

21 November 2014

Reverend the Hon. Fred Nile MLC  
Chairman, Select Committee  
Inquiry into the Planning process in Newcastle and the broader Hunter region  
Parliament House  
Macquarie St  
SYDNEY NSW 2000

Dear Reverend Nile

### **INQUIRY INTO PLANNING PROCESS IN NEWCASTLE**

I refer to your letter inviting the Corporation to respond to aspects of submissions made by others to the Inquiry. On behalf of the Corporation, I have prepared a response which seeks to correct errors of fact within the submissions. I am responding on behalf of the Corporation since many of the allegations raised pre-date Mr Hawes' appointment and concern decisions of the Board – I point out that while Mr Hawes attends Board meetings, he does not have a role in the decision-making process but rather is charged with the responsibility to implement and action its decisions.

I refer also to your instructions to witnesses at the Inquiry to avoid debating the content of submissions through the media. Given the ongoing questioning of the reputation of the Corporation and the General Manager through the media in direct contravention of your instructions, I seek the Committee's permission to publish the Corporation's response as enclosed. This would afford the Corporation the opportunity to defend its reputation and that of its General Manager against these claims with the permission of the Inquiry but without interfering with the proper conduct of the Inquiry.

I look forward to the Inquiry concluding its work and to the renewal process in Newcastle proceeding for the benefit of the City of Newcastle, and the Hunter region more broadly.

I would appreciate your earliest and favourable response.

Sincerely

**Paul Broad**  
CHAIRMAN

## Response to Inquiry into the Planning Process in Newcastle and the broader Hunter Region

### 1. Introduction

The respective submissions confuse some important facts in relation to the following:

- the role and responsibility of the Hunter Development Corporation;
- parts played by Hunter Development Corporation in the process to plan, commit, fund and deliver the initiatives of the Newcastle Renewal Plan; and
- the role of Hunter Development Corporation's General Manager and particularly Bob Hawes since 2008.

Submissions No. 189 and No. 329 by and large formalise matters of opinion of the respective authors. In Hunter Development Corporation's view, this distorts the truth and the historical record of how the renewal of the Newcastle CBD has progressed.

Whilst we highlight instances of these factual deficiencies, the following section provides contextual background highly relevant for the inquiry.

### 2. Background

The Hunter Development Corporation is a State Government agency, part of the Planning and Environment Cluster. Formed in 2008, following the merging of the Honeysuckle Development Corporation and Regional Land Management Corporation, Hunter Development Corporation is subject to the direction of an independent board and reports to the Minister for Planning. The General Manager and staff are employees of the Department of Planning and Environment.

In 2008, the board was directed by the then Minister for the Hunter Jodi McKay to prepare a report on tackling renewal in the City of Newcastle. In March 2009, the Newcastle City Centre Renewal Report was adopted by the board. It was this report, amongst a range of other initiatives that recommended the truncation of the Newcastle rail line at Wickham.

The board then submitted the report to the Minister for the Hunter who released the report for public comment in May 2009. In October 2009, the NSW government established the Newcastle City Centre Steering Committee to provide a coordinated intergovernmental agency and institutional approach to the delivery of a range of projects identified in the Newcastle City Centre Renewal Report. The Committee was chaired by the then Chief Executive of Land and Property Management Authority and Hunter Development Corporation was one of eight members.

In December 2010 the government established a new Urban Renewal State Environmental Planning Policy. This was the beginnings of the Newcastle Urban Renewal Plan process and was led by the Department of Planning and Infrastructure, not Hunter Development Corporation. Through 2011 and 2012, the Department worked to develop the Newcastle Urban Renewal Plan and like many other groups, agencies and the community, Hunter Development Corporation was consulted in this process. Along with the Newcastle City Council, Hunter Development Corporation met regularly with the Department whilst the plan was being formulated. However, the Department managed and coordinated the process and was responsible for commissioning a range of consultancy reports to support and inform the Newcastle Urban Renewal Plan. Hunter Development Corporation did not commission these reports.

In December 2012, the Department of Planning and Infrastructure released for public exhibition the draft Newcastle Urban Renewal Strategy. At the same time, the Minister, Brad Hazzard announced the decision to terminate the rail line at Wickham, consistent with the 2009 Newcastle City Centre Renewal Report. The government also established the Coordination and Delivery Group (CDG) whose task was to begin the process of implementing the decision to terminate the rail line and report back to government within 12 months. The group was chaired by Hunter Development Corporation Chairman Paul Broad and included four independent board members as well as representation at Director General level from the Department of Planning and Infrastructure and Transport for NSW. The Hunter Development Corporation General Manager was also an ex officio member of the board. The CDG's role was not to re-plan or revise policy around the Newcastle City Centre Renewal Plan but rather to action and report on implementation in view of the \$120 million allocated to the project at that time.

Prior to the 12 month period expiring, the Government announced in the 2013 budget the commitment of further funds for renewal of Newcastle flowing from the Newcastle Port lease transaction. The initiative to incorporate light rail in improving transport in the city was also announced.

Under revised governance arrangements to reflect the new initiatives, the CDG disbanded and UrbanGrowth NSW assumed the role on behalf of government to manage the Newcastle Urban Renewal project and initiatives. Hunter Development Corporation remain vitally interested and a significant stakeholder by virtue of its land ownership of the balance of lands in Honeysuckle. Hunter Development Corporation has not determined issues concerning the light rail, Newcastle Mall or Urban Renewal Plan (including the LEP and Development Control Plan elements). Its objectives remain to drive economic growth and development in the region and renewal in the CBD utilising the Honeysuckle lands and working collaboratively with other agencies where required.

Importantly, since 2009 and the release of the Newcastle City Centre Renewal Report, Hunter Development Corporation has not veered from the direction set out in the Report which not only included the rail truncation at Wickham, but also establishing a new city campus for University of Newcastle; providing a new justice facility in the Civic precinct and embarking on improvements and investment in the city's public domain.

### 3. Specific issues within submissions

The No. 329 submission to the inquiry contains a number of factual errors that could lead inquiry members to incorrect conclusions regarding certain events and reports.

Page 3 - *'The formation of the Honeysuckle Development Corporation (HDC) with a stated aim of closing the rail line and developing on the corridor ...'*

It is wrong to equate the 'formation of the Honeysuckle (or **Hunter**) Development Corporation' with the aim of closing the rail line. The creation of Hunter Development Corporation was aimed at the much broader goal of revitalising Newcastle in response to years of decline. The impetus was a joint Commonwealth/State Government funding program called Building Better Cities under which local, state and federal governments collaborated to initiate a significant program of urban renewal through the Hunter Development Corporation. Whereas Honeysuckle Development Corporation was formed in 1992 following several years of initial planning and investigation it published its NSW Government approved 'Scheme' in 1993. The 1993 Scheme, approved by the Minister, identified the truncation of the line at Civic as one of many catalysts to urban renewal in the city centre. The current Scheme makes no mention of the rail line specifically however, the Corporation remains committed to contributing to delivery of city centre renewal.

Page 3 – The No. 329 submission gives the reader the impression the GHD report on the ‘Economic Impact of Rail Closure in Newcastle’ and the ‘Broadmeadow Transport Interchange Feasibility Study’ was prepared for Hunter Development Corporation. This is incorrect.

It is understood the GHD report was commissioned by the then Ministry of Transport to analyse the implications of the Lower Hunter Transport Working Group’s report which, among many other things, recommended the truncation of the line at a new interchange at Broadmeadow. Similarly, the Transport Infrastructure Development Corporation (TIDC) report ‘Broadmeadow Transport Interchange Feasibility Study’ quoted by the No. 329 submission was not a Hunter Development Corporation report.

Page 5 – *‘Lower Hunter Transport Working Group’*

The implication of comments made within the No. 329 submission is that it is somehow inappropriate for directors of the Hunter Development Corporation board to be involved in planning or urban renewal matters within its growth centre. This is an absurd inference given the role of this State Government agency in this locality. Further, the Hunter Development Corporation directors appointed by Minister Costa to the Lower Hunter Transport Working Group, in addition to being representatives of Hunter Development Corporation (and therefore having specific knowledge of matters concerning urban renewal in Newcastle and of government processes), were also representative of the City of Newcastle in the case of Lord Mayor John Tate and of the Newcastle Trades Hall in the case of Mr Gary Kennedy.

References in the No. 329 submission that the report of the Lower Hunter Transport Working Group should be regarded as *‘faulty’* should be considered a matter of opinion and unsubstantiated.

Page 11 – The No. 329 submission states *‘... corporate members of the PCA were rewarded by Tim Owen for their financial and in-kind support’*.

It is totally mischievous to suggest Hunter Development Corporation as a corporate member of the Property Council of Australia had provided in-kind or financial support to Mr Owen and this statement is refuted entirely. The inquiry should note, as an agency that does not make policy or statutory plans, Hunter Development Corporation supports and are members of a range of industry organisations and local groups. Current and recent support extends to: Renew Newcastle; Livesites (Newcastle); Newcastle Maritime Centre; Newcastle Rowing Club; Bikefest Newcastle and the Dungog Film Festival. The board believes it is important as a State Government agency for the Hunter Development Corporation to support and be involved with a range of groups and initiatives operating within its growth centre.

Page 12 – *‘The Hunter Development Corporation (HDC), Newcastle Alliance (NA) & ‘6.5’*

The No. 329 submission suggests Hunter Development Corporation was a part of an ongoing conspiracy seeking to take control of and develop the Newcastle rail line.

The use of the term *‘holy grail’* is pejorative, but notwithstanding that, the implication is that there was an intention to develop land inside the corridor by Hunter Development Corporation and others. In fact, Hunter Development Corporation has never intended to do so.

Since 1992 Honeysuckle Development Corporation has had the responsibility to redevelop some 52 hectares of land in the Honeysuckle project area, exclusive of the rail corridor. The goal outlined among many other goals in the 1993 Honeysuckle Development Corporation Scheme, (approved by the Government of the day) of truncation on the line at Civic, was intended to open up access between the city centre and the harbour, not to facilitate development within the corridor.

It is also misleading to describe Hunter Development Corporation as *‘the principal’* developer in the Hunter region. Rather, Hunter Development Corporation was and remains a public sector agency with responsibility to facilitate revitalisation of the Honeysuckle project area and city centre by undertaking a wide range of tasks such as: contaminated land remediation; provision of roads; bridges; power; telecommunications; repair of seawalls; restoration of heritage buildings and many others. This work has involved the expenditure of \$267 million, which has generated a further \$767 million in private sector development. These figures demonstrate that the Corporation's investment in the city centre has been designed to stimulate further investment from the private sector.

Page 14 – *‘In June 2013, Landcom became UG and a Newcastle board was created ... Two HDC board members, being Julie Rich and David Antcliff were appointed to the board ...’*

This is incorrect. UrbanGrowth do not have a ‘board’ in Newcastle and neither Julie Rich nor David Antcliff were, or ever have, been members of the Hunter Development Corporation’s board or UrbanGrowth board. Julie Rich sought and obtained employment with UrbanGrowth after leaving Hunter Development Corporation some months earlier in 2013. David Antcliff was employed as Project Manager with Hunter Development Corporation and was seconded to UrbanGrowth whilst they sought to establish a Newcastle presence. There is nothing sinister or unusual in government agencies seconding officers to other agencies in these circumstances.

Page 15 – *‘The Hunter Investment & Infrastructure Fund (HI & IF) ...’*

The depiction of the establishment and operation of the **Hunter Infrastructure and Investment Fund (HIIF)** within submission No. 329 is not correct. The HIIF was established by the government to provide advice and recommendations to government on the use of the funds dedicated to the HIIF. It is absurd to suggest the General Manager of Hunter Development Corporation had some sort of principal role in appointing the board or committing the expenditure of funds. The inquiry should ignore the No. 329 submission contentions in this respect.

#### **4. Role of the General Manager, Hunter Development Corporation (Bob Hawes)**

It is clear from the timeline and critical milestones in the process of decision making concerning the Urban Renewal in Newcastle, the Hunter Development Corporation’s board and corporate position has not shifted since 2009.

Moreover, whilst Hunter Development Corporation’s views are frequently sought on land use planning and development, its role is independent of government formulating policy or statutory planning instruments. The Corporation is an active agency in implementing government policy subject to the resources (land and capital) that are available to it. As such, suggesting the Hunter Development Corporation is complicit in a *‘circle of influence’* for other than reasons consistent with promoting its objectives is nonsense.

Furthermore, suggestions that a senior level bureaucrat has in some way had undue influence over process and outcomes given the matrix of boards, agencies, departments and broader stakeholders is likewise, nonsense.

Paul Broad  
21 November 2014