The Hon. DAVID OLDFIELD: Whereabouts is the vehicle garaged? Do you keep it privately or is it garaged at the office?

Ms WESTACOTT: Madam Chair, I am not going to answer questions about where my car is garaged. I really cannot see how those questions are in the public interest or why I should have to make public where my car is garaged.

The Hon. DAVID OLDFIELD: Madam Chair, I would suggest that many of these things are in the public interest because they relate to costs to taxpayers, the same as the various expenditures of yours and mine and everybody else in this building are under public scrutiny on a continual basis.

CHAIR: Ms Westacott, can you assist the Committee in terms of what sort of cost might be involved in terms of the garaging? Is it anything out of the ordinary?

Ms WESTACOTT: Not to my knowledge. I will take it on notice. I do not know what the cost is.

The Hon. DAVID OLDFIELD: I am merely asking: Do you keep this car permanently with you at your place? Is that where it is garaged? Do you drive it yourself under those circumstances or is it garaged somewhere in the department with a parking space and you call upon a driver and use it whenever? What are the circumstances?

Ms WESTACOTT: I really do not know why it is appropriate for me to say how I get to and from work, where I put my car at night—

The Hon. DAVID OLDFIELD: Then tell us why it is inappropriate if it is not appropriate.

Ms WESTACOTT: It is a car that I pay for under my package. It is my personal circumstances where I put my car at night. I really cannot see how this is in the public interest.

The Hon. DAVID OLDFIELD: Explain why it is a secret then.

Ms WESTACOTT: It is not a secret at all.

The Hon. ERIC ROOZENDAAL: Point of order—

The Hon. DAVID OLDFIELD: If it is not secret then share it.

The Hon. ERIC ROOZENDAAL: Point of order, Madam Chair. I would like to have a microphone if someone could turn their's off.

The Hon. JOHN RYAN: You have to turn it on yourself.

The Hon. JAN BURNSWOODS: John Ryan showing his great knowledge of electronics again!

CHAIR: Order!

The Hon. DAVID OLDFIELD: We know there was a time when you were alive that electronics did not exist.

The Hon. ERIC ROOZENDAAL: If you could ever call the meeting to order occasionally, we would appreciate it, Madam Chair.

CHAIR: Go for it.

The Hon. ERIC ROOZENDAAL: Ms Westacott has made it clear that the car is part of the package and is included as part of her remuneration. I frankly think where she keeps the car or how she keeps the car, whether she washes the car or does not wash the car is completely irrelevant.

The Hon. JOHN RYAN: Nobody asked her about that.

The Hon. DAVID OLDFIELD: I did not ask her about washing the car.

The Hon. ERIC ROOZENDAAL: Because that is about as inane as the questions that have been asked so far about the car. It is part of a package.

The Hon. DAVID OLDFIELD: If you have your own inane questions you can ask them in your time.

The Hon. ERIC ROOZENDAAL: I think there is a certain responsibility for all honourable members of this Parliament to act with some sort of decorum and not pursue somebody over their private and personal habits as to where they store their car or how they drive their vehicle when it bears no resemblance at all to the requirements of this particular Committee and its relation to estimates. This is just a folly, for whatever reason. I think Ms Westacott has answered the question. She has made it clear it is a private matter. She has acknowledged the car is part of a remuneration package and I do not understand why there need to be further questions about the vehicle.

The Hon. DAVID OLDFIELD: To the point of order: This Committee has heard evidence from people such as and including the Minister and Ms Westacott with regard to this car. A number of matters surrounding this car are questionable, at best. I point out that Ms Westacott, firstly, has a driver's licence. Secondly, the Minister indicated to us in previous meetings that the reason Ms Westacott was given a car was because she is not able to drive because of a medical condition. We were also then told that the medical condition was a matter of eyesight problems. If Ms Westacott has eyesight problems how does she have a driver's licence—if her eyes are so bad that she cannot drive a

car? I think questions surrounding this vehicle—which I think is a dubious matter in relation to the remuneration—are paramount.

CHAIR: Ms Westacott, I agree that I do not really think the Committee needs to know where you have your car as long as it is within your package and it is nothing out of the ordinary. Can you assist Mr Oldfield in terms of clarifying your evidence today as to what you said previously in relation to your circumstances, without us being too intrusive?

The Hon. JAN BURNSWOODS: Point of order: We have just heard a rave from Mr Oldfield about previous hearings—in fact, I think some of them were in this Committee not as an estimates committee but during the Orange Grove inquiry. Nevertheless, Mr Oldfield has not in fact asked a single question about medical or other matters. Therefore, I think it is entirely previous of you, if you are giving a ruling, to ask Ms Westacott about her willingness to answer questions that have in fact not been asked. More than that, I repeat the point of order taken by Mr Roozendaal. These matters, particularly if we are going to get on to medical issues, have simply nothing whatsoever to do with the estimates. We have been over this ground in this Committee on various occasions before and, in fact, I think on most occasions we have cut short this obsession that Mr Oldfield appears to have with personal, private and medical matters relating to witnesses before us. I think it is quite out of order to ask Ms Westacott about her willingness to answer questions about private medical matters that have not even been asked.

The Hon. JOHN RYAN: Madam Chair, if I may make a comment in response to the point of order.

CHAIR: Mr Ryan.

The Hon. JOHN RYAN: Madam Chair, I do recall this being raised at an earlier time. Essentially, I think the member who was asking the questions about the car was seeking to get some information as it appeared that Ms Westacott had a financial advantage that was not given to other directors-general—that is, she had a car and a driver. He was essentially told that—

The Hon. JAN BURNSWOODS: That is untrue.

The Hon. JOHN RYAN: It is true. On the previous occasions that is what he asked for and that is what he was seeking to find out: whether this was different.

The Hon. JAN BURNSWOODS: There are packages.

The Hon. JOHN RYAN: If I may finish my point of order before you interrupt again.

CHAIR: Order! Mr Ryan has the call.

The Hon. JAN BURNSWOODS: So you do not interrupt?

The Hon. ERIC ROOZENDAAL: Point of order: Mr Ryan is not making a point of order.

The Hon. JOHN RYAN: I am making a point of order.

The Hon. ERIC ROOZENDAAL: That is not what you said; you said you were making a comment.

CHAIR: Order!

The Hon. JOHN RYAN: No, I am making a response.

The Hon. ERIC ROOZENDAAL: You have changed your tune yet again. You said you were making a comment.

The Hon. JOHN RYAN: No, I have not.

CHAIR: Order! Mr Ryan has got the call.

The Hon. JOHN RYAN: I am responding to the point of order as to why it is appropriate to seek information.

The Hon. ERIC ROOZENDAAL: Why are you responding to the point of order? It is up to the Chair to respond to the point of order.

The Hon. JOHN RYAN: I am allowed to make a comment in response to a point of order.

CHAIR: Order!

The Hon. JOHN RYAN: I am allowed to make a submission to the Chair in regard to the point of order.

The Hon. JAN BURNSWOODS: So that is what you are doing?

The Hon. JOHN RYAN: Exactly.

The Hon. JAN BURNSWOODS: It is nice of you to tell us, belatedly, that that is what you think you are doing.

The Hon. JOHN RYAN: I do not need to tell you; you know the forms of the House.

CHAIR: Order! Mr Ryan.

The Hon. JAN BURNSWOODS: But you do not follow the forms of the House.

CHAIR: Order!

The Hon. JOHN RYAN: The member was seeking to get some information about an arrangement that appeared to be different for the Director-General than for others. He was essentially scared off by being told that it was inappropriate to ask questions about this because he was probing into matters that were private—and, frankly, I thought at that time he had in fact crossed the line and it was unfair. However, it was clearly stated to him that it was appropriate for the director-general to have this arrangement because she was not capable of driving herself and it was, I suppose, in deference to her disability that she should be given this particular assistance.

The Hon. JAN BURNSWOODS: That was not said. As usual, you are playing with the truth.

The Hon. JOHN RYAN: I am not playing with the truth at all. So no further questions were asked. We have now discovered that the driver no longer operates in this fashion. I think it is highly likely—we can take it from inference—that the Director-General is capable of driving a car herself. Therefore, it is relevant to ask questions as to why this circumstance changed. I can anticipate that it would be fair to say that maybe these things changed because questions were asked and it was inappropriate in the first place, and we were simply told not to ask questions on this for reasons that were not true.

The Hon. JAN BURNSWOODS: McCarthyism raises its head in this Committee yet again.

CHAIR: Order!

The Hon. JOHN RYAN: Although it would be unreasonable to inquire about health conditions under normal circumstances, given that health was stated to the member as the reason why it was improper and now it appears that they were not as relevant as we were previously made to think, it is not unreasonable to make a further inquiry.

The Hon. DAVID OLDFIELD: To the point of order.

CHAIR: Mr Oldfield.

The Hon. DAVID OLDFIELD: We all understand, and are sympathetic to, the fact that Ms Burnswoods has a failing memory. I would like to point out that these matters were specifically raised in estimates; this particular matter was not raised, while associated matters were raised, during the Orange Grove inquiry. It specifically occurred in the Chamber during estimates when Minister Knowles was present, and it was Minister Knowles who specifically raised the fact that there were medical problems associated and that it was improper. We then discovered that the medical problems were eyesight. We have since discovered that there is a driver's licence. I would ask: If Ms Westacott's eyes are so bad why does she have a driver's licence? Perhaps we should have moves to have it taken away.

The Hon. ERIC ROOZENDAAL: What has that got to do with today? That is a ridiculous thing to say; it is simply a ridiculous thing to say.

The Hon. DAVID OLDFIELD: It is as ridiculous as the excuse being given by a Minister that a person has a car because she is incapable of driving due to medical reasons that are so disturbing they cannot be raised.

The Hon. JAN BURNSWOODS: I thought I had the call.

The Hon. DAVID OLDFIELD: We then find that the person has an eyesight problem. However, it is not so bad that it precludes her from holding a driver's licence.

The Hon. JAN BURNSWOODS: Madam Chair, will you chair this meeting and tell the Hon. David Oldfield that he has to finish and that someone else has the call?

CHAIR: Order! I call the Hon. Jan Burnswoods.

The Hon. JAN BURNSWOODS: I repeat my point of order: I am not sure whether or not you were giving a ruling or what you were trying to do, but you asked Ms Westacott about her willingness to answer questions, none of which have been asked. My point of order dealt with the fact that it was quite improper for you to put to her her willingness to answer questions that had not in fact been asked. They related specifically to the medical matters. I also argued that the medical matters are not relevant to an estimates committee and that we have been down that track before.

CHAIR: I rule that the question was asked by the Hon. David Oldfield in the first place. I ask Ms Westacott whether she can assist the Committee in clearing up any discrepancy between the circumstances that prevailed at the time of the previous discussion on these matters and the questions being asked today.

The Hon. ERIC ROOZENDAAL: Point of order: This round of points of order all began because the Hon. David Oldfield was asking about the garaging arrangements for the vehicle. Somehow, in your thinking, we have now diverged from the issue of whether that is appropriate to where the car is garaged. You, as the Chair, have meandered and now posed a whole series of new questions.

CHAIR: Order! I have not done that. I have made my ruling.

The Hon. ERIC ROOZENDAAL: I move dissent to your ruling. You cannot even tell us what the question is that you want her to answer.

The Hon. JOHN RYAN: You can only move dissent in writing and you have to give reasons.

The Hon. ERIC ROOZENDAAL: I move dissent to your ruling.

The Hon. JOHN RYAN: Do it in writing.

The Hon. DAVID OLDFIELD: While he is writing can I go back to my question?

The Hon. JAN BURNSWOODS: I think you have declared your ruling. It is not appropriate for the Hon. David Oldfield to continue with the hearing. Dissent has been moved. Madam Chair would you mind please clearing the room?

CHAIR: Order!

The Hon. JAN BURNSWOODS: Perhaps you could ask the clerk to provide the traditional form so that the Hon. Eric Roozendaal could fill it in. Perhaps you could do anything that was chairperson-like. It would be a pleasant change.

CHAIR: Order! Could you be quiet for a change?

The Hon. JAN BURNSWOODS: It would be nice if you actually chaired the meeting.

The Hon. ERIC ROOZENDAAL: If you chaired the meeting with a certain level of confidence—

CHAIR: Order! Be quiet.

The Hon. ERIC ROOZENDAAL: No, I will not be quiet. Your level of chairing is absurd and disgraceful.

CHAIR: Order! I will now adjourn the meeting while we deal with the dissent motion.

[*Short adjournment.*]

CHAIR: The dissent motion was lost.

The Hon. JAN BURNSWOODS: Madam Chair, I think the time for crossbench questions has expired and it is therefore time for Government questions. Could that be confirmed?

CHAIR: Yes, that is correct. I indicate to the officers that I am sorry about the interruption but because we have a lot of questions we may have to have another hearing.

The Hon. JAN BURNSWOODS: Ms Westacott, could you tell the Committee please how the new native vegetation management arrangements will secure and improve environmental outcomes while at the same time enhancing productivity opportunities for farmers, and how the department is responding to criticism of its property vegetation management?

Ms WESTACOTT: As the Committee will be aware, last year the Premier announced the Government would produce a new plan for the management of native vegetation in New South Wales. This plan was the product of work firstly by the Wentworth group of scientists and then the Sinclair group of farmers, scientists and conservationists, which produced a blueprint for government and which the Government adopted as the basis for native vegetation management. These reforms received statutory backing in the form of the Native Vegetation Act 2003, an Act to establish an independent Natural Resources Commission and an Act of Parliament to establish catchment management authorities. The objectives of the policy were to end broadscale clearing unless it maintains and improves the environment and to allow the continuation of routine farm management practices and to give farmers flexibility in the management of their properties.

The key elements of the native vegetation reform that the Government has announced and was in the process of implementing was that the Natural Resources Commission will develop an independent set of standards and targets across four areas: water, biodiversity, soil and salinity. They will be adapted at the local level by catchment management authorities which are made up of local community representatives, and farmers will be allowed to apply for clearing and for incentives through a new property vegetation plan. We have exhibited a regulation as well as the property vegetation planning system. We have conducted 100 trials across the State. We have held a number of workshops with farmers and members of the environmental movement. We have received a wide variety of submissions as a result of those workshops. We have also released an invasive scrub

discussion paper, which, for the first time, recognises that the clearing of invasive scrub has a positive environmental impact.

One of the cornerstones you have asked about is the property vegetation plans. These are voluntary agreements that farmers will enter into. They will allow farmers to apply to clear certain vegetation on their properties if they can demonstrate it maintains or improves the environment. The property vegetation plans will also be used to attract and obtain incentives—incentives for protecting and restoring vegetation, fencing, et cetera—for which the State and Federal governments have provided \$436 million through the national action plan and the National Heritage Trust funds, of which at least \$120 million will be used for vegetation initiatives as part of the property vegetation plans.

We have been trialling those property vegetation plans across 100 properties around the State, across a whole variety of catchments. We have had a lot of feedback on that, much of it positive but some of it of some concern. We have agreed, in consultation with the farmers and the environmental movement, to refine the assessment methodology and make sure that the tool is more practical and takes into account the different environmental circumstances of certain catchments. We are designing and will incorporate into the property vegetation plan tool a separate model for assessing invasive scrub. We have set up a working group of farmers and environmentalists to steer the refinement of the assessment system, and the Sinclair group that the Minister established to oversee the native vegetation reform will oversee the finalisation of the property vegetation tool.

This is precisely why we did a trial. This is the benefit of doing a trial. We always said that we were not going to rush the implementation of the regulations or the property vegetation planning system. We will get it right with the farmers. This is a very different approach from when State environmental planning policy 46 was introduced. We want to make sure that the property vegetation plan tool works on farms and can be adapted to take into account the different environmental circumstances across the State and that it can be a practical tool for giving farmers incentives and funding to revegetate and improve the quality of their properties. Most importantly, farmers will receive a property vegetation plan for 15 years. That gives them 15 years of certainty to ensure that they are able to finance their properties and to plan with some certainty their farming practices and their income.

The Hon. ERIC ROOZENDAAL: Could you tell us what the Government and the department are doing to meet public demand housing to overcome the current shortage of blocks of land?

Ms WESTACOTT: We have taken a number of steps to ensure there is an adequate supply of housing and land for homebuyers in the greater metropolitan region. These can be divided into short-term and long-term actions. I will say something about both. In summary, our short-term and our long-term land release strategies combined with our current Sydney region development program will provide about 220,000 lots. That will be about 8,000 lots per year by 2007-08, and that will take an enormous pressure off the number of dwellings needed in infill locations, that is in existing suburbs.

As everyone knows, Sydney's population is projected to grow to around five million people by 2031. Average household sizes are getting smaller, which means more houses are needed to accommodate similar numbers of people. It also means that the mix of houses needs to change. The Government made a decision to limit the supply of land released in new release areas until such time as new approaches were developed to funding and delivering infrastructure. So, the Government has taken two actions to address land supply. The first is the short-term action to fast track a number of new release areas in Spring Farm, Elderslie, South Hoxton Park and Glenfield Road, and those provided a total of about 9,000 lots. In addition, last year we exhibited Edmondson Park, which is a further 9,000 lots on exhibition, and those fast tracking arrangements have been managed by reducing some of the unnecessary red tape that has existed in previous land releases.

As you know, in December the Premier announced major new land releases for the north-west and south-west sector. That is to allow us to meet one of the key platforms of the metropolitan strategy, which is to target about 30 per cent to 40 per cent of all new housing from new release areas and around 60 per cent to 70 per cent from infill in existing suburbs. The land release for the south-west sector and the north-west sector will see the gradual release of 160,000 lots over the next 25 to

30 years. It also includes new government arrangements in the form of a growth centres commission and the provision for infrastructure, planning and funding the commission, which is a new feature of land release in Sydney and which will co-ordinate the orderly and staged release of land and, most importantly, the orderly and staged release of infrastructure.

In the first five years in the south-west sector around 18,000 new lots will be released. As part of that release the Government has made a commitment to commence key regional roads in 2060, start the acquisition of the new south-west rail link, provide new schools from 2007, upgrade and provide new health facilities and commence a major conservation program. Major regional roads will be a feature of the south-west land release, and they include the upgrading of Camden Valley Way, Narellan Road and The Northern Road. In the first five years in the north-west, over 17,000 new lots will be released, and that will be accompanied by major road upgrades in the next five years of Schofields Road, Quakers Hill Parkway and Garfield Road.

The way we have tried to do the new land release this time is to address some of the deficiencies of the past which led to land being released and housing being provided without the adequate transport and infrastructure. This approach to land release, which will see land and housing being staged with transport and vital infrastructure, has been developed in extensive consultation with State Government agencies and local government. The broad aspect of the plan is that about \$7.8 million of new regional infrastructure will be funded and linked to the staged release of land for new communities. Just to give you a breakdown, there will be \$3.6 billion for roads; \$688 million for rail; \$487 millions for a bus network; \$1.7 5 billion for education; and \$380 million for health. Developers will contribute around 75 per cent of that cost through an infrastructure fund. The development contribution will be tax deductible and is not likely to impact on housing affordability.

A critical part of this land release is that we have incorporated into the land release a major conservation initiative which will see 16,000 hectares of land being preserved as part of the release of the land. The other critical part of the land release is that we want to build into the planning and funding of the land release and the provision of infrastructure new communities which will see better public transport with frequent buses that link to the rail system. A range of land users will provide the right mix of housing, jobs, services and open space and easy access to major town centres with a full range of shops and services, with jobs being made available locally and within the region to reduce the demand for transport, particularly to the central business district. Streets and suburbs will be planned so that residents can walk to shops.

There will be a wider range of housing choices to meet the different and changing needs of people in the community, particularly our ageing population, and conservation areas will be set aside, as I said, but also conservation areas in and around the town centres. We have received some independent feedback from our sustainability commissioner, Peter Newman, who regards the land release proposals as at or near world's best practice in terms of sustainability. And last week we began the implementation process in full by the advertising of the general manager's position and the beginning of the recruitment of the board for the Growth Centres Commission.

The Hon. JAN BURNSWOODS: You mentioned sustainability and gave us a lot of detail about the release of land in the new areas. Part of the other side of that is Sydney's status as Australia's only global city and what the Government is doing to enhance that status and yet continue to keep up sustainability by delivering sustainable communities, which is the other side of that task. Could you tell us about that?

Ms WESTACOTT: Yes. The way we are approaching that obviously is to engage in a major planning exercise, the metropolitan strategy. The Premier announced that the Government would do a 30-year plan for Sydney, last year. We have spent a considerable amount of time consulting with local government and the community and for the first time ever randomly selected citizens from across the State to participate in a number of forums. Over 700 people were involved in extensive consultations about the future of the city and the character of their particular suburbs.

One of the key aspects of the metropolitan plan is that we did not want to just produce a plan as a document if you will, a 500-page document, as has often been the case in these exercises. We actually wanted to do things at the same time. All of those are designed to promote Sydney's sustainability, not just environmental sustainability but its economic sustainability. Sydney is

Australia's global city; it contributes 23 per cent of our national wealth and it is critical that we maintain our competitiveness, protect our environment and provide quality communities for people to live in.

Some of the things that we have announced as part of the metropolitan strategy are the land releases that I have just talked about. We have finalised the arrangements to preserve 5,500 hectares of land as part of the Western Sydney parklands. We have vital infrastructure projects in the Western Sydney employment zones and across the regional motorway network. We have commenced a major study of the M7 and the opportunities that the M7 orbital provides now for linking, particularly the new land release areas, to employment areas but also providing greater employment opportunities to people in Western Sydney.

We have announced work on an intermodal and freight strategy. That strategy will aim to lift container freight, rail freight, from Port Botany from 21 per cent, which it currently is, to 40 per cent by 2011. The Government, as you know, announced a Metropolitan Water Plan, including the announcement this week of a major study into water recycling in the new land release areas. We have announced major reforms to the planning system. As Ms Hale has asked me, we have set up the Parramatta Road task force to try and guide the urban renewal of that major corridor and last week the Premier announced redevelopment plans for Darling Harbour east.

So it is not intended to be a document; it is intended to be a living action strategy for Sydney and we will be trying to achieve that sustainability, as I said economic and environmental, by a number of strategies; firstly, planning for balanced growth within our natural resource constraints. That means protecting important areas of native vegetation, our river systems but also living within our natural resources in respect of our water and energy. Part of our plan will be to make sure that the links with the regions are robust, that is, the greater metropolitan region, the Illawarra, the lower Hunter and the Central Coast.

Our third strategy is that we want to manage growth and value our non-urban areas, particularly our agricultural lands. We want to limit urban sprawl. Agriculture is an important part of our metropolitan plan. It contributes to our sustainability. Agriculture contributes in excess of \$1 billion to the economy of Sydney. We want to build liveable communities, not just in the new suburbs that I have talked about, but in existing areas. We want to see the housing demand that will come over the next 25 years accommodated in our town centres, close to transport. We want to see more housing located around the high streets. We want to see some restoration of the high streets. We want to see more liveable, more walkable communities and the new land releases really set the tone for that, but we believe we can achieve a lot better outcomes for the people of Sydney by concentrating on infill housing in our existing suburbs around our major transport areas.

We want to strengthen employment centres. There are major employment areas across Sydney that need to be strengthened. We obviously need to provide for our growing population and make sure that jobs and services are available. We want to connect those major employment centres and major residential centres with an effective transport network and target infrastructure in a way that is timed according to growth.

So the strategy is a very comprehensive and very ambitious strategy for Sydney and has involved an extensive amount of consultation, for the first time ever going out and talking to people who have been randomly selected, who told us mostly that they love the places that they live in and they wanted us to take account of the kind of unique character of their areas and we are in the process of analysing all of those terrific contributions those 700 people made. Our next step is to work in more close partnership with local government to ensure that we can, in terms of your question about how we accommodate that infill, accommodate Sydney's growth in a way that preserves the character of those existing suburbs and ensures that people have access to good jobs and services.

The Hon. KAYEE GRIFFIN: Can you tell the Committee what is being done to reform the planning system in New South Wales?

Ms WESTACOTT: As you know, last year Minister Knowles announced a major streamlining of the planning system. There have basically been two problems with the planning system to date. The first is that there are a myriad of conflicting and overlapping plans and, secondly,

there has not been a good strategic context for a lot of the local government planning to be carried out in. So we are doing a number of things, both on the strategic side—so the metropolitan strategy I have just been talking about, our strategy in the Hunter, in the Illawarra, our strategy on the Central Coast, our strategy for the far North Coast is to set the strategic context of our population and settlement patterns, about infrastructure needs, about where services ought to be.

In addition, as part of the planning reform, we need to simplify the planning system and reduce the number of statutory planning instruments and streamline development assessment. This will mean better environmental outcomes, less red tape and more certainty for the community and for the housing industry. We want to convert 5,500 local planning instruments into 152, one for each local government area in New South Wales. At present some local government authorities have a number of planning instruments. We want to make sure that we go from 5,500 to 152. We want to see 59 State environmental planning policies reduced to less than 25. We want to see 44 regional environmental plans reduced to less than 5.

We want to see 3,100 zoning categories, which have caused a lot of confusion, reduced to less than 25. We want to see 1,700 definitions reduced to less than 250 and the 3,000 concurrences and referrals that have made the planning system quite complicated substantially reduced. The first of those 1,000 concurrences will no longer be operational from 28 February. In addition, we are providing funds to assist local government to help them to simplify the planning system. This includes two rounds of funding grants directly to local government of around \$6 million and an additional \$4 million, which includes \$2 million for Parramatta Road and \$2 million for each local government authority in the major centres to help them revitalise the central business districts.

We are about to go into a third round of funding. In addition, just to quickly summarise, to those major reforms we have exhibited a new local environmental planning template so that local government authorities follow the same template, which has been a source of confusion in that there are different definitions in different ways in which LEPs are presented. We have put on exhibition and put into the Parliament reforms to section 94. We will be gazetting 1,000 concurrences to go by 28 February. We have done substantial work to finalise our new State environmental planning policy for a State significant development, which will see over 70 per cent of ministerial consents handed back to local government.

So we have done an enormous amount in the last 12 months to simplify the planning system but also to make sure that the planning system sits in the context that there are strategic plans for those key parts of the State which are under pressure from growth and change, but that local environmental plans become the primary instrument of the planning system and that we also see a lot of streamlining of the development assessment process by removing some of the many concurrences that exist to provide both certainty for the community and for the development industry.

CHAIR: Mr Ryan?

The Hon. JOHN RYAN: Just to finish some questioning I was asking before. You recall I asked some questions about whether the ICAC was investigating matters relating to Mr Kafer or the officer I mentioned earlier, Ms Helen Francis? Has the department been required to respond to any inquiries from the ICAC in this regard? Whilst you said you had not referred it, have you responded?

Ms WESTACOTT: Yes, I believe we have been required to respond—no?

Mr SMITH: The ICAC forwarded information to the department in regard to Mr Kafer, but there were not any issues that required a response to the commission or, indeed, required an investigation to be undertaken. They were issues surrounding, from what I can recall, an anonymous protected disclosure.

The Hon. JOHN RYAN: Ms Westacott, Mr Kerry Keogh, who was the former general manager of Strathfield Council, and as I understand he has been mentioned in the current ICAC inquiries into Strathfield Council, is now, I understand, in charge of the Parramatta Road corridor. Can you inform the Committee as to how he was employed, who were his referees and are you confident that he is not involved in what appears to be any serious corruption associated with the new development opportunities in Strathfield or in the new portfolio that your department has given?

Ms WESTACOTT: First of all, he was not responsible for Parramatta Road. He was the project officer reporting to the chair, David Richmond, on Parramatta Road. He was selected under a competitive process. I do not know who his referees were. I am happy to take that on notice. He has resigned from that position.

The Hon. JOHN RYAN: Can you inform the Committee when that resignation occurred? Is it recent, within days?

The Hon. JAN BURNSWOODS: Obviously you did not read today's newspapers.

The Hon. JOHN RYAN: Maybe I did not.

Ms WESTACOTT: If my memory serves me correctly, it was on 2 February.

The Hon. JOHN RYAN: Do you recall making comments to the Property Council Forum on 28 September 2004 in which you said, "We've got redundant, lazy assets all over the state in education and health, which nobody can unleash" and you went on to give the example of Callan Park in which you said, "nothing like Callan Park should ever be allowed to happen again ... there is one of the great government assets lost, because it took too long, this is very controversial, I'm the person who wants to deface that sign everyday because I walk there, you know 'we saved Callan Park and now the government is wrecking it'. Well, what did they save, a dog track, they didn't save anything, the problem for the government is that it took too long, by the time people got around to doing something the community had mobilised and values had changed, we've got to pool the assets and not allow them to get picked off one by one and make decisions quickly." Do you recall saying that?

Ms WESTACOTT: Yes.

The Hon. JOHN RYAN: Does this foreshadow a new approach to planning policy, whereby things are planned in secret and announced and implemented quickly before anyone can mobilise opposition or full public consultation takes place?

Ms WESTACOTT: No. What I was saying about government assets, and this has been substantially misunderstood, is that sometimes we do not get a lot of good use out of them. For example, schools operate for limited hours—from 8.30 a.m. or 9.00 a.m. to 3.00 p.m.—and they could operate a variety of services for the community, such as after-hours adult education. We do not often enter into partnerships with the private sector. I do not mean for development but for better utilisation of government assets. I think that everyone is on the record as saying that there should be greater involvement by the private sector in a range of government services, such as the provision of water and transport services. That comment has been widely misunderstood. I believe that we could make better use of some of our government assets. I simply made the point about Callan Park that it took too long.

The Hon. JOHN RYAN: I do not think that we could misunderstand the fact that you disagree with the decision that the Government made to preserve Callan Park.

Ms WESTACOTT: My personal views about Callan Park are irrelevant. The Government made its decision and it has no intention of changing it. The legislation stands and I continue to work with Leichhardt Municipal Council and members of the community to ensure that the objectives of the legislation can be met.

The Hon. JOHN RYAN: You indicated that the metropolitan strategy was due to be completed, at least in draft form, by the end of 2004. That date has apparently now been carried across to March 2005. I understand that there will now be a series of announcements during 2005. How much has the strategy been budgeted to cost? What is the revised cost as a result of the additional time it has taken to prepare?

Ms WESTACOTT: I think we answered one of the honourable member's questions on notice about the cost of the metropolitan strategy, and that has not changed. What was the second part of the question?

The Hon. JOHN RYAN: When will it be finished?

Ms WESTACOTT: We have always been very clear that we would not produce a single document, that we would ensure that we implemented it as we went and that we would undertake a number of projects—those I have mentioned today—and we have not changed from that position. One of the major platforms of the metropolitan strategy was completed by 2004. That was the major land release that I referred to today.

The Hon. JOHN RYAN: Is the strategy finished or does it still require work?

Ms WESTACOTT: As is the case in every other State, the strategy is ongoing. We have always said that we would not produce one document and that that would be the end of the strategy. There is enormous work to be done on something like a metropolitan strategy. One does not simply write a document and leave it to everyone else to get on with.

The Hon. JOHN RYAN: Has the budget you referred to in response to the question on notice been extended or is it an ongoing cost?

Ms WESTACOTT: I will take that question on notice because it will refer to different financial years.

The Hon. JOHN RYAN: Has the additional time it has taken to create the metropolitan strategy resulted in extra resources being required?

Ms WESTACOTT: I do not believe so. However, I reinforce the point that it has never been our intention, and we have been very public about this, simply to produce a document as the metropolitan strategy and for that to be the end of it. Many things need to be done as part of planning for Sydney. That includes a substantial amount of work with local government. That work will go on for some considerable time. We have always been very clear about that.

The Hon. JOHN RYAN: There was media comment last year that Mr Evan Jones, a highly respected and expert planner who was associated with the metropolitan strategy, wanted to cut short his appointment and to return to Western Australia. Has he returned to Western Australia? Is he planning to continue in his role with the metropolitan strategy? Is his appointment being cut short or is he continuing on until March? Has there been any attempt to change his role in the form of a consultancy?

Ms WESTACOTT: Mr Jones has returned to Perth due to family circumstances. He was originally planning to return in March, but due to personal circumstances his family is returning to Perth. He returned earlier.

The Hon. JOHN RYAN: Did you seek to engage him in any consultancy role to continue his task?

Ms WESTACOTT: No.

The Hon. JOHN RYAN: Has he finished the work that you originally appointed him to do?

Ms WESTACOTT: He has finished the work that he was able to finish in the time that he was here. As I said, we never said we were going to produce a 500-page document in March. We have always said this will be a living process and the principal and critical work is in implementation.

The Hon. JOHN RYAN: Has the departure of Mr Jones in any way disrupted your original plans for the outline of the metropolitan strategy?

Ms WESTACOTT: No.

The Hon. JOHN RYAN: Can you provide the Committee with a copy of the DIPNR Corporate Action Plan 2004-05, which was apparently produced in September last year?

Ms WESTACOTT: It is on the web site.

The Hon. JOHN RYAN: I understand the corporate plan states that the State infrastructure strategic plan would be produced annually, and that the first one would be produced next August. It is also stated that when DIPNR releases the next plan after the 2004-05 State budget it will include a State infrastructure strategy and that it will set priorities for future infrastructure spending. Who is producing the State infrastructure strategic plan? Is it being produced by a consultant or public servants? Will it be comparable to previous State infrastructure plans, such as that produced in 2002?

Ms WESTACOTT: It is being produced by officers of my department. When you say "comparable", in what respect do you mean?

The Hon. JOHN RYAN: Is it possible to see whether projects have been included or deleted from what was planned in 2002?

Ms WESTACOTT: The plan would include a list of proposed projects. In that sense, one could compare what is in the current plan and what is in the proposed plan.

The Hon. JOHN RYAN: Has Mr David Harley, the former Chairman of the Environment Protection Authority, been engaged as a consultant to work on this project?

Ms WESTACOTT: Mr Harley has provided some advice on the State infrastructure strategic plan. He provided a one-off piece of advice.

The Hon. JOHN RYAN: Does this project in any way involve the Premier's Department?

Ms WESTACOTT: In what sense?

The Hon. JOHN RYAN: Has the department had anything to do with co-ordinating or preparing the strategic plan?

Ms WESTACOTT: Of course. The Director-General of the Premier's Department is the co-ordinator general and he and I meet regularly to talk about the metropolitan strategy and things like the State infrastructure strategic plan. He sits on the infrastructure co-ordination committee of Cabinet. Therefore, it is entirely appropriate for him to be involved in something as important as the development of a State infrastructure strategic plan.

The Hon. JOHN RYAN: Are there resources within the Premier's Department devoted to the preparation of this plan as well?

Ms WESTACOTT: Not to my knowledge.

The Hon. JOHN RYAN: Who has control of it? Is it a Premier's Department project or a DIPNR project?

Ms WESTACOTT: It is a DIPNR project, but as co-ordinator general I obviously brief Dr Gellatly extensively. As the honourable member knows, Dr Gellatly is responsible for assessing all unsolicited proposals that come to the Government for major infrastructure arrangements. In that capacity I brief him regularly on the State infrastructure strategic plan.

The Hon. JOHN RYAN: Given that the metropolitan strategy is a 30-year document, why is the State infrastructure plan not aligned with that? I understand it will be a 20-year project.

Ms WESTACOTT: The timeframe for the State infrastructure plan will be a matter for the Government. Obviously a document covering 30 years will be broad. As I said, we are not producing a document called the "Metropolitan Strategy Plan". However, something like a State infrastructure strategic plan that documents and forecasts projects is difficult to prepare covering 30 years because the projects and the costs and priorities change over time. It would probably be inappropriate if people wanted that level of detail for a 30-year period.

The Hon. JOHN RYAN: I have a document that contains what appears to be a description of the task to be done by the managing director of the new growth centres and infrastructure planning commission. It states that in total approximately 640,000 additional dwellings will be required over the next 25 to 30 years. I think that is for the greater metropolitan region. It goes on to point out that that equates to a range of 14,100 to 16,450 dwellings a year in established areas and 7,050 to 9,400 dwellings in new greenfields developments. It also states that the low level of greenfields lot supply has placed considerable pressure on land and house prices across Sydney, that fast-track actions by DIPNR will temporarily see greenfields supply recover over the next few years, but that it will quickly exhaust again by 2011. It appears that the Government's targets for increasing the number of dwellings will not sufficiently address the requirement in Sydney for additional housing land lots and that the city will be about 85,000 home sites short of the target required to reduce pressure on prices in Sydney. How does DIPNR intend to address that gap?

Ms WESTACOTT: I believe I have answered that question. As I said, the combination of the fast-track actions we have taken in places like Spring Farm and so on, the current projects on the metropolitan development program and the Government's announcement last year to release 160,000 lots in the north-west and south-west sectors takes us to about 222,000 lots. That gives us about 8,000 lots to 2007 and 2008. I am not sure about the document to which the honourable member has referred.

The Hon. JOHN RYAN: How will we make that up that additional 640,000 dwellings in the next 30 years, which is the period covered by the metropolitan strategy, if we have planned that amount of land release? That is not the level required over 30 years. There will obviously be a period during which there will be an even greater release of land.

Ms WESTACOTT: Obviously, we will continue to investigate new release areas. However, our documents on the metropolitan strategy have clearly stated that we expect the 640,000 dwellings to be met by a combination of new release areas—that is about 30 per cent to 40 per cent of supply—and providing housing in infill areas. The effect of the land release that the Government announced in December is to take the requirement for infill housing from around 21,000 dwellings, which is what we are doing at the moment, to about 14,000 to 16,000 dwellings. We believe that release of those major new areas has removed an enormous amount of pressure off existing suburbs. It will allow us to do the things that I was talking about as part of the metropolitan strategy and to concentrate some of that development around the major town centres. We have planned for an adequate supply and we continue to investigate other areas.

However, there is general agreement, including from the Property Council, that the 70:30 target is correct and that we do not want to see a city which is sprawling for hundreds of kilometres and which will put extra burdens on transport and infrastructure, the environment and the water supply. It is totally appropriate for the Government to set a target to supply new housing needs in Sydney with the 70:30 mix. As I said, our announcement in December about the release of land in the north-west and south-east sectors, along with what is already on the program, will result in about 222,000 lots being released. In addition, we continue to investigate some other areas outside of Sydney itself. We believe we have a more than adequate supply of new release areas. It is critical that we provide new housing opportunities and a variety of housing in existing suburbs, many of which are very well serviced in terms of infrastructure and transport.

The Hon. JOHN RYAN: The 2004 corporate action plan makes reference to producing a Far North Coast strategy and energy sector strategy, and there is discussion about producing a Hume corridor strategy, an Illawarra plan and a Central Coast plan. What is the timetable for the production of these documents?

Ms WESTACOTT: Those strategies will be released over the next 12 months. The timetables are being determined by those involved, in particular the local government authorities that are participating in the development of the strategies. Again, we do not want simply to produce a series of documents; we want to produce strategies which can be incorporated into local government environmental plans and which resolve issues in certain areas. They will be rolled out over the next 12 months according to a variety of timetables, most of which will depend on input from the local government authorities that are participating very actively in those exercises.

The Hon. JOHN RYAN: You gave a commitment to provide the Committee with a copy of the Deloitte review of the audit report. Is there any reason that there should be any delay? Can it be forwarded to the Committee prior to the expiry of 35 days given that there has been significant delay in receiving that document? I imagine it is immediately available.

The Hon. JOHN RYAN: What is the status of the DIPNR restructure and the plan to take 500 positions out of DIPNR?

Ms WESTACOTT: The department has achieved its target of reducing staff by 500 positions. We have done that through a voluntary redundancy program for permanent staff, and a reduction of temporary staff. We have reduced our temporary staff from when I became Director-General from approximately 422 to 165, and that has been in full co-operation with the Public Service Association that, quite rightly, insisted that temporary staff be targeted ahead of permanent staff, if you will. So we have achieved those staff targets. We have also done that in a way that was very comprehensive. We mapped every line of business in the organisation. We undertook a substantial amount of volume mapping, to use the jargon, to make sure that we were targeting those areas of the department that were not in essential areas. Say, for example, we targeted those areas in information and data collection over and above critical areas such as compliance where we are providing direct services to members of the community, and a critical and vital role to monitor compliance with things like native vegetation. We have achieved that reduction in our staff in full co-operation with our unions.

The Hon. JOHN RYAN: Would you provide on notice details of the fee paid to Mr Harley for his advice?

Ms WESTACOTT: Certainly.

The Hon. JOHN RYAN: Also, on notice would you provide details of the reduction or the current ratio number of senior executive staff [SES] to the rest of the staff?

Ms WESTACOTT: I can tell you that. We had 51 SES positions. We now have 33 SES positions.

Ms SYLVIA HALE: Before I ask questions about planning reforms, in relation to the M5 East, I believe that 12 months ago Mr Haddad announced that the DIPNR was undertaking an audit of the Roads and Traffic Authority's [RTA] compliance with air quality conditions. It is my understanding that a draft of that audit was sent to the RTA in October and the audit was completed in November. Has the RTA received the audit? Has it responded as yet to that audit?

Mr HADDAD: Yes, I can confirm that we have, as per normal practice during an auditing process, forwarded a draft report of a preliminary audit to the RTA. We have not received a formal response yet from the RTA but we have received verbal comments which required us to ask them to do some further modelling. We want to make sure that the outcome of the audit is credible, and answer in the long-term the issues of concern raised.

Ms SYLVIA HALE: In June 2002 the Director of Major Infrastructure Assessments noted the need for an audit. In 2005 you say that you are still requiring further information from the RTA or are they requiring it from the DIPNR?

Mr HADDAD: I am not sure about the dates. I need to check the dates. The audit happened when we received reports of emissions from the portals. I think that occurred, and I need to double check that, early last year rather than in 2002. That is what triggered the audits. The conditions of approval specified certain circumstances when portal emissions are to occur, and the criteria to be met. That is what triggered the audits. I will have to check the actual 2002 statements.

Ms SYLVIA HALE: When do you anticipate that audit to be publicly available?

Mr HADDAD: Just to give you a credible answer, I would expect within the next three to four months we would have completed the audit. I need, if possible, to come back with a more

accurate answer, which I will. As I said, the main thing obviously is to provide a credible response to the incidents that have happened.

Ms SYLVIA HALE: In relation to planning reforms, from what you said there was a desire to reduce 5,500 planning instruments to 152. Do you refer to local council, local environment plans?

Ms WESTACOTT: Local environmental plans, that is correct, yes.

Ms SYLVIA HALE: Will the department be proceeding with the provision of a template to which councils will be expected to conform?

Ms WESTACOTT: That is correct.

Ms SYLVIA HALE: It is my understanding that when this proposal was first put to councils there was quite a lot of resistance expressed to it. I also got the impression that the department was not going to proceed down that track but you are saying that it is intending to do so?

Ms WESTACOTT: No, there was not objection to the concept of a template. There were concerns by local government about some of the zoning provisions proposed that they were too restrictive for local government. We have been working very extensively with the Local Government and Shires Association to listen to its feedback about the template, which is why we put it on exhibition. It has provided some very helpful feedback. It was not that it did not want to do an LEP template. There was enormous consensus that the variety of LEPs, definitions and standards, and different definitions for a hospital and floor space ratios, were causing a lot of confusion in the planning system. There was not any disagreement that those definitions had to be standardised; that is the way in which an LEP looked needed to be similar across the State. What there was some concern about was the specific zoning categories that were proposed. We are working with local government now to accommodate some of those concerns.

Ms SYLVIA HALE: Do you expect there to be a range of zoning categories provided so that LEPs can now respond to particular local circumstances?

Ms WESTACOTT: Yes.

Ms SYLVIA HALE: Do you think in the reduction of the 1,700 definitions to 250, in fact, there will be a tendency to a one-size-fits-all approach to planning which will be inappropriate given the diversity of geographic and social and heritage considerations?

Ms WESTACOTT: I do not believe so. The intent of the definitions is things like a hospital, like floor space ratio. The idea that councils can actually have different definitions of floor space ratio and different definitions of a hospital or different definitions of types of buildings—the actual meaning of words—does not go into the core of what people are trying to achieve in their LEPs, which is really about outcomes, about how people want to configure the mix of zones, about the sorts of mandatory controls people want to put in their LEPs, about their relationship with the development control plans. Those are the matters that really go to the substance of the character of an area. We believe that we will be providing enough flexibility so that local government can set that unique character.

But I think you would be very hard pressed to find many developers or local government authorities who did not agree that when you are describing floor space ratio it should mean the same in the City of Sydney as it means somewhere else. It is very confusing for developers, particularly statewide developers, who operate across a number of geographic jurisdictions when they go to one local government authority and see a definition and then another local authority has something for the same thing that is completely differently described. This is critical in the Land and Environment Court that has been extremely supportive of our proposal to standardise the definitions because a lot of expensive legal action is taken up with people agreeing the definitions.

Ms SYLVIA HALE: Will there be a compulsion on councils to show how their LEPs comply with State policies? Could a failure to comply result in a loss of planning powers?

Ms WESTACOTT: In what respect a "loss of planning powers"? Putting in a planning administrator?

Ms SYLVIA HALE: Yes, or just saying that the decision in this particular area will no longer be the preserve of the council but will be made by the department, for example?

Ms WESTACOTT: In the planning reform we have said that the Minister will have the capacity to insert a State provision into an LEP. That is a more simple way than the current system which is for place-based planning controls, often a State environmental plan or a regional environmental plan that has been introduced in places of significance, such as the Olympics which brought together a number of local government areas and where people were quite rightly concerned about making sure that critical State infrastructure and critical related infrastructure were not the subject of a variety of local government interpretations. The intent of our planning reform, let me be clear, is to default to local government: It is not to see more things dealt with by the State.

Ms SYLVIA HALE: Is it the intention to do away with master plans and to replace them with sites of specific DCPs?

Ms WESTACOTT: That is our intent, yes, certainly, to do away with master plans as a statutory part of the planning system. They have caused a lot of confusion. The intent is to do exactly as you have said—replace them with DCPs.

Ms SYLVIA HALE: Is there any proposal to prepare a master plan for the Callan Park site?

Ms WESTACOTT: That was certainly muted in the legislation. I think it is in the legislation that a master plan be prepared.

Ms SYLVIA HALE: Will the department be proceeding with that?

Ms WESTACOTT: The department has, and is continuing to work with the local government authority and the community around what is the best way to deliver the objectives of the Act. That may involve the preparation of a master plan, but at the moment we are looking at what is the best way to achieve the objectives of the Act.

Ms SYLVIA HALE: Presumably, the objectives of the Act indicate a range of uses?

Ms WESTACOTT: The types of uses, yes.

Ms SYLVIA HALE: The department would not be seeking to circumvent those uses at all? It wants to remain within the intent as well as the written word of the Act.

Ms WESTACOTT: That is correct.

Ms SYLVIA HALE: You will agree that many people responded rather unkindly to the metropolitan strategy and said it was —the expressions I hear was—flim-flam, PR-spin and no substance. I think there was some concern that prior to the consultation having taken place and being taken into consideration that there had been major land release announced. Will there be any legislative backing to the strategy at all?

Ms WESTACOTT: Well, the strategy will not be a document as such and it will have a range of elements. I do not believe that it is proper to have a piece of legislation but there will obviously be things coming out of the metropolitan strategy that require councils to incorporate in their local environmental plans. There are a number of options available to the Government about how it does that. Legislation would obviously be one extreme end of that, a State environmental plan or a regional environmental plan or a planning set of guidelines would be another. That is something that we are currently extensively talking to local government about what is the best way to make sure that we incorporate into their LEPs those critical features of the metropolitan strategy. But the metropolitan strategy will be about infrastructure, about how we preserve native vegetation, about how we use our water, about how we use our energy: it will not just relate to I guess some of the legislative matters.

The Hon. DAVID OLDFIELD: The vehicle that you now have in your package, is that the same vehicle that you had at the time when you had your permanent driver?

Ms WESTACOTT: No.

The Hon. DAVID OLDFIELD: Do you have a completely different vehicle now?

Ms WESTACOTT: That is correct.

The Hon. DAVID OLDFIELD: What kind of vehicle is it?

Ms WESTACOTT: What relevance is the kind of vehicle I have to the Committee?

The Hon. ERIC ROOZENDAAL: I agree.

The Hon. DAVID OLDFIELD: I find it relevant because it is a matter of the cost of your package.

Ms WESTACOTT: But I pay for the car so what relevance is—

The Hon. DAVID OLDFIELD: Sorry, you pay for the car?

Ms WESTACOTT: I pay in my package for the car. I lease it. What relevance is it what kind of car it is? It does not matter whether it is a Mini Minor or a Fiat—I have to pay for it.

The Hon. DAVID OLDFIELD: If it is of no relevance and it does not make any difference, why would you have a problem in simply answering my question?

Ms WESTACOTT: Because it is not the business of this Committee to inquire into my personal affairs.

The Hon. DAVID OLDFIELD: Do you drive this car yourself?

Ms WESTACOTT: Yes, it is a car I drive myself occasionally.

The Hon. DAVID OLDFIELD: So you drive this car at times?

The Hon. JAN BURNSWOODS: Point of order—

Ms WESTACOTT: At times I drive the car. I drove the other car at times as well.

The Hon. DAVID OLDFIELD: You drove the other car at times as well?

The Hon. JAN BURNSWOODS: Point of order: I do not wish to move dissent again, and nor do I wish to take up the time of the Committee, but we had a long discussion earlier. I think it has been established beyond question that these matters are not matters for the Committee. We are again getting into matters of Ms Westacott's personal private business. I assume that we will now start yet again on the obsession the Hon. David Oldfield appears to have with Ms Westacott's medical conditions, if they exist. I ask you to ask the Hon. David Oldfield to return to matters of public policy and to use this estimates committee for the purpose for which it was meant.

The Hon. DAVID OLDFIELD: To the point of order: This Committee was originally told that Ms Westacott was supplied with a car and driver—particularly a driver—because she was incapable of driving as a consequence of a medical condition. We were subsequently told that the medical condition was eye-sight related. Bear in mind that it was the Minister who originally informed us that this was the case. In the past few minutes we have learnt that Ms Westacott is fully capable of driving. Not only did she drive the last car but she also drives the current car. I would think that those sorts of what could be only nicely termed as inconsistencies would be of great public interest, and if I had not pursued that line of questioning we would not have disclosed those matters.

CHAIR: I rule that, if there are inconsistencies between information given to this Committee from one hearing to the next, it is normal to expect that the member should have the opportunity to clear them up. If the Hon. David Oldfield can direct his questions within that context, I rule that his questions are in order.

The Hon. JAN BURNSWOODS: I move dissent from your ruling.

CHAIR: We must go through the same procedure again, so we have to clear the room.

[*Short adjournment.*]

CHAIR: The motion of dissent was defeated again.

The Hon. JAN BURNSWOODS: That is a nice gratuitous comment, Madam Chair. Have you got any more of those before we start?

CHAIR: If you like to characterise it in that way, you may. I do not care.

The Hon. JAN BURNSWOODS: I think we can do without your gratuitous editorial comments.

CHAIR: Order!

The Hon. ERIC ROOZENDAAL: Point of order—

The Hon. JAN BURNSWOODS: As I said, you know nothing about chairing a committee.

The Hon. ERIC ROOZENDAAL: Point of order—

CHAIR: Order! Mr Oldfield has got the call.

The Hon. ERIC ROOZENDAAL: Point of order!

CHAIR: Mr Roozendaal.

The Hon. ERIC ROOZENDAAL: Madam Chair, I may be the most inexperienced member of Parliament here, however, as to your comments in relation to the last vote about the dissent—the dissent motion was over a whole different issue and a different set of questions—for you to say that it was disallowed "yet again" is gratuitous and demonstrates your partiality as Chair. I suggest that you think carefully about your responsibilities as Chair. You may treat it as a joke—because you are a joke of a Chair—but you have an obligation to at least pretend to conduct the Chair with some sort of impartiality, which you are clearly not doing.

CHAIR: Okay. Let's get on with it. There is no point of order. Mr Oldfield.

The Hon. DAVID OLDFIELD: Thank you, Madam Chair. Ms Westacott, does your package include any benefit relating to accommodations in Sydney?

Ms WESTACOTT: No.

The Hon. DAVID OLDFIELD: In relation to the series of questions we have had about the matter of the car, could you explain to the Committee the inconsistencies surrounding your having the car, the driver, the use of the car, your having a licence, medical—

The Hon. JAN BURNSWOODS: What inconsistencies?

The Hon. DAVID OLDFIELD: For the benefit of the member, I will run through the inconsistencies, which might also help Ms Westacott answer the question. The Committee has been

informed by the Minister that there is a medical condition that precludes you from driving, hence you have a driver.

The Hon. JOHN RYAN: Had a driver.

The Hon. DAVID OLDFIELD: That is why you had a driver. You, yourself, acknowledged that medical condition was eyesight related. We now understand that you have a licence and you have now acknowledged here this afternoon that you not only drive your current car but you also drove the car that was previously driven at other times by a driver supplied by the Government. So clearly the inconsistency is that you do not have a medical problem related to eyesight which precludes you from driving so why was the Committee told that?

Ms WESTACOTT: Let us get this clear: I have never said I cannot drive. That has not been evidence I have given. I have a series of medical issues, which I will not discuss in a public forum, that impact on my driving in certain circumstances. I get assistance with those driving requirements; I am still assisted with those driving requirements. Those assistance arrangements were approved by Dr Gellatly, the head of the Premier's Department. The person who was involved in providing those services was employed under the normal job description used by other agencies when people have administrative responsibilities and driving responsibilities.

I am driving now the same amount as I was under the old arrangements—which is, I drive occasionally. I have not ever said to this Committee that I cannot drive. I have said the Minister has made a point that I have had some medical issues. I am not going to discuss those with this Committee. I am particularly assisted with my driving in respect of long distances. Since I have been Director-General I have travelled over 35,000 kilometres in my car to visit farmers, environmental groups and communities in New South Wales, and I am assisted with driving in this respect.

The Hon. DAVID OLDFIELD: Remind me how long you have been Director-General.

Ms WESTACOTT: Since May 2003.

The Hon. DAVID OLDFIELD: So you have driven some 35,000 kilometres in the past 19 or 20 months.

Ms WESTACOTT: Correct.

The Hon. DAVID OLDFIELD: That is not exactly a lot of driving. To remind you, *Hansard*—

Ms WESTACOTT: Excuse me, that is driving for the specific purposes of visiting regional offices and communities. Obviously my total kilometres, some of which are in the city et cetera, exceed that. I have done a substantial amount of country travel to visit communities, visit offices, visit my staff, visit farmers and visit environmental groups.

The Hon. DAVID OLDFIELD: You do a lot of visiting. Can you tell us something—or let me tell you and you can perhaps answer on the basis of what I am about to suggest to you? In the *Hansard* from the meeting that was held by this Committee in the Chamber when the Minister was present the Minister said that you had a particular medical condition which he did not want pursued. When you were asked by me what that medical condition was you said "eyesight". That is exactly what you said. You are now suggesting that you were not saying that your eyesight prevented you from driving.

Ms WESTACOTT: What I said was I did not ever say to this Committee I could not drive. I said I had a series of medical conditions impacting on my driving. I am not going to discuss what they are.

The Hon. DAVID OLDFIELD: You said "eyesight" when this Committee met when the Minister was present around in the Chamber.

Ms WESTACOTT: I am not going to discuss, Madam Chair, my private medical circumstances at a public forum. I think it is most improper for me to be asked about my private medical circumstances. Dr Gellatly approved the arrangements that I had. Those arrangements were supported by medical certificates. But I do not believe that it is appropriate for me to be asked to discuss my private medical circumstances.

The Hon. DAVID OLDFIELD: Can you then explain to us why the arrangements have stopped?

Ms WESTACOTT: I have explained that already. I have answered that question. The arrangements in terms of me being assisted with my driving have not stopped. The engagement of a temporary employee, whose responsibilities were both administration and providing driving assistance to the executive, has stopped. They have stopped because he was a temporary employee employed under section 27, formerly section 38, of the Public Sector Management Act. I made a commitment to the union that I would reduce temporary positions and I have reduced the number of temporary positions from 422 when I became Director-General to 165.

The Hon. DAVID OLDFIELD: So can I take it that the only changes to the circumstances—

The Hon. JAN BURNSWOODS: Point of order: The member's time has expired. The bell has rung.

The Hon. DAVID OLDFIELD: Madam Chair, I only have this one question on the basis of the previous answer.

The Hon. ERIC ROOZENDAAL: No, you got an extra five minutes and that's that.

The Hon. JAN BURNSWOODS: You can ask it at the end; your time has expired.

The Hon. DAVID OLDFIELD: I am asking for clarification of Ms Westacott's answer.

The Hon. JAN BURNSWOODS: Madam Chair, my point of order is that the bell was clearly heard to ring, the member's time has expired and he is now asking another question, and it is Government members' time for questions.

CHAIR: Yes. Because the resolution was for specifically five minutes, I will proceed to Government questions.

The Hon. DAVID OLDFIELD: If we are going to be cut off every time that bell goes there will be a lot of carrying on around here.

The Hon. JAN BURNSWOODS: If this childish person over here could stop, we could go, I guess. Returning to the issues that I was asking you about before, with the growth of Sydney as a global city and what that means in terms of house prices and so on, other problems that there has been quite a lot of discussion about recently, the increasing need for more workers and an improved environment in the central business district, can you give us some information on what the department is doing to meet that demand and to make it possible for those workers to function in the kind of city that Sydney has now become?

Ms WESTACOTT: I might ask Mr Prattley to answer that question; he has been involved in that project.

Mr PRATTLEY: The department is acutely aware of the importance of Sydney's commercial growth both to the New South Wales economy and to the Australian economy, and of enhancing its status as Australia's only really global city. As the Director-General as mentioned, we are currently preparing the Sydney metropolitan strategy. That strategy recognises the primacy of the central business district as the core economic centre in the city. While we have many other growing employment centres, the importance of the CBD, particularly to that global role, is critical. So the strategy is seeking to strengthen Sydney's economy by encouraging jobs to locate in centres, and

particularly the CBD, that are well served by transport. Current estimates are that the CBD will experience significant employment growth over the next 20 years, from around 250,000 now to about 300,000 jobs. If you equate that to a demand for floor space, it is equivalent to about one million square metres of additional commercial floor space that we need.

I guess it is in that context that the department has been undertaking significant background work on planning for the future redevelopment of east Darling Harbour. East Darling Harbour is a 22-hectare site located on the western edge of the CBD, with a 1.75 kilometre frontage to the harbour. As people will be well aware, it is currently used for stevedoring operations and cruise shipping activity but the stevedoring leases expire in 2006 when these activities will relocate to Port Kembla. So the availability of a large, unconstrained site at east Darling Harbour provides a unique and an internationally significant opportunity for us to reclaim the western edge of the CBD for public open space to stimulate commercial growth and to strengthen Sydney's premier role in the national and global economies. Preliminary planning for the future use of the site was commenced in 2003 when the Minister for Infrastructure, Planning and Natural Resources established the east Darling Harbour task force.

The task force is chaired by the Director-General and comprises heads of other relevant government agencies as well as the Government Architect. The task force has been developing planning and design principles and overseeing a financial analysis of future development scenarios for the site. In general, the planning and design principles seek to enhance Sydney's global status by both providing the capacity for future commercial expansion of the central business district [CBD] and, in particular, providing a significant public area of open space, or public space for the site. Its principles also seek to ensure that future development of the site will be at an appropriate size and scale. Following the work of the task force the Premier announced last week that the site will be subject to an international design competition. We hope that the competition invites the best designers and architects in the world to prepare concepts for the future redevelopment of East Darling Harbour. That will enable us to have a wide range of world-class design options to be considered before determining the best outcomes for the site.

Some critical key parameters are specified around that design competition, that is, that at least 50 per cent of the site must be transformed into open space. That open space must include 1.75 kilometres of foreshore access that will form an important link in the provision of a 14-kilometre walkway that will eventually run continuously from Woolloomooloo to the Anzac Bridge. The working harbour functions will also continue on the site for the retention of the overseas passenger terminal and the corporation of that into the commercial development. Additional parameters for the competition include the provision of world-class commercial premises, mainly on the southern end of the site.

I guess that one of the things that make that site so important is that most international firms that might look at relocating here, in Singapore or in some other major global city are looking for modern sites with 2,000 square meter size floor plates. There are very few opportunities within the existing CBD fabric to get floor plates of that size. As a comparison, Australia Square has about a 1,000 square metre floor plate. The new Lend Lease building and the KPMG buildings in that area reflect that growing demand. Using that sort of approach our investigations have shown that we can accommodate a work force of about 25,000 people in that area, as well as all the open space that we have talked about, and that we could do that within buildings covering less than 50 per cent of the site and ranging in size from four to 14 storeys.

So it certainly is not necessary to have massive skyscrapers there to accommodate that scale of development. In fact, that is not the sort of workplace that these major multinational companies are seeking. So the tip of Dawes Point will also be reserved for an iconic building in the future. That is not proposed at this point but it is intended that any future State government could oversee the construction or development of such a building once the future use of that site has been fully debated, or when future circumstances demand. Residential development will only be permitted to occupy a maximum of 25 per cent of the developed space; not 25 per cent of the site but 25 per cent of the floor space that will be developed.

The international design competition will ultimately resolve where the building and parkland will best sit on the CBD foreshores. It is also acknowledged that the site, once developed, would

obviously need better transport connections to the CBD and surrounding areas. Options to better connect the site, including public options, will be further explored during the course of the design competition. It provides a major opportunity to link The Rocks, Walsh Bay around to Darling Harbour and King Street wharf. So it should become an incredibly important and highly attractive part of the city. Opportunities for community input will be given through the design competition process to ensure that planning for the site is an open and transparent process and, importantly, to contribute to achieving the best outcomes for the site. So we think this is a world opportunity and potentially a major benefit for Sydney and for Australia.

The Hon. ERIC ROOZENDAAL: Ms Westacott, could you outline the New South Wales Government's achievements to date in water reform, including initiatives such as the national water initiative and the Living Murray?

Ms WESTACOTT: Yes. I will get Mr Sutherland to respond to your question in detail. New South Wales has led the way nationally in water reform. Last year we introduced a major package of reform and secure licences for farmers so that they can invest in water efficiencies. The 31 water sharing plans that commenced on 1 July 2004 will see 220 gigalitres of water returned to the environment. More recently, we have been a major player in the national water initiative and, in particular, the proposal to return 500 gigalitres of water the living Murray, to six major environmental sites, which will see a huge improvement in the environmental health of those sites in the Murray-Darling Basin area and across the living Murray. I will get Mr Sutherland to talk in more detail about this. We certainly have led the way in water reform and we continue to offer a combination of sensible balance between the needs of the environment, giving farmers secure water rights, allowing them to invest in on-farm efficiencies, allowing them to trade in water, as well as those major national projects such as the Living Murray.

Mr SUTHERLAND: As the director-general indicated, over the past 18 months the department has put a great deal of work into the water reform agenda, particularly in the context of new developments relating to the national water initiative. It is worthwhile briefly recognising the context in which that work is being done. The Committee will realise that hopefully we are coming of the current drought, which is the worst on record. As at the end of January our regional storages were as low as 33 per cent of full capacity. We have been undertaking these reforms in a climate where the community has had the heightened awareness of the significance of water not only to the economy and to jobs but also to the environment. In fact, the drought has exacerbated the decline that we have experienced in relation to the health of our rivers and wetlands over many decades.

We now face a situation where our wetlands have degraded progressively to over 50 per cent. We have significant water quality and salinity problems in a number of our major streams and river catchments. In addition, indigenous communities are justifiably concerned about the impacts of this decline on their cultural heritage and values. The New South Wales reforms have sought to redress the balance by achieving a more sustainable level of use within the environment, recognising the importance of the industries that regional communities in particular depend upon, and recognising that those industries are at threat if we do not achieve a more sustainable balance in the way we protect and conserve our resources in the future.

The New South Wales reforms have focused effectively on overhauling the entire water management framework, firstly, to provide secure entitlements to water by water users so that they can invest in the long term often in what are quite capital intensive technologies in water-use efficiency; and, secondly, to develop a transparent framework in relation to water sharing so that the Government is making decisions on behalf of the community about the appropriate balance between achieving environmental and socioeconomic outcomes in the way in which water is shared. A key focus in that water-sharing plan framework has been the role of the new independent Natural Resources Commission. It will have a key role in advising the Government on the progress that is being made in achieving catchment health targets. It will comment on the importance of water sharing plans and whether they should be extended or amended in some way.

Catchment authorities will also extend the theme of getting decision making closer to people with local knowledge about their environments and the technologies to address the solutions. The new legislation that was brought in last year provides significant new roles for catchment management authorities, their oversight and management of adaptive water licences, an issue about which I will say

more about in a minute. Finally, as the director-general said, there have been significant investments by governments to encourage new infrastructure that returns water to the environment. New South Wales has committed \$150 million as its share of the living Murray initiative in conjunction with four other governments and \$150 million to the restoration of the Snowy, a significant commitment over forthcoming years. That investment in water saving infrastructure will not only improve water delivery services to regional communities but also return water to the environment.

We would like to identify the water reform agenda as having three phases. The first phase really culminated in the passage of the Water Management Act 2000. That Act was responsible for bringing in, for the first time, new water-sharing rules and, in relation to the development of water-sharing plans, recognising for the first time the importance of the environment as a legitimate use of the water. The second phase, which was substantially completed last year with the passage of the Water Management Amendment Act 2004 on 1 July, brought in a wide-ranging set of amendments which were an Australian first in enshrining water access entitlements, giving security to water users and enabling them to use their water access licence as collateral in relation to lendings for capital for water efficient infrastructure.

It simultaneously brought in the new arrangements relating to water-sharing plans that define the share of those consumptive uses compared to the environment. That date of 1 July 2004 also saw the introduction of 31 water-sharing plans which represent about 80 per cent of the regional resource use in this State. As the director-general indicated, those water sharing plans were effective in returning over 200 gigalitres of water to the environment compared to the Murray-Darling Basin capped benchmark of 1993-94.

I refer next to the water-sharing plan process. As I indicated, an important aspect of the arrangements that have been put in place in New South Wales, which are consistent with the new national water initiative, is to provide a transparent process relating to how those plans might be amended in the future. The water sharing plans that were brought into effect last July will remain in effect for 10 years but during that period catchment management authorities will provide regular reports on the condition and health of their catchments and rivers. The newly created Natural Resources Commission will evaluate and audit those reports, report to the Government on progress, and recommend to Government whether changes are required at the end of the life of those water-sharing plans.

That is very much consistent with the new principles of the national water initiative which requires that our water management framework is based on the best available sites and an adaptive management approach. New South Wales is the first State effectively to legislate these new principles of the national water initiative. The third phase of the reform agenda which commenced in July last year involves significant investment in new infrastructure to return water to the environment, to underpin the competitiveness of our rural industries which, in a sense, have been challenged in relation to their sustainability, and to move to a more sustainable footing.

In addition to the 31 surface water-sharing plans that were brought into effect last year, the Government has made some major announcements in relation to the handling of the significant groundwater sharing plans, which were deferred by the Government when the national water initiative was first mooted so that the Government could take into account the new directions relating to the national water management and defer decisions relating to those water-sharing plans until we had agreement about the national agenda. The six groundwater sharing plans we are talking about—the upper and lower Namoi, the lower Gwydir, the lower Macquarie, the lower Lachlan, the lower Murrumbidgee and lower Murray—represent the bulk of groundwater used in New South Wales. The Government has made a bold commitment of \$58.4 million for a major structural adjustment package. All these systems are overallocated. Previous governments have issued entitlements for licences well in excess of the sustainable levels of use of these systems. We now need to bring entitlements into line with the sustainable levels of use in these systems. In many cases that requires significant reduction in entitlements of up to 70 per cent.

The new approach to reducing entitlements is also proposing to recognise history of use so that those water users who have been contributing to the economy by the use of the water will have a lesser reduction in entitlements compared to those users who effectively have not been using their entitlements. However, the Government has made it clear that the new structural adjustment

arrangements are subject to matching contributions from the Commonwealth Government particularly in relation to commitments that the Deputy Prime Minister has made prior to and since the signing of the national water initiative. The New South Wales Government has committed \$58.4 million seeking that to be matched by at least \$55 million from the Commonwealth to implement the structural adjustment arrangements. If the Commonwealth commitment does not eventuate, we will have to return to less adequate arrangements to try to assist those communities deal with what are going to be very significant pressures in terms of their local economies.

CHAIR: I am sorry, we will have to cut it there, because we are running out of time.

Mr SUTHERLAND: I was just going to go on to the Living Murray.

The Hon. JAN BURNSWOODS: Point of order: We have not previously interrupted a witness's answer. We have certainly asked members not to ask further questions but it is discourteous to interrupt a witness's answer. On all previous occasions you have allowed a witness to finish an answer after the bell has rung.

CHAIR: Is your Living Murray answer going to be very long?

Mr SUTHERLAND: I can abbreviate it.

CHAIR: Okay.

Mr SUTHERLAND: The Living Murray I think it is one of the most important initiatives the department faces and the Government has signed up to in terms of the national water agenda. As the Committee will recall, on 26 November last year the ministerial council approved in principle four major projects in New South Wales: the Great Darling Anabranch pipeline, the Bugunyah-Koraleigh pipeline, the Poon Boon entitlement recovery program and acquisition of innovative water products through CMAs. These are major projects that will return 71 gigalitres—that is, 71,000 megalitres, a megalitre being the size of an Olympic swimming pool—of water to the environment, representing about 28 per cent of New South Wales' commitment in relation to the Living Murray over five years.

The Great Darling Anabranch is a major project which will save about 47,000 megalitres of water that currently are lost through evaporation and seepage through delivery in a very inefficient way through the Great Darling Anabranch to supply only 3,000 megalitres of water for stock and domestic use. This project will see a major pipelining project together with recovery of more than 420 kilometres of riverine environment in the Darling Anabranch system. So, not only significant environmental benefits associated with return of water to the environment but also in returning the environment to a more natural state in terms of this vegetation.

Very quickly, the Bugunyah-Koraleigh pipeline project goes back to 1927 when the Bugunyah-Koraleigh Irrigation Trust west of Swan Hill was set up. At that stage and later the community recognised that the infrastructure was inadequate in terms of that irrigation system. This project will now, for the first time, address those infrastructure shortcomings in terms of the effectiveness of that irrigation area but more importantly will provide an additional 2,000 megalitres of general security water for the environment.

Ms SYLVIA HALE: I do not wish to be discourteous to Mr Sutherland, but he is reading from a document. Could he table that document so we can incorporate it into *Hansard* and we have the opportunity to ask questions?

CHAIR: Would that be okay, Mr Sutherland?

Mr SUTHERLAND: The final project is the CMAs basically involved in purchasing water on the market for environmental purposes, and that completes the Living Murray initiative.

The Hon. DAVID OLDFIELD: Firstly, I just seek some clarification—

The Hon. JAN BURNSWOODS: Point of order: Is the Opposition waiving its—

CHAIR: No, we are not waiving it. I told the Hon. David Oldfield earlier that he could have the next question. So we are not waiving it, I am just changing the order.

The Hon. JAN BURNSWOODS: So this question is coming out of the Opposition's time, is it?

CHAIR: No, it is coming out of crossbench time.

The Hon. DAVID OLDFIELD: I just need to clarify what Ms Westacott was saying and then I have a question. Ms Westacott, do I understand from what you are saying with regard to the car that the previous circumstances were that you had a car and driver—a full-time driver and a car supplied? The circumstances now are that you have, at least through your package, however the arrangement is, a different car and if you need a driver you pull one from the Premier's Department?

Ms WESTACOTT: The arrangements with the leasing of the car are no different. When you have an SES package you lease your car. I just have a different car because the lease ran out. There is no difference in the car. There is no difference to the arrangement. It is just as part of the normal leasing arrangements I have changed the car because the lease has run out.

The Hon. DAVID OLDFIELD: So the only specific difference now is that you do not have a dedicated driver?

Ms WESTACOTT: He was—as I have said repeatedly—an administrative position who had driving functions as part of his job, which is a very common practice in other government agencies. That changed because he was a temporary employee and, as I said, I made a commitment to the Public Service Association that I would reduce temporary employees. In terms of being assisted for my driving needs, when I need it in respect of my medical circumstances I either use the Premier's Department pool or I use staff of the department. So, people often accompany me on my trips and those people do the driving on my behalf. Mr Sutherland often drives to various parts of the State to visit farmers and to visit our staff, which I consider to be a critical part of our job. I have been to offices of my department that have never met the director-general, and I am very proud that I am the first director-general who has visited offices like the Kempsey office and the Bega office. I do not believe you can do my job sitting in Bridge Street and not going out and seeing the circumstances that farmers are dealing with and the sorts of environmental pressures that New South Wales faces. The only difference is that the lease ran out on the car.

The Hon. DAVID OLDFIELD: Earlier you told the Committee that you had not at any stage specifically told this Committee that you could not drive because of your eyesight. If I could just read to you *Hansard*. I asked you this question:

Ms Westacott, once again not wanting to know your medical condition, is there something specific in your condition that expressly precludes you from being able to operate a motor vehicle?

You said:

There is something in my medical condition that impacts on my driving that relates to my sight.

Ms WESTACOTT: "Impacts on my driving"—that is what I just said. It does not preclude my driving. I have repeatedly said that, and I am not discussing my private medical circumstances. They impact on my driving in certain circumstances. I have been assisted in those circumstances with driving, an arrangement approved by the Director-General of the Premier's Department with medical documentation. I have never said I cannot drive.

The Hon. JAN BURNSWOODS: And it is outrageous that you have spent all of today—

CHAIR: Order!

The Hon. JAN BURNSWOODS: —all of you, alleging inconsistencies when a search of the transcript shows there are no inconsistencies whatsoever.

CHAIR: Order!

The Hon. DAVID OLDFIELD: She is almost as good at camouflage and cover-up as you are Jan, but it is barely evident that that is the case, except to those who are complicit in the cover-up, such as yourself.

CHAIR: Order! Ms Westacott, reverting to the water issues, how do you assess the significance of irrigation farming to regional communities and to the overall State economy?

Ms WESTACOTT: In respect of the social and economic role that they play, it is an important part of the way we have gone about the water sharing plan process, in particular in respect of groundwater. As Mr Sutherland just said, our groundwater systems have been over many decades by previous governments, previous administrations, overallocated, and in order to get to sustainable yields significant reductions in entitlements are necessary. The way we have constructed the groundwater packages to provide farmers with assistance to help them meet those reductions in entitlements, thereby keeping those regional economies strong, making sure that they continue to invest in regional economies.

The other critical change that I have talked about today in respect of water is the granting of perpetual licences to farmers which allows them to have long-term security of their licence, and that allows them to invest in on-farm efficiencies. When they invest in on-farm efficiencies and they get more productivity out of their water, obviously they are able to invest in regional economies. So, we believe the irrigation system is critical to regional economies. We believe there has to be a balance between allocating water to the environment and protecting the important regional economies that are so dependent on agriculture.

CHAIR: Can you explain, then, why DIPNR's submission to IPART's bulk water price review is apparently more than 100 days late?

Ms WESTACOTT: That does not go to the issue of regional economies. The submission is late and that is because we have been doing a lot of work as requested by IPART in respect of making sure our costings are accurate. This will not impact, as we assured the Irrigators Council New South Wales, on their time for comment. IPART has given them and us an assurance that they will have adequate time to respond to our submission.

CHAIR: When will the submission be put in to IPART?

Ms WESTACOTT: This week.

CHAIR: What is your response to criticism by the Irrigators Council that DIPNR's participation in the IPART review has been "inept and arrogant" and they have called on the Premier to take control of the Government's response?

Ms WESTACOTT: I reject that comment. We have kept them in touch at all times. I know Mr Sutherland speaks to the Irrigators Council on a regular basis about our IPART submission. I think the Irrigators Council would be very concerned if we submitted information to IPART about our costs that was not comprehensive and thorough. We have kept them in touch with this and have consulted them at a number of opportunities and made them aware of the progress of our submission. So, I reject those comments.

CHAIR: Given the failure to meet the deadline, will you recommend to IPART that the commencement date for the next bulk water determination be shifted to 1 July this year?

Ms WESTACOTT: That is a matter for IPART, and they will obviously take into consideration the time people have had to make submissions, but they have given an assurance to us and to the Irrigators Council that the time for submissions and the time for proper consideration will not change as a result of the date it receives the submission.

CHAIR: Could you also recommend to IPART that there be a rollover of all existing bulk water delivery charges and water resources management charges for a further 12 months with an appropriate CPI adjustment?

Ms WESTACOTT: I might get Mr Sutherland to deal with that.

Mr SUTHERLAND: I think it would be inappropriate for the department to usurp the role of IPART in making its pricing determinations. As the director-general said, there has been a significant reform agenda that needs to be taken into account in terms of costings we have submitted. There has also been the corporatisation of State water and the importance of ensuring that the new costings adequately reflect the new roles of both the department and State water. It would be inappropriate for the department to recommend any sort of rollover or suspension of the pricing determinations by IPART.

CHAIR: Given that DIPNR is due to submit a further submission in September on price paths for the next three years, how do you propose that IPART and stakeholders absorb and respond to a one-year price path, as per your initial submission, when there is a more detailed submission being drafted?

Mr SUTHERLAND: It has always been made clear with both IPART and the Irrigation Council that this determination for 2005-06 was, in a sense, an interim determination pending a detailed submission in September of this year for beyond 2006-07 so, in a sense, there is nothing new about the scheduling of the future submission. IPART has indicated that they are likely to have concluded their determination on the basis of our submission this year before September or by September, in time for the normal billing process for that financial year.

CHAIR: In respect of the—

The Hon. JAN BURNSWOODS: Point of order: This hearing was meant to conclude at five o'clock. I assume that the people from DIPNR, as well as Committee members, have other things to do. I ask whether you intend to try and go on longer. I heard threats before of another hearing. Certainly, it is not in order for the Committee to continue after five o'clock. Perhaps you could indicate whether we are going to discuss a future hearing, in which case we will do that in a deliberative.

CHAIR: Yes, that is my proposal.

The Hon. JAN BURNSWOODS: So in that case we will finish at this stage, given that it is after five o'clock.

CHAIR: Yes. I have just got one more question.

The Hon. JAN BURNSWOODS: Obviously the people who are here, who have now been here for three hours, may well have other commitments. It may be, given that it is already after five, that it is not appropriate to ask another question. Perhaps they could take it on notice.

The Hon. JOHN RYAN: I do not think a single question would be a problem.

CHAIR: Ms Westacott, are you happy to clarify one answer that you have just given?

Ms WESTACOTT: Yes.

CHAIR: Further to the earlier questions about the timetabling of the IPART review and the submission, I was not suggesting that DIPNR should usurp the independent role of IPART; I was just asking whether the department would consider making suggestions or recommendations to IPART in those matters. Would you do that on behalf of irrigators?

Ms WESTACOTT: We will obviously consult with the irrigators, as we have done all the way through the water sharing arrangements and the national water initiative, but it is really a matter for IPART to determine and IPART will seek our advice on those matters and we will be consulting with the irrigators and if the irrigators have particular views that they want us to put to IPART—or they can put them themselves; IPART will consult with them direct—then obviously we would put them on their behalf.

CHAIR: I appreciate that. Thank you Ms Westacott and gentlemen for your attendance. I can advise that we will deliberate upon a possible further hearing.

The Committee proceeded to deliberate.
