

**Submission
No 189**

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

Name: Mr Derek Dowding

Date received: 23/10/2014

It is my sincere belief that developers Jeff McCloy, Nathan Tinkler, Hilton Grugeon gave assistance to the Liberal Party in winning seats in Newcastle and the surrounding area for reasons of personal benefit. It has become apparent in the ICAC inquiry that illegal political donations were given to successful candidates in the Hunter and it is evident that one "payoff" for achieving a Liberal victory was the removal of the rail and a lifting of the height restrictions on Newcastle CBD buildings. The City of Newcastle has an established Local Environment Plan and to have its planning instruments arbitrarily overturned by the NSW Department of Planning amid these revelations of corruption gives cause for extreme concern. For any individuals who own property in the CBD this amounts to a huge windfall with CBD property values set to rise markedly based on the potential for extra floors and newly achievable vistas.

Prior to the election, a concerted political campaign had already been underway in which organisations such as Jeff McCloy's Hunter Advantage group, The Property Council of Australia and the Newcastle Alliance were highly critical of planning processes and regulations in Newcastle. The property group GPT had also embarked on a media-driven political campaign essentially claiming that it could revitalise Newcastle provided only that the heavy rail into Newcastle was removed. GPT were entitled to lobby in this way, however, it is likely that they had no real intention to develop in Newcastle and that their grand announcements were more of an attempt to negate the damage of their plummeting share price.

http://hfgapps.hubb.com/asxtools/Charts.aspx?asxCode=GPT&compare=comp_index&indicies=0&pma1=0&pma2=0&volumeInd=9&vma=0&TimeFrame=M10

At that time GPT was committed to a massive redevelopment of their Charlestown Square Shopping Centre less than 10 km away. Construction on Charlestown Square was done by Jeff McCloy's construction company Graph Building.

In August 2009, more leverage was applied to NSW government to act on the rail issue. Jeff McCloy spoke out on the matter as spokesman for Hunter Advantage.

<http://www.theherald.com.au/story/445407/newcastle-business-leaders-launch-fix-our-city-campaign/>

In August 2010, blaming Labor's inaction on the rail line, GPT withdrew plans for the (now \$600 Million) proposal after successfully generating a massive amount of negative press about the Labor State government and the Newcastle City Council.

The Hunter Chapter of the Property Council of Australia made ongoing similar criticisms. The Property Council has long been an active proponent of the rail truncation.

Nathan Tinkler attempted to purchase GPT's holdings in the Newcastle CBD but the deal fell through because GPT would not sell all of the properties for fear of a shopping centre being developed that would compete with Charlestown.

In March 2011 Barry O'Farrell became Premier of NSW.

Interestingly, the new Liberal State government appointed Mr Bob Hawes as the General Manager of the Hunter Development Corporation; an advisory board for the NSW government. He is also a life member of the Property Council and was Chair of its Hunter chapter for 15 years. He is also a director of another organisation in favour of removing the rail; the Hunter Business Chamber and chairs its Regional Infrastructure Committee and was formerly development partner at Buildev; Nathan Tinkler's development company. (The HDC is responsible for the administration of the \$350 Million Hunter Infrastructure & Investment Fund.)

In April 2012 Tim Owen spoke out in support of GPT and against retention of the rail line.

<http://www.theherald.com.au/story/115345/signs-of-life-for-hunter-street-mall/>

In June 2012 it was announced that GPT had gone into partnership with the NSW Government to redevelop Newcastle CBD. Urban Growth NSW purchased two thirds of GPT's \$100 Million landholdings in Newcastle for \$20 Million.

<http://www.abc.net.au/news/2012-06-18/newcastle-land-sale-heralds-inner-city-renewal/4076414>

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In September 2012, Jeff McCloy was elected as Lord Mayor of Newcastle.

On 28 Oct 2013 there was a frantic buy-up of GPT shares by Australian superannuation funds.

http://www.afr.com/p/business/property/super_funds_pour_into_gpt_shopping_VEcmgHII6SErhoXicVCESP

[It is worth noting here that disgraced former NSW Liberal leader, John Brogden was, until recently, the CEO of the Financial Services Council which represents Australia's retail and wholesale funds management businesses, superannuation funds, etc, as well as the chair of Urban Growth NSW

(Landcom) GPT's partner in Newcastle. Interestingly the joint-purchasers of ports in NSW were funds management organisations served by John Brogden's Financial Services Council.]

On 19 November 2013 GPT announced its bid to take over the Commonwealth Property Office Fund.
<http://www.theaustralian.com.au/business/property/win-for-dexus-in-battle-for-cpa/story-fn9656lz-1226796120922?nk=b64b0b81ae51d586cb6ee2a9b18033f3>

GPT's bid for the CPO fund was unsuccessful however individuals would have likely benefitted by the frantic trading of shares.

Developer, Hilton Grugeon, owns an 80 hectare property adjacent to Williamtown RAAF base upon which sits a newly constructed aerospace park. While it provides infrastructure it had no tenants.

In February 2013, Tim Owen signed the deed of agreement with Lockheed Martin as tenant to Williamtown's new \$500 Million aerospace park belonging to Hilton Grugeon.

http://newsstore.fairfax.com.au/apps/viewDocument.ac;jsessionid=3F151A253921EC31F2865677C8F2486F?sy=afr&pb=all_ffx&dt=selectRange&dr=1month&so=relevance&sf=text&sf=headline&rc=10&rm=200&sp=brs&cls=650&clsPage=1&docID=NCH1302277K71U532M0A

When examined in any detail, the relationships of the people involved and the planning recommendations and subsequent outcomes cannot be regarded as merely coincidental.

It is very apparent that planning decisions in Newcastle have been subject to collusion and influence on an unprecedented scale and have been made to benefit a select few. For this reason I believe the NSW government's Urban Renewal Strategy should be held over until a full inquiry is complete.

Sincerely,