

# DIANA'S BOLD PLANS

By Tina Brown Page 15



# KAZ II's CREW SLAIN?

Good Weekend



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WEEKEND EDITION

## A HERALD INVESTIGATION

# Secret files expose sway of developers

Wendy Frew, Minh Bui Jones and Matthew Moore

THE State Government dismissed advice from its own planners and allowed developers to clear valuable bushland to build housing estates away from existing towns and transport, after months of aggressive lobbying by developers.

Documents seen by the *Herald* - some withheld from Parliament - reveal details of an unprecedented land swap in which some of the state's most generous donors to the NSW Labor Party were given the go-ahead to build on sensitive woodland and coastal areas in the Lower Hunter. In return they handed over 12,000 hectares of land for national parks.

But in an email dated September 2006, obtained by the *Herald*, the Department of Planning's then regional director for the Hunter, Steve Brown, told his superiors the credibility of the entire housing strategy was at risk because of the size and location of some of the projects, including one proposed for the tiny coastal village of Catherine Hill Bay.

Mr Brown's email, which warned the Government was making "massive" concessions to developers "with little justification", is missing from eight boxes of documents about the Lower Hunter regional strategy

### SWEETWATER

- ▶ Developer **Hardie Hldgs**
- ▶ Proposed homes **7000**
- ▶ Ranking among 91 sites in planning survey **91**
- ▶ Donations to Labor from firms linked with Hardie, 2003-07 **\$174,600**

**SITE APPROVED**

### CATHERINE HILL BAY

- ▶ Developer **Rose Group**
- ▶ Proposed homes **600**
- ▶ Ranking **90**
- ▶ Developer donations **\$143,500**

**SITE APPROVED**

### PAVING PARADISE

News Review - Page 27

tabled with the Clerk's Office in Parliament last year.

Mr Brown was most concerned about a proposal by the land speculator Hardie Holdings to build a new town called Sweetwater, at Branxton. In a 2006 assessment, planners rated it last out of 91 potential development sites for the Lower Hunter. It was not well served by transport and was 20 kilometres from the nearest urban centre, Maitland.

Yet the project got the go-ahead. That year the Government accepted a scaled-down version of Sweetwater - 7000 homes versus an original 28,000 - in its final Hunter strategy in exchange for Hardie handing over 7400 hectares to the national parks system.

This was not before intense pressure from the company, which was then making regular donations to the NSW Labor Party.

Graham Richardson, the former boss of the Premier, Morris Iemma, led an intensive lobbying campaign by Hardie Holdings to persuade the Government to boost Hunter Valley population forecasts and open more land for residential development.

Other government documents reveal relentless lobbying and complaining by Hardie Holdings to have Sweetwater, later renamed Huntlee, included in the Government's Lower Hunter Regional Strategy.

In August 2006 the chairman of Hardie Holdings, Duncan Hardie, wrote to the Planning Department's director-general, Sam Haddad, complaining that environmental groups were exploiting the department modelling as a reason for Sweetwater not to proceed and, if it did, "obviously Hardie has corrupted the system".

Mr Hardie had expected the modelling would be changed to Continued Page 4

## As I held his hand at funeral, I knew he was



Mourning a beautiful and chatty woman ... Julie-Anne Hand with her son Colin this week. Photo: Paul Harris

## WEATHER Details - Page 41

- **Sydney city** fine 14°-24°  
Tomorrow showers 15°-22°
- **Liverpool** fine 10°-26°  
Tomorrow showers 12°-23°
- **Penrith** fine 11°-26°  
Tomorrow showers 12°-23°
- **Newcastle** mostly fine 14°-24°  
Tomorrow showers 14°-23°
- **Wollongong** fine 12°-23°  
Tomorrow showers 14°-21°

## CANCER ALARM

# Nuclear dump: family seeks answers on deaths



Ben Cubby  
Environment Reporter

WHEN both their parents died of cancer in their 30s, within nine months of each other, and with no family history of the disease, Katie and Greg McGrath thought it was a tragic coincidence.

Nobody had told them their family home in Nelson Parade, Hunters Hill

## INTERVENTION STAFF AT CANCER RISK - Page 2

bring to at least five the number of people known to have died from cancer after living in a small group of homes along the southern waterfront side of Nelson Parade, the site of a former uranium smelter.

action. "We've had a pretty horrendous life as a result of both our parents dying. We're not living in the past but do believe we owe it to them to find out what really happened. It's important for other people who may have been affected as well."

Tests undertaken several times since the mid-1960s have confirmed that radiation levels are higher than average background levels but



# Secret files expose the sway of developers

From Page 1

"rectify the false and misleading information ... As this has not happened we feel we have no option but to begin lobbying all cabinet ministers against the information contained in the department document and to refute it." Mr Hardie declined to comment.

Electoral Funding Authority records published this week show that, in the four years to the election last year, companies associated with Duncan Hardie donated \$174,600 to the NSW Labor Party while the Catherine Hill Bay developer, Rose Group, gave \$143,500.

A spokesman for the founder of Rose Group, Bob Rose, said political donations were a "legitimate way of participating in the political process". He rejected any claim that its project would diminish the area's heritage.

In his email Mr Brown said there was a risk that trade-offs with developers would come at a great cost to local communities and good planning.

"The amendments and concessions that we are now contem-

## MONDAY TRADE SECRETS

Developers are buying cheap bushland so they can exchange it for the right to build on more sensitive sites.

plating could put the credibility of the whole exercise at risk unless we reduce the scale of development that is being contemplated in the following critical locations," he said in his email to the executive director of rural and regional planning, Richard Pearson.

Mr Brown said 700 new dwellings to be built at Crangan Bay, on Lake Macquarie, were "excessive in scale and inappropriately located" and Rose Group's 60-hectare proposal at Catherine Hill Bay would "overwhelm the heritage and other unique qualities of this tiny village". More than 900 houses were proposed for Catherine Hill Bay, of which 600 belonged to the Rose Group development.

A Planning Department spokesman said the department did not know whether this document was ever considered for inclusion in the boxes but if it had been considered it would not have been

## ABOUT FACE HOW IT HAPPENED

### 2005

**NOVEMBER 5:** Draft Lower Hunter Regional Strategy released.

**DECEMBER 12:** Planning Minister Frank Sartor meets Duncan Hardie (below right) and Matt Somers (below left) from Hardie Holdings in Sydney. Also present is Norma Shankie-Williams, the Department of Planning's director of regional co-ordination. She later emails the department's regional director in Newcastle, Steve Brown, saying Sartor firmly opposed Hardie Holding's development proposals.

**PRE-CHRISTMAS:** Sartor meets landholders Hardie Holdings, Coal & Allied and Rosecorp in Newcastle.

### 2006

**JANUARY 20:** Draft regional strategy exhibition closes. More than 1000 submissions received.

**FEBRUARY 2:** Department of Planning Director-General, Sam Haddad, meets Matt Somers and Duncan Hardie.

**FEBRUARY 9:** DoP briefing note rejects Catherine Hill Bay development, citing its inconsistency with regional strategy and failure to meet sustainability criteria.

**FEBRUARY 17:** Norma Shankie-Williams meets Somers and Hardie.

**FEBRUARY 21:** Cabinet meets in Maitland; Premier Morris Iemma meets the Maitland Catholic Diocese, including Matt Somers, general manager of Hardie Holdings, who also chairs the diocese's Maitland-Newcastle property committee.

**FEBRUARY 23:** Thirty developers among 700 people at "Re-elect Frank Sartor" fund-raising dinner, including Hardie Holdings and Rose Group which donate \$1000 and \$6600 respectively.

**MARCH 17:** Duncan Hardie writes to Sam Haddad complaining about Steve Brown; Brown replies in a four-page letter. (Both documents missing from those provided to Parliament.)

**MAY 23:** Handwritten notes in a confidential report by the Department of Environment and Conservation acknowledge that a shift in policy "is effectively a reversal of current ... policy".

**MAY 29:** Eight companies related to the regional strategy each donate \$5500 to NSW Labor Party.

**JUNE 9:** Sam Haddad from DoP and Simon Smith, Deputy Director-General of DEC, meet landholders Rosecorp, C&A, HH and the Stony Pinch Group.

**JULY 10:** Duncan Hardie writes to Haddad complaining of bias in Newcastle DoP office.

**AUGUST 3:** DoP executive director Richard Pearson meets Duncan Hardie.

**AUGUST 23:** Sartor meets Hardie.

**AUGUST 21:** Hardie again writes to Haddad accusing Newcastle DoP of bias; warns HH will lobby all cabinet ministers unless DoP rectifies "false & misleading" modelling.

**AUGUST 30:** Smith and DoP officials meet C&A, which says Catherine Hill Bay project is a deal-maker or breaker for regional strategy.

**SEPTEMBER 1:** Sartor meets Hardie. DoP advice to Sartor says government is reconsidering higher population projections but Sweetwater still not needed.

### SEPTEMBER 8:

DoP correspondence acknowledges that regional strategy does "not look like a greater urban consolidation strategy [ie. original strategy] at all".

**SEPTEMBER 20:** Steve Brown emails executive director Richard Pearson expressing concern the regional strategy "is not heading in the right direction". Pearson asks him to delete the email. (Brown's email missing from documents provided to Parliament.)

**SEPTEMBER 21:** Pearson and Sartor staffer Andrew Abbey meet Somers and Hardie. Agreement reached on Sweetwater and Sanctuary Villages projects.

**SEPTEMBER 25:** Hardie and his lawyer meet government officials to sign deal.

**OCTOBER 3:** Cabinet endorses regional strategy.

**OCTOBER 17:** Lower Hunter Regional Strategy released.

**OCTOBER 26:** Department of Natural Resources drops illegal landclearing charge against Hardie Holdings.



FRANK SARTOR



As I understood it you were going to look at this model and rectify the false & misleading information and respond back to me. As this has not happened we feel we have no option but to begin lobbying all Cabinet Ministers against the information contained in the departmental document and to refute it.

Developer Duncan Hardie alleged bias but planner warns of cost to communities

included because it "referred to advice to cabinet". He said two other missing documents referred to a technical issue concerning local environmental studies and were therefore outside the scope of the call for papers, made in 2006 by the Legislative Council in response to community concern.

As early as March 2005 the Minister for the Hunter, Michael Costa, told a meeting of town planners that strategic planning

was a waste of time. According to those attending, he said he favoured the Government putting in infrastructure and letting the market decide where to develop.

He told Mr Brown, who was at the meeting, that with his attitude he would not last long in his job. Mr Brown would not comment.

On the Hardie Holdings proposal, Mr Brown advised: "The prospect of HH being offered 8000 dwellings sites, 160ha of

employment land and 300 rural residential lots is a massive concession with little justification, particularly given the reluctance to dedicate a major proportion of the residue Sweetwater area [to national parks]".

Mr Brown's advice followed earlier advice from officials that the Hardie site was too big and in the wrong place for new housing.

In July 2006 Hardie's then general manager, Matthew Somers,

complained to Mr Haddad that his officers' bias had "resulted in maladministration of departmental guidelines to the detriment of our company".

A month later Mr Hardie sent his missive to Mr Haddad that he would "begin lobbying all cabinet ministers".

The Minister for Planning, Frank Sartor, defends including Sweetwater and other controversial proposals in the Lower

Hunter strategy because of gains made for the environment.

He dismissed criticism that pressure from developers played a role and said donations made not a "skerrick" of difference. "We rise above all that," he told the Herald. "A lot of these people don't get what they want. End of story."

Minh Bui Jones is a freelance journalist and a former member of the Catherine Hill Bay Progress Association.

# Push for overhaul of laws on terrorism

Tom Allard  
National Security Editor

THE country's intelligence watchdog, Ian Carnell, has called on the Federal Government to make substantial changes to anti-terrorism laws, saying some of them can hinder counter-terrorism efforts by unnecessarily antagonising Muslims.

In an interview with the Herald, Mr Carnell, the Inspector-General of Intelligence and Security, said there was a strong case for reviewing the strict rules that keep "national security" information secret in trials.

"My belief is that a key test for liberal democracies in the area of counter-terrorism is a willingness to revisit what was introduced when there was a sense of urgency and, if necessary, modify the measures to ensure effectiveness, balance and proportionality," he said.

"This is particularly so if some aspects may be counter-productive, such as adding to the sense of alienation and discrimination which members of the Muslim communities can suffer."

An alienated Islamic community not only provided more fertile ground for violent extremists to emerge, but discouraged Muslims from providing counter-terrorism authorities with vital information.

Mr Carnell has recommended the repeal of the vaguely worded offence of "associating" with a terrorism group, which carries jail terms of up to 10 years.

The offence can cover those who have an innocent relationship with suspected terrorists

or groups, and Mr Carnell believes the offence transgresses human rights and interferes with "ordinary family, religious and legal communication".

He also called for the process of proscribing a terrorist organisation to be taken out of the hands of the attorney-general.

"Action on the recommendations is needed," he said.

The intervention by Mr Carnell comes as the Federal Government stalls on plans to amend the anti-terrorism laws, while lawyers and judges involved in terrorism trials continue to express disquiet about them.

Justice Anthony Whealy, who conducted the trial of Faheem Lodhi and is now presiding over the trial of nine Sydney men charged with terrorism offences, has been notably vocal.

In a paper in *Judicial Review* he said that the National Security Information Act "gives the appearance of having been drafted by persons who have little knowledge of the function and processes of a criminal trial".

Mr Carnell said this "trenchant criticism ... surely points to it being ripe for review".

The act - which dictates what evidence can be presented in open court, including whether defence teams have access to it at all - has resulted in lengthy delays before terrorist suspects appear before a jury.

In the case of the nine Sydney men before Justice Whealy, it has been 2 1/2 years since they were arrested, and it is expected to take at least another three months before a jury is empanelled.