

5 December 2014

Revd the Hon Fred Nile MLC
Committee Chairman
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Revd Nile

**RE: INQUIRY INTO THE PLANNING PROCESS IN NEWCASTLE AND THE
BROADER HUNTER REGION**

I refer to your letter of 10 November 2014 and reply as follows:

1. Please note my correct mailing address, if you are writing to my work is:

Bob Hawes
General Manager
Hunter Development Corporation (HDC)
PO Box 813
NEWCASTLE NSW 2300

Firstly, I note that I have been employed by, been a member of, or, participated in meetings of organisations mentioned in this submission. This has given me broad experience in property matters, allowed me to listen to other views and participate in discussion about Newcastle and property and planning matters.

2. Submission 189

To properly reply to the “adverse nature” of matters raised I will need further particulars of some of these comments, namely:

- (i) How is it evident that one “**pay off**” for achieving a Liberal Victory was the removal of the rail and the lifting of the height restrictions on Newcastle CBD buildings?
- (ii) It is stated “**the new Liberal Government appointed Mr Bob Hawes as the General Manager of the Hunter Development Corporation.**”

Please provide date of the appointment and details of who made such appointment – as I deny the above.

- (iii) Please provide details of the period I was the Development Partner at Buildev – **“Nathan Tinkler’s Development Company”** – during the period Mr Tinkler was a Director or Shareholder.
- (iv) With respect to the final paragraph of the submission please provide:
 - a. Names of **“the people.”**
 - b. The particular **“planning recommendations”** referred to.
 - c. What are the **“subsequent outcomes”** referred to?
 - d. A list of the **“planning decisions in Newcastle”** that are referred to.
 - e. Details of **“collusion”**, including the names of people involved, times and dates that this occurred, what was said or done by these people to confirm the allegation of **“collusion.”**

3. Submission 329

Propaganda campaign to remove Newcastle Rail Line.

I note I am mentioned here –

Please provide details of the following:

- a. What is meant by **“Propaganda Campaign.”**
- b. Provide details of **“misuse of power and influence”** if that refers to me in particular:
 - Details of **“misuse”** – when, where and how this **“misuse”** has occurred.
 - Details of **“power”** – what power, how and when has this **“power been misused.”**

P.15 C-G The Hunter Investment & Infrastructure Fund and Mr Bob Hawes.

Firstly, I note that I did not, and did not have the authority to select, the members of The Hunter Investment & Infrastructure Fund.

When I was appointed as General Manager of HDC in February 2011 I disclosed my property investments on the Pecuniary Interests Register of HDC as I was obliged to do.

This interest is available to the Public – I complied with my obligation.

I understand that HDC will reply to the allegations regarding omissions from reports etc.

I refute the accusations that I have not acted **“with honesty, consistency and impartiality.”**

As stated above:

- (i) I have complied with my statutory obligations.
- (ii) My property interests were obtained prior to my employment with HDC.
- (iii) My property interests were disclosed prior to my employment.

Not only were my property interests placed on the register but were disclosed to the Director General to whom I report whom is also a board member.

I will now provide by way of **Attachment** objective details that may assist your Inquiry, including:

1. Fintraz Pty Ltd role in assisting HDC to compile the 2009 Newcastle City Centre Renewal Report
2. My interest in and the context of the Beresford Street property and the issue of the development approval
3. History of my recent employment.
4. History of my HDC pecuniary interest register.

I would be pleased to assist in supplying any further information.

I trust you have information from HDC confirming that details of my property ownership were detailed on the pecuniary interest register.

Yours sincerely

Bob Hawes.

Inquiry into the Planning Process in Newcastle and the broader Hunter Region

Introduction

As noted in the letter to the inquiry of 5 December 2014, the following sections provide additional information in relation to the following:

1. Fintraz Pty Ltd role in assisting HDC to compile the 2009 Newcastle City Centre Renewal Report
2. My interest in the Beresford Street property and the issue of the development approval
3. History of my recent employment.
4. History of my HDC pecuniary interest register.

1. Fintraz Pty Ltd role in assisting HDC to compile the 2009 Newcastle City Centre Renewal Report

The assertion that I had anything to do with resourcing the consultancy work performed by Fintraz for HDC noted in the HDC 2010 Annual Report is completely false. At the time, I was fully employed at ADW Johnson and not involved in consultancy work being undertaken by Fintraz notwithstanding my shareholding interest.

I also understand Fintraz did not produce a discrete report for the HDC in connection with the consultancy work. Fintraz supplied consultant resources to assist in compiling information for the Newcastle City Centre Renewal Report. Enquiries of HDC will confirm the nature of the tasks performed by Fintraz and will confirm that I took no part in the work.

2. My interest in and the context of the Beresford Street property and the issue of the development approval

The development approval on the Beresford Street property is on the public record and is a public document. I refute the claim the public were not aware of this interest clearly evidenced by the development application process.

The approval was granted in May 2010 well prior to my commencing work at HDC, and expires in May 2015. The bulk of the design work, consultation and consideration by Council took place over the period 2007-2009. Not only was the application notified, it also encountered objections that were resolved having gone through a voluntary mediation process based on the objections, most of which were raised by persons well known to the Save Our Rail group. Since 2010, the status of the approval has not changed and I do not have any intention of undertaking the project.

I further note recent statements attribute my 'interest as half owner of a \$60 million development site'. I note Save our Rail suggest a \$64 million development. I would like it noted this statement, along with statements that the site is 'significant' are exaggerated, misleading and false.

I contend the market value of the site would be around 5 per cent of the figures being touted. I note the development application noted a construction cost of approximately \$9 million. I find it extraordinary that the most rudimentary research would reveal a 1,375 square metre site comprising an approved development of 4,560 square metres in floor area could ever be worth \$60 million let alone \$64 million.

This equates to over \$14,000 per square metre of floor area at a time when market values for a completed project as opposed to a site would be around a third of that figure.

Moreover, a 1,375 square metre site in a CBD of in excess of 250 hectares could hardly be considered a 'significant' land holding. It represents approximately half of one per cent of the CBD land area.

I have never hidden or not disclosed my interests and I believe these matters demonstrate 'facts' concerning my interests have been grossly and negligently exaggerated for no other purpose than to sensationalise a storyline. I would anticipate the inquiry will take considerable care when assessing matters and strip away hyperbole that I believe has been intentional with the purpose to mislead.

3. History of my recent employment.

In this section, I detail my **actual** employment timeline from 2007. I note that references in respective submissions seek to tie in the notoriety of one of my previous employers, Buldev and conspiracy theories around 'influence'. This is not only a slight on my character but also others amongst the 80 or so employees that worked for Buldev at the time. Having reviewed the timeline, I believe the committee will agree there is no basis for these claims.

I also note other professional and personal interests for the information of the inquiry noting some of my professional and industry organisation interests have been referred to and often misrepresented in evidence from others.

Employment history

Pre 2007	Principal in a private consultancy practise including part time work for the Honeysuckle Development Corporation. My work with Honeysuckle concluded prior to the merger with Regional Land Management Corporation to form the Hunter Development Corporation.
July 2007 – June 2009	Development Partner - Buldev Group My time at Buldev pre-dated involvement of Nathan Tinkler despite assertions to the contrary. I have never met Mr Tinkler and left Buldev in June 2009 and I believe history will show Mr Tinkler did not secure an interest in Buldev until after this date.
July 2009 – February 2011	Executive Manager, Economics and Project Strategy – ADW Johnson Full time employment with a consultancy practise where I was responsible to develop and lead economic, social, project and research capacity within the company. The work was across regional and rural NSW with a focus in the Hunter region.
February 2011 to current	General Manager – Hunter Development Corporation Initially employed within the Land and Property Management Authority however, following the March 2011 election, the Hunter Development Corporation became part of the Department of Planning and Infrastructure. The General Manager reported to Sam Haddad, the Director General for the department. The position also reports to but is not a member of the HDC board. In April 2014, Planning and Infrastructure was renamed the Department of Planning and Environment and replaced the Director General with the position of Secretary. The Hunter Development Corporation General Manager continues to report to the Secretary and the board.

Other professional and personal interests

I have been linked to a range of roles with the Hunter Chapter of the Property Council of Australia and the Hunter Business Chamber. I was incumbent to all these roles when I was offered and accepted the role as General Manager of HDC and this was known and confirmed by the Director General at the time. It should also be noted I was never employed by the Property Council of Australia and stepped down as chair of the Hunter Chapter in 2009.

Continuing in these roles was recognition by the Department of the opportunity for HDC to be involved with other organisations also active in promoting economic development and growth in the Hunter and was regarded positively. Whilst its views are regularly sought, HDC is not a policy or statutory plan making agency and its success is very much tied to economic wellbeing in the region.

There is absolutely no evidence and there is no case that I have ever used the roles in either the Property Council or Hunter Business Chamber to influence any decision concerning Hunter Development Corporation or to my personal benefit or to benefit someone with whom I have a relationship. Instead, my record shows and enquiries would support my unstinting passion and unselfish commitment to see this region and its capital city progress. Furthermore, I have fulfilled a large number of community based volunteer roles which further demonstrate not only my capacity and capability, but also my interest in contributing expertise and time to broader concerns.

These include:

- the community reference group for the Merewether beach public domain upgrade project;
- the community reference group for the upgrade project to Burwood Beach Waste Water Treatment Facility;
- former chairperson for the Salvation Army Newcastle Red Shield Appeal;
- former president and chairperson of both senior and junior committees of the Merewether Surf Life Saving Club;
- currently vice president of Newcastle Rugby Union Referees Association and an active Level 2 referee; and
- Life member of Merewether Carlton Rugby Club.

4. History of my HDC pecuniary interest register.

4.1 Introduction

Parts of some submissions have focussed on my interests in property in the west end of Newcastle. I completed and lodged declarations on 14 February 2011, 21 November 2011, 19 February 2013 and 13 February 2014. I understand these have been provided to the inquiry by HDC under separate cover.

The references in the submissions suggest the property interests have emerged or changed coincidental to my role with Hunter Development Corporation and the renewal initiatives announced in recent times. This is completely untrue.

In the following section, I have provided further details on the history and extent of these interests. The main points to note in respect of the properties are as follows:

- the interests have been consistently reported on the pecuniary interest register with Hunter Development Corporation;
- all property interests pre date employment with Hunter Development Corporation in early 2011 when I commenced as General Manager at Hunter Development Corporation; and

- the record shows my property interests as passive and no development work has been undertaken since the legal arrangement in relation to these property interests was dissolved in October 2010.

4.2 Property details and timeline

Since 1989, I have had various interests in real property in the city of Newcastle. Whilst over time I have engaged in broader property pursuits including other projects more than 10 kilometres from the Newcastle CBD, the following sections detail the pertinent matters relating to Newcastle CBD based and current interests.

4 Parnell Place, Newcastle East

This residential property was purchased in 1989 and sold in 2008.

840 Hunter Street

The property was purchased in November 2004. It was subsequently refurbished and sold to the current owner/occupier in 2006.

1-11 Beresford Street

This property is across a number of titles purchased at different times. It also referred to as 1- 9 and 1- 11 Beresford Street and essentially these references are to the same property.

1-7 Beresford Street

The property was purchased in May 2002 subject to an existing lease. The property continues to be tenanted.

9-11 Beresford Street

The property was purchased in July 2001. The property was leased to a building company controlled by a partner in the property. This occupancy continued until the demise of the company in late 2010. The property has subsequently been re-leased.

Together, these Beresford Street properties occupy a site area of approximately 1,375 sqm.

In May 2010, a development application was approved. This approval is current to May 2015 and has not been acted on. I have no intention, nor the financial capacity, to activate or develop to the approval and enquiries would reveal the property has been informally for sale for some time.

The pecuniary interest register notes that over time, the extent of my interest in the Beresford Street properties has changed. At the time I joined HDC, I held a 25% share. This subsequently increased to 50% following the bankruptcy of the other 25% shareholder. I took the action to acquire the additional share in order to protect my existing holding owing to potential complications that can arise in instances of liquidation and bankruptcy. It has remained at this level since.

4.2.1 780 Hunter Street – 7.25 per cent interest

The property was purchased in July 2005 on a delayed settlement for the specific purpose to be redeveloped as commercial floor space. The development application was approved in August 2005 and work completed in early 2006. Since completion, the property has never been fully tenanted and therefore not marketed for sale.

5 Summary

These facts demonstrate my long term interest in the Newcastle CBD was well established long prior to my employment at Hunter Development Corporation or the evolution of the decisions concerning Newcastle renewal.

I contend there is absolutely no evidence to prove I have used my position at Hunter Development Corporation to advance the prospects of these properties. Similarly, I have not used my interest to influence decisions or dealings concerned with my employment or the activity and interests of any other agency, committee or board.

The role of the General Manager of the HDC is to implement the decisions of the board and directions of Government. Whilst the views and input of HDC are often sought, it does not set Government policy and therefore the opportunity for conflict as has been accused in submissions simply does not exist.

Whilst I note owning or having an interest in property gives rise to the potential for a conflict of interest, I contend there is no evidence and the submissions abjectly fail to support claims I have benefitted or show an actual conflict exists.

Certain submissions to the inquiry when it comes to the 'Bob Hawes story' are based on incorrect and misleading statements, supposition and opinion and they lack substantiation or factual integrity. I am affronted by the accusations and find it difficult to accept the submission could be used as a basis of evidence for the inquiry in regard to the terms of reference let alone a representation of my circumstances.