

Reverend The Hon Fred Nile MLC
Chairman
Select Committee on the Planning Process in Newcastle
and the Broader Hunter Region
Parliament House
Macquarie Street
SYDNEY NSW 2000

Our ref: E14/2702

23 January 2015

IN CONFIDENCE

Dear Reverend Nile

Att: Teresa McMichael, Committee Director

I refer to your letter of 19 December 2014 on behalf of the Select Committee on the Planning Process in Newcastle and the Broader Hunter Region. You referred information provided to the Committee in relation to conflicts of interests involving the Hunter Development Corporation (HDC), its General Manager Robert Hawes, UrbanGrowth and GPT Group.

The Commission notes that, while the conflicts of interests by Mr Hawes are apparent and he may benefit financially from the proposed truncating, in light of the HDC chairman's statement, Mr Hawes has not had any involvement in any board meetings which have considered the proposed redevelopment at Wickham. Also, the Department of Planning and Environment has stated that it is managing Mr Hawes' conflict. I note that the Select Committee will consider in its final report the issue about Mr Hawes having addressed the board on the truncation issue in his capacity as General Manager.

It appears that Mr Hawes did not lodge disclosures when he was engaged as a consultant to HDC but he appears to have made disclosures in a timely manner as General Manager, including the first one which was just prior to being appointed. The only exception is in relation to his development application which was not disclosed in a timely manner.

In relation to Mr Hawes' disclosures, I note that there appears to be an error at 6.42 of the Select Committee's Interim Report regarding the date when Mr Hawes first made a disclosure. It appears that the date should be 14 February 2011.

In relation to the potential financial benefits to HDC and UrbanGrowth, the Commission notes that these are government-related entities and the benefits would go to them rather than any individual. While the GPT Group is not a public authority, it is noted that it is predominantly owned by a government entity.

In relation to the allegation that the Department of Planning and Environment has been ruled or influenced by UrbanGrowth in the truncating issue, the Select Committee's interim report does not contain any information to support this allegation which originates from Hunter Environment Lobby Inc. In the absence of information indicating who from UrbanGrowth may have influenced the Department and in what manner, the allegation remains vague and there are no proper lines of enquiry to pursue it in an efficient manner.

In the absence of information indicating a reasonable likelihood of corrupt conduct, we will not be investigating the allegations raised. In short, for conduct to be considered corrupt, there needs to be an element of dishonesty or deliberate wrongdoing. A mistake or even negligence are not sufficient indicators of corrupt conduct as having occurred.

Although we are not investigating the issues raised, I thank you for bringing them to the Commission's attention.

Yours sincerely

The Hon Megan Latham
Commissioner

23 January 2015