

15 September 2010

The Honourable Kristina Keneally MP
Premier of New South Wales
Level 39 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Premier,

Re Barangaroo Delivery Authority

I write in relation to the Lord Mayor of Sydney's letter addressed to you dated 29 August 2010. The Lord Mayor provided a copy of the letter to me on 1 September 2010.

The Lord Mayor has made a number of incorrect assertions in that letter, concerning the conduct of the Barangaroo Delivery Authority and it is very important that I assure you there is no validity to those concerns.

In giving you this assurance, I am able to advise that I have closely consulted with all other members of the Board of the Authority on the matters raised by the Lord Mayor in her letter. My comments below are unanimously endorsed by all other members of the Board of the Authority.

Above all, it is important to point out to you in very clear terms that the performance of the Authority in regards to all objectives of the Barangaroo Delivery Authority Act, have been met strongly and without compromise, including the Lord Mayor's concerns of public accountability and transparency, corporate governance and due diligence, and public process and consultation.

Throughout its short life, the Authority has been directing its focus to ensuring the highest outcomes for the people of New South Wales on behalf of the Government in terms of the objectives and the functions of the Act. The Board's strategy and the entire planning and actions of the Authority has been established to achieve the outcomes of an active, vibrant and sustainable community, with a global business hub supporting the economic development of Sydney, with a public domain and headland park in a highly sustainable precinct. Excellence in design and architecture and public domain are also a vital part of the Authority's aspirations.

Since the establishment of the Authority on 30 March 2009, the Authority (its Board and management) have fully immersed themselves in delivering its comprehensive set of chartered, statutory responsibilities. This has been an exciting but extremely demanding challenge.

Exciting, because of the almost unprecedented scale and importance of the project to the Government and the people of NSW. Extremely demanding, because of the range of planning, financial, staging, public domain and sustainability complexities that all require full and robust analysis, consultation, consideration and decision making whilst developing a meaningful forward momentum for the project.

The thirst for public information has been met through an extensive public continuing consultation program and the use of electronic media to a very high level for projects or precincts of this character.

In relation to the Lord Mayor's concerns about **corporate governance and due diligence**, I am fully satisfied that the Board's governance arrangements have been of a very high order with the Board leading the strategy to meet the objectives of the Act. Management has continually provided informative progress reports towards these goals, and timely platforms for Board decision making in all major decisions. Frankly, if the Board is not comfortable with the quality of any information before it, the Board defers consideration of the matter. This has occurred on a number of occasions and is part and parcel of any board – management dynamic, and I am simply highlighting this so that you are aware that the Board competently decides for itself whether it is ready to make decisions brought forward by management.

The Board's leadership has delivered strong guidance throughout the private sector bid process, the financial basis of the development of the precinct, the design principles for each of the zones, the commercial and public uses and the public amenity for the whole of Barangaroo.

As a young organisation we are of course still growing and evolving our governance procedures. As we head into delivery and construction mode with parts of the project, we have identified the need for additional board secretariat resources which will ensure that the Board continues to be able to anticipate the design, planning and landowner approval program expected of it to meet our target milestone dates.

In relation to **public accountability and transparency**, I note that the 90% of the Project Development Agreement for Barangaroo South released under the Government Information Public Access Act was a milestone for public information in this State. I can assure you that those elements that Lend Lease or the Authority sought to protect were in the overriding public interest including to protect the competitiveness of tendering processes for future works. Extensive discussions with Lend Lease occurred to ensure that the absolute maximum level of information be released in accordance with both the spirit and legal intent of the new GIPA Act.

Notwithstanding this, in a project with necessarily complex financial engineering, it is not always evident to the public how the project revenues will be used to deliver significant public outcomes. The Board is considering the release of a "balance sheet" of information to aid the public's understanding of the use of the public monies at Barangaroo.

Under the GIPA Act all information withheld in the public interest can of course be challenged and you may rest assured that the Authority will work closely with the Information Commissioner to ensure Barangaroo is seen as a best practice model with this new legislation.

In relation to **public process and consultation**, there has been very significant public consultation undertaken in relation to the project. Since 20 December 2009, more than 13,000 people have viewed plans for Barangaroo either in person or online, attended community forums and participated in our online discussion forums. There have been seven major public forums to gather community input to the project in addition to more than 100 meetings, briefings, presentations and discussions with a broad cross section of organisations representing community, business, arts, education, housing, tourism and sustainability interests. The Authority also promotes its online discussion forum and sends out regular postal newsletters and is continually refreshing and updating its website with new information for the community.

You may wish to respond to the Lord Mayor by including some of the information above and the initiatives that the Board is considering.

Yours sincerely

Mike Collins
Chairman