

18 November 2014

Ms Emma Wood
Principal Council Officer - Upper House Committees
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Sent by email: newcastleplanning@parliament.nsw.gov.au

Dear Madam

**Re: Inquiry on the Planning Process in Newcastle and the
Broader Hunter Region**

I refer to your email of 14 November addressed to my personal assistant Lynda-Jane Harkness inviting me to appear before the Committee at one of its upcoming hearings at either Newcastle City Hall on Friday 21 November, 2014 or at Parliament House on Monday 24 November, 2014. Unfortunately, I am unavailable to attend either of the above hearings.

It is apparent that the select Committee's interest for me to appear before it may relate to Item 2(c) of the inquiry terms of reference. Accordingly, I take up your offer to communicate to the Committee my knowledge relating to this Item 2(c) and respond to:

- a) The submission of the Whitebridge Community Alliance
- b) The parts of the transcript of proceedings held in Newcastle on 7 November 2014.

Whitebridge Community Alliance Submission (Partially Confidential)

1. I am not the father in law of Simon Livingstone my partner in Simhil Living Pty Ltd and do not imagine why this assertion is repeatedly made.
2. The land in question was rezoned with no input or interest from myself or my business partner.
3. My first knowledge of the land having been rezoned was when it was offered for sale in 2013. I had no knowledge of any other documentation about housing density yield, only the LEP as gazetted.
4. The price offered to purchase the land by Simhil Living Pty Ltd reflected the value to us as 2(2) Residential. Had the zoning been 2(1) obviously our offer would have been less as the yield would be less.
5. Newcastle Herald report of August 13, 2014 clearly shows that the local member Andrew Cornwell did not make representations to Council in favour of the development – "council made document public online...but it was never intended to be filed for public display". This baffles me. (Copy of news article enclosed).

6. Andrew Cornwell appears to have been doing his job as the local member for Charlestown when he was informing the residents how to go about objecting to any development. The youtube clip posted by the Whitebridge Community Alliance appears to support Andrew Cornwell acting in his capacity as the local member. The link for the video is http://www.youtube.com/watch?v=gmDT7sX_6uw

Transcript Response

1. The property referred to in the inquiry is situate at 2 Kopa Street and 142-146 Dudley Road Whitebridge ('Whitebridge') and was purchased by Simhil Living Pty Limited, (a company in which I have financial interest) and of which I am a Director, on 30 April, 2013 with completion taking place on 28 October that year. The purchase price was \$4,951,100.00.
2. At the time the land at 'Whitebridge' was purchased by Simhil Living Pty Ltd it had been rezoned at the request of Roads & Maritime Services and included various zonings: -
 - i) 2(2) Residential Urban Living
 - ii) B1 Neighbourhood Centre
 - iii) B1, R3 Medium Density Residential
 - iv) 7(2) Conservation (Secondary)
 - v) E2 Environmental Conservation
3. It was observed at the Inquiry on 7 November last that planning matters are still not resolved however I understand that the JRPP will deal with the matter and this has been done to keep politics out of the process, and in the expectation that it will be judged on its merits.
4. The Reference to 'curry favour' on the second line of page 62 it is correct to the extent that I have often asked Councillors, Members of Parliament and the business community to support community projects such as The Hunter Medical Research Institute, Glendon Special School – heated indoor pool, The Autistic School, Lifeline and many many others.
5. In relation to Mine Subsidence Board approval which was also mentioned on the 7 November, 2014 I note the delay caused by the adjournment of the meeting at which the matter was being dealt with. I have been involved in many matters relating to the Mine Subsidence Board and my engineers have dealt with engineers from the Mine Subsidence Board on numerous occasions generally with a satisfactory outcome for my company's applications and the community.
6. I refer to Mr Shoebridge's comment on page 44 which I highlight:

"It is sold on the basis that there will be 50 dwellings on it, on the basis of whatever assessment you have done, yet the developer then buys it and can miraculously put 91 buildings it. That has got to be bloody good deal for a developer, does it not? Do you

not think it creates a probity issue as to how on earth it can be sold with a zoning that seems to so underestimate its development yield? The people of New South Wales look like they have been cheated.”

My response:

Simhil Living Pty Ltd assessed the number of buildings it could develop on the site and made an offer higher than any other offer based on its assessment of what was available with the zoning at the time of tender. In my view it does not look like the “people of New South Wales” have been cheated on the contrary the rezoning by the Government has led to a much greater benefit to the community of New South Wales than if it had been rezoned to 2(1).

7. I draw the Committee’s attention to the comments by Mr Wesley Hain Principal Strategic Land Use Planner Lake Macquarie City Council:

“Mr Hain: Council’s local environmental plan 2004 does not have any density provisions or yield provisions contained in it”

“Mr Hain: The developer knows more about the land that they have acquired and what they can achieve. Like I said before, the consideration of an LEP amendment is to determine the most appropriate land-use zone, whether that be a conservative zone, open space zone or residential zone”

“Mr Hain: During the determination of the most appropriate land-use zones there was a whole range of factors that were considered, those being the need for providing accommodation for a growing population, councils’ strategic direction: Lifestyle 2020 Strategy, as well as taking advice from our environmental staff and experts in-house and with a whole range of other staff members.

8. My response to Mr Brown’s final request as follows:

“What we want to know is if the money that had exchanged hands, which was revealed in the ICAC proceedings if that did have any influence on the rezoning of the land, the sale of the land and now in the assessment of the DA. That is what we are asking should be looked into to make sure that it is a fair playing field.”

My response to this is that it was a fair playing field for the following reason:

- i) That the land was rezoned by the Roads & Maritime Services between 2006 and 2008 long before it was put up for sale. The property was advertised publicly and highest and best offer and a short list of five (5) offers were referred to the Vendor and the offer by Simhil Living Pty Ltd was accepted, presumably based on it being the best offer made.
- ii) I quote the Chair on line 6 of page 62:

“Chair – But the reality is a Member of Parliament has no authority over a redevelopment.”

I wish to make it clear that I have never received any favours or input from any politicians or other person in relation to any development in which I have been involved.

I am disappointed that at a public consultation at the site, not only were stones thrown at my co-director/shareholder but he was spat on. We are told insufficient community consultation has taken place – how many times should we be spat upon?

Finally the acquisition by the State Government of this and other land which would have given rise to a four (4) lane highway, which should now be replaced by residential, environmental and additional village commercial uses, surely a far better outcome for the community than what was envisaged at the time of the resumption?

The State Government hugely benefited by the higher value of the land achieved by zoning of 2(2) instead of 2(1) and over \$250,000.00 in stamp duty was also paid to the State Government. I believe and submit that the State Government and the people of New South Wales have already benefited greatly from this proposed development.

Once again, thank you for the opportunity to give my response which I am happy for you to make public if you so wish.

Yours sincerely,

HILTON GRUGEON AM

encl.

Cornwell raised residents' concerns

By DAMON CRONSHAW

FORMER Charlestown MP Andrew Cornwell raised residents' concerns with Lake Macquarie City Council about a controversial \$23 million Whitebridge development plan, council documents show. Additionally, a YouTube video shows Mr Cornwell speaking at a public meeting on the Whitebridge plan on December 7 last year.

He urged residents to get submissions to the council "in writing, on time and make them succinct". The MP handed out information at a residents' meeting on how to have a say about a development. He also made representations to Lake Macquarie City Council general manager Brian Bell regarding concerns about the development.

Developer Hilton Grugeon part-owns SNL, the construction company behind the Whitebridge medium-density unit project - which is in the Charlestown electorate.

As reported on Friday, Mr Cornwell - who resigned from Parliament yesterday - admitted to the ICAC that Mr Grugeon gave him \$10,000 for a painting, which the MP had given the developer as a gift.

Mr Cornwell used the money to pay his tax bill, despite suspecting Mr Grugeon was attempting to "curry favour".

It emerged yesterday that the ICAC had contacted Lake Macquarie council over questions relating to the Whitebridge development plan, a council document shows.

The document said a coun-

cil officer received a phone call from the ICAC, but "did not feel strictly comfortable about the types of questions and comments being made".

This led the officer to be "concerned whether the call was bona fide". The council later confirmed the call was from the ICAC.

An ICAC officer then telephoned the council to say "no further information was required at this stage". The council officer who received the call described it as "weird", the document said.

The caller seemed to be distracted by "something else happening," the officer said.

The ICAC made no comment. The council made the document public online on Monday, but said it was "never intended to be filed for public display".