

**Submission  
No 147**

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

**Organisation:** Save Our Cultural Institutions

**Date received:** 23/10/2014

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NSW LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE PLANNING  
PROCESS IN NEWCASTLE AND THE BROADER HUNTER REGION.

NEWCASTLE ART GALLERY REDEVELOPMENT.

This Enquiry arose from concerns amongst parliamentarians about the interactions between commercial development interests and Members of Parliament, and the possible impact of these interactions on decisions affecting Newcastle. The major focus of these concerns has centred on the termination of the railway line at Wickham and the massive increase in allowable building heights.

**We believe a highly relevant matter, and one that is central to the city renewal strategy was the decision not to proceed with the Art Gallery renovations and the subsequent decision to remove the positions of Art Gallery Director and Museum Director.**

To place these matters in context it is necessary to understand that prior to the 2011 state elections both the NSW Liberal Party and the Liberal candidate and subsequent Member for Newcastle, Mr Tim Owen, supported the renovations and the tripartite funding arrangement with the Newcastle City Council, the NSW government and the Commonwealth Government each contributing \$7 million towards the total cost of \$21 million.

The project was proceeding satisfactorily with the Council and the Commonwealth confirming the availability of their funds. However following the election of Mr Jeff McCloy as the Lord Mayor of Newcastle in September 2012, a dramatic change occurred. In October 2012 the then Minister for the Arts Mr George Souris, announced that the state government would not honour its commitment to the project. Soon afterwards (December 2012 or earlier) Mr Owen also withdrew his support. It is important to recognise that these two events occurred after Lord Mayor McCloy expressed his opposition to the project.

It has recently become clear that Mr McCloy contributed some \$10,000 to Mr Owen's 2011 election campaign and this interaction was not made public and it is possible it was not made known to Mr O'Farrell.

Subsequent to this reversal of the decision to renovate the Art Gallery, General Manager, Mr Ken Gouldthorp, recommended a review of the council structure which removed the positions of Director from the Art Gallery and Newcastle Museum. Mr Gouldthorp had been only recently appointed with the clear support of Mr McCloy. This recommendation was carried with very little debate on the casting vote of the Lord Mayor. (about 15 September 2013)

It is important to note that the earlier decision on 4 December 2012, not to proceed

with the Art Gallery extensions, was also carried on the casting vote of Lord Mayor McCloy. In this context it is relevant to note that the recent ICAC hearings raised the possible illegal donation to one or more candidate of current Newcastle Councillors by Lord Mayor McCloy.

The Newcastle Art Gallery is arguably the premier regional art gallery in Australia. It has a wonderful collection valued at over \$90 million and is housed in a building which has long been accepted as inadequate for the size of the collection and currently accepted international standards. The Art Gallery and the incredibly popular Newcastle Museum, strategically located in the old railway workshops in Honeysuckle, are both very strong draw cards for visitors to Newcastle. The maintenance of the quality and display adequacy of these two institutions has long been seen as central to the renewal of inner city Newcastle.

The decisions to block the renovations to the Art Gallery and remove the Directors of both institutions will, without doubt, lead to the diminution of both and further lead to a weakening of the thrust for inner city renewal.

We believe the committee needs to examine the decisions relating to the following matters:

1. Did the Premier receive departmental advice on the proposed extensions to Newcastle Art Gallery?
2. Were there discussions between Lord Mayor McCloy and the Premier and or his staff relating to these extensions?
3. Did Mr Owen and Lord Mayor McCloy have private discussions re the Art Gallery extensions and was Mr Owen asked by Lord Mayor McCloy to stop supporting the extensions?
4. Were there discussions between Mr Owen and the then Premier or the Premier's staff regarding the extensions and was Lord Mayor McCloy included in any such discussions?
5. Did Mr Jeff McCloy illegally donate to the campaign of Councillor Robinson?
6. Did Mr McCloy illegally donate to all Liberal Party candidates in the 2011 Newcastle council elections by including a "how-to-vote" for them on his Lord Mayoral "how-to-vote"?
7. Re: items 5 and 6 if either or both are correct what are the implications of Robinson and Liberal Councillors voting consistently with Lord Mayor McCloy?

We request that the Committee:

- strongly recommend that the government review its decision not to contribute to the renovations to Newcastle Art Gallery with a view to reversing that decision and to make funds available for the increased costs caused by this substantial delay in the project.
- We further request that the committee consider recommending to the government that an Enquiry be instituted into possible illegal and undeclared contribution to the campaign funds of all liberal and possibly other candidates in the 2012 Newcastle Council elections by Mr McCloy and the possible implications in the subsequent decisions of Newcastle City Council.
- It is also important that the government make public any departmental advice provided to the Premier and/or ministers relating to the Newcastle Art Gallery and its redevelopment.

The likely inference in this matter is that government and/or Newcastle City Council decisions were inappropriately influenced by the Lord Mayor of Newcastle. Good governance demands that the Premier initiates a formal review into this matter with a view to the government reversing Premier O'Farrell's decision not to fund the Art Gallery Project.

(signed)

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