

**Submission  
No 174**

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

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## **Submission to the Legislative Council Inquiry on the Planning Process in Newcastle and the Broader Hunter Region.**

I request this inquiry look at the planning processes employed by the current NCC (Newcastle City Council) that brought about the demise of the Newcastle Art Gallery redevelopment. In particular what effects did the attitude of the then Lord Mayor, Jeff McCloy, to the Art Gallery and its staff, have on the decision of NCC to change its planning for the Art Gallery redevelopment. I would also request the inquiry examine what effects the relationships between the then Member for Newcastle, Tim Owen, the then Lord Mayor, Jeff McCloy, and the NCC General Manager, Ken Gouldthorp had on the decision by NCC to scrap the Newcastle Art Gallery redevelopment.

In 2004 NCC made a decision to commence a project for the redevelopment of the Newcastle Art Gallery. Funds of approximately \$5 million were put aside by NCC for this purpose. This decision was supported by every Council until after the September 2012 NCC elections.

In 2004 I was the Lady Mayoress of Newcastle and assisted with community fund raising for the Art Gallery redevelopment. I chaired the Art Gallery Redevelopment Dinner Committee, which raised funds for and supported the redevelopment. These activities were particularly designed to encourage and allow community involvement. This fund raising activity happened because the NCC had committed to the redevelopment of the Art Gallery.

Through a number of events and corporate donations we raised in excess of \$1 million towards the redevelopment. In 2013 this money had grown to \$1,038,569 and the NCC money had grown to \$6.25 million. In total well over \$7 million.

Between 2004-2013 a number of proposals for the redevelopment were suggested culminating in the final detailed architectural plans that were presented completed in 2013 for a \$21 million redevelopment.

Funding for the proposal was to come from

- a) NCC and community – over \$7 million
- b) Commonwealth funding obtained in 2011 - \$7 million
- c) Either – NSW Government funding - \$7 million  
Or – through the 5% 2012 IPART council rate increase, which was to fund 9 projects – one of which was the Art Gallery redevelopment. This was the only project at the time which had any funding from other sources.

This made the community satisfied that the development would go ahead, preferably with the State funding but if not then through the 5% rate increase.

In 2012 my husband, John Tate, did not contest the NCC Lord Mayoral election and Jeff McCloy was elected as Lord Mayor. My role as Chair of the fund raising committee ceased and the redevelopment was on track to commence in 2013.

The Local Member, Tim Owen, supported the redevelopment in public statements both before and after the 2011 State election. In his maiden speech to Parliament he said 'I am focused on securing funding for the Newcastle Regional Art Gallery and our burgeoning public art program. While Newcastle is known around the country for our great sports men and women and industrial pursuits, it has produced outstanding artists of all ilks. I do not believe enough attention or money has been invested into harnessing the talents of our creative men and women.'

He continued to support the redevelopment publicly until the new Lord Mayor, Jeff McCloy, in late 2012 and early 2013 expressed his negative attitudes to the redevelopment, then Mr Owen's attitude changed despite the elected Council still supporting the redevelopment. The recent ICAC investigations show that Mr McCloy illegally donated to Mr Owens 2011 election campaign. What effect did this donation have on the change of support by Mr Owen for the Art Gallery redevelopment?

One defining moment was in early 2013 when NCC passed a motion that the then Lord Mayor take a delegation to the Premier, Mr Barry O'Farrell, to request the \$7 million funds from the State Government for the redevelopment. The Lord Mayor did not go but instead sent his General Manager, Ken Gouldthorp, with the then Local Member, Tim Owen. Others from the Leadership Group, including Robert Henderson, Chair of the Art Gallery Foundation, were excluded from the meeting, even though he was supposed to form part of the delegation.

Unanswered Questions.

Why didn't the Lord Mayor attend the meeting as instructed by the Council?

What instructions did the Lord Mayor give the interim General Manager, Ken Gouldthorp, regarding this meeting?

What submission was taken to the Premier?

Did the submission support the Council decision to lobby for the \$7 million from the Premier so the redevelopment could go ahead?

What was the position put to the Premier and his staff by the General Manager and the Local Member, Tim Owen?

Why was the Leadership Group excluded from the delegation at the last minute?

At a time when the State Government was planning to spend much money in Newcastle it seemed inconceivable to the public that they would turn their back on a project that had been many years in the making and was 'shovel ready'. It was also a lost opportunity for tourism through the arts in Newcastle. It also cost the city \$7 million of Federal money which the Council then returned to the Federal Government.

On a personal note the then Lord Mayor had expressed to me both before and after the 2012 Council elections a great deal of antagonism towards the Art Gallery and its staff because they did not handle the \$50,000 public art donation he made to NCC in a manner that suited him. When I challenged him on this he did not seem to be able to differentiate between the two issues; the redevelopment and the public art process.

When the State Government refused to provide the \$7 million funding the NCC decided NOT to use any of the 5% IPART rate increase to fund the Art Gallery redevelopment. This meant there was a shortfall in funding and so NCC then returned the Federal money and took the \$6.25 million put aside by previous Councils for the redevelopment for other uses thus terminating the redevelopment.

From the community's perspective this was short sighted even verging on vindictive decision making. The then Lord Mayor constantly claimed NCC budgetary problems for the scrapping of the redevelopment only to reveal later in 2013 that there had been an error of over \$8 million in the Council's budgetary figures to the advantage of the Council. It makes it hard for the community to accept any statements made by this Council as fact.

To add insult to injury when the then Local Member, Tim Owen, asked NCC for \$1.5 million to complete a pet project of his, which he had previously said would not need Council funds, it was agreed to without any regard to the Lord Mayor's previous claims of pending bankruptcy or any allowance in the budget. The project was the cliff top Anzac walk. This decision making is another example of poor budgetary planning by this Council.

At this time in 2013 the \$1,038,569 raised by the community was held in the NCC coffers. The General Manager wished to use this money for maintenance but at the request of my committee and after a Council decision it was transferred to the Newcastle Art Gallery Foundation for safe keeping. This money can only be used for the purpose for which it was raised – the Art Gallery redevelopment.

Once the redevelopment was stopped there was a concerted effort by NCC to diminish the Art Gallery by removing the role of designated Art Gallery Director. This continued with the sacking of the Art Gallery Director, Ron Ramsey, his Council Director, Judy Jaeger, and the forcing of the Chair of the Foundation, Robert Henderson, to step down.

From the community perspective this is a sad period in the history of the Newcastle Art Gallery and a poor reflection on the current Newcastle City Council and its ability to make consistent and worthwhile decisions for the city of Newcastle. Please note that almost all decisions made by this Council regarding the Art Gallery redevelopment were made on a 7/6 majority, thus showing that half the Council was not in favour of the outcome.

I feel there is a definite need to explore why this happened and have some of the questions answered. I feel your inquiry is the appropriate place to investigate this. I would be happy to assist the enquiry in any way I can.

Catherine D Tate