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HD **Whose castle now?**
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COVER STORY

Are this month's byelections a referendum on political trust, or a meaningless sideshow before the general election next March? GREG RAY surveys the scene in Newcastle.

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IN the wake of this year's sensational hearings in the Independent Commission Against Corruption, Newcastle people have been left wondering which of the two major parties is worse.

Labor had decades of almost uninterrupted control of the electorate, but at the state level it appeared to achieve relatively little for Newcastle until the controversial introduction of celebrity candidate Jodi McKay.

Then McKay, having taken the seat controversially from former Labor member Bryce Gaudry, was spectacularly knifed by the state ALP in astonishing circumstances.

Newcastle was on track to have a container terminal built in the city, a move that would have been a small but important step towards the goal of diversifying its economy away from excessive reliance on the boom-bust **coal** industry.

But when Labor puppet master Joe Tripodi and some other senior ALP figures sided with former **billionaire** Nathan Tinkler to sink the container terminal in favour of the tycoon's dream of his very own **coal**-loader, McKay was in the way.

Standing alongside Newcastle Port Corporation, she insisted the container terminal would be best for the city, and Anglo Ports was on the record saying it was keen to operate the business.

To eliminate McKay, Labor teamed up not only with Tinkler, but with a swath of Newcastle's business community, which took cash from Tinkler and spent it on campaigns to blacken McKay's name and turn the seat Liberal.

At the time, newly recruited Liberal candidate Tim Owen was struggling to find cash to take the fight to Labor, especially since a relatively recent law change had made it illegal for **property** developers and the alcohol and tobacco industries to make political donations in NSW.

The answer, ICAC evidence appeared to show, was to sidestep the law and secretly take money from the banned donors.

The commission heard reams of evidence about who knew what and when about the scheme to break the law and use cash from banned donors to fund the Liberal campaign.

And the Liberals have argued that it wasn't really wrong, since they never planned to provide any benefit to the donors in return for their financial help.

Whatever the truth might be, the mere revelation of the acceptance of envelopes full of cash was enough to vacate the seats of Newcastle and Charlestown.

So the question for voters becomes, which is worse? The party that was willing to knife its own member, sink the city's container terminal hopes and hand the seat of Newcastle to another candidate simply as a favour for a super-rich patron?

Or the party that chose to ignore the law against banned donors and accept secret contributions of cash in envelopes from high-profile developers?

Muddying the waters even more, the state's ports have all been privatised now, and the general sense is that the government maximised the lease-sale price for Sydney and Wollongong by promising Newcastle wouldn't be allowed to compete in the container trade.

The Newcastle lease-sale brought more money than expected, with a Chinese government-owned corporation taking a big share in the port. Its plans remain unknown.

Part of the sale proceeds are to be spent revitalising Newcastle, but the ICAC hearings have put all that under a cloud.

The Liberals aren't even running in the byelection, but they are expected to retain office after March, so the question of the city's relationship with the party in power remains an issue too.

INDEPENDENT candidate Karen Howard insists she is not a Liberal in disguise. But she recognises that her critics accuse her of being one.

To feed their insistence, Ms Howard's critics point to her recent involvement in high-profile business groups, including board membership of the Hunter Development Corporation and the NSW Business Chamber.

No matter what they say, Ms Howard remains adamant.

"I'm not a part of party politics," she said. "Up until several weeks ago I felt powerless and aggrieved," she told me, referring to the shocking revelations in ICAC.

"I turned that around into a decision to run for the seat of Newcastle."

Ms Howard doesn't hide her strong interest in the business life of the city and her view that a strong economy is a vital part of the foundation of success.

"But I have a strong sense of equity and justice. Through my role with Medicare Local I'm devastated at the Liberals unpicking public health arrangements and I'm afraid these decisions will have broad-ranging implications for years to come."

In her public interviews, Ms Howard has stuck to one very conspicuous bottom line from which she doesn't budge: a belief that inquiries into the thinking and possible dealings behind recent planning decisions in Newcastle don't deserve support.

She makes it plain in our interview that she isn't in favour of any inquiries or reviews of the rail truncation decision, the decision to route light rail along Hunter Street instead of the heavy rail corridor or the spot rezoning of the Hunter Street Mall in favour of residential towers for GPT and its state government partner, UrbanGrowth.

Ms Howard agrees that the lack of transparency and information surrounding these decisions has created a vacuum, and that the ICAC revelations might have encouraged some people to draw lines and apply their own meanings.

"My concern in reviewing everything is that it puts things at risk," she said, adding that she would hold the Premier accountable, after the fact, for the propriety of the Newcastle planning decisions.

"There is a whole state out there with its hand out," she said, warning that delaying progress might mean other areas get the cash that was earmarked for Newcastle.

Asked about the GPT towers plan, Ms Howard said it was intended to revitalise Newcastle, and a sensitive mix of old and new would be very important.

On the light rail, she said she was frustrated at the lack of information about arrangements after the closure of the heavy rail on Boxing Day. She was "relaxed" about the Hunter Street light rail route proposal, but wanted more information.

The heavy rail corridor she strongly believed should remain open and green, but "activated".

Why does she want to be member for Newcastle? "We need an independent state MP looking over the shoulders of the decision-makers."

LABOR'S Tim Crakanthorp is working flat out to persuade people that Labor has changed.

"Joe Tripodi is out of the party now. It's a new crop of people," he told me. But even so, his door-knocking campaign and street-corner glad-handing is telling him that people are still "cranky at the ALP".

Mr Crakanthorp's campaign got off to a shaky start when his party leader, John Robertson, initially declined to guarantee a Labor government, if elected, would spend any of the proceeds of the **sale** of the Newcastle port lease in the city.

It took some weeks of needling before the Opposition Leader changed his tune, but when he did he upped the ante, promising half the proceeds.

Mr Crakanthorp conceded he had been "in Robbo's ear" at every opportunity.

The Labor candidate's position differs sharply from Karen Howard's on the issue of reviewing the major civic planning decisions.

"Over the past couple of years many decisions have been made but many people feel disenfranchised," he said.

But after making that point, he says he wants to put an end to the traditional polarised politics that has paralysed Newcastle for decades.

"Look, I've worked with big business and I've worked with government bureaucracies," he said.

A member of Newcastle City Council for the past six years, Mr Crakanthorp has a business degree and has worked in mine safety regulation.

"I know how things work and I know we can only have progress if we all work together. On the council I've disagreed with [former lord mayor] Jeff McCloy on a number of matters but I was happy to work with him."

Mr Crakanthorp believes the days of the major parties taking Newcastle for granted have almost gone.

"Newcastle has changed. It's gone from a Labor seat on a 16 per cent margin, to a Labor seat on 1 per cent to Liberal on 1 per cent. The city isn't getting credit for that swing, yet."

How does he answer critics who praise the Coalition's progress in Newcastle?

The law courts was a Labor initiative, he said. The university city campus got \$30 **million** from Labor plus land. Labor was ready to go ahead with the city's art gallery revitalisation, but conservative politicians threw the money back.

"Add it up yourself," he said.

GREENS candidate for Newcastle Michael Osborne feels the time has never been better for his party to make a really strong showing in Newcastle.

The byelection, he says, is about trust in decision-making, and both major parties have broken faith with the community.

"How were decisions made? Why were they made? Who will benefit from them? I want answers to these questions before things just push on," he said.

"Newcastle needs evidence-based decision-making, not just decisions made by and for vested interests."

Mr Osborne says he is particularly perplexed by the GPT towers proposal.

"We've always had a very sensible plan to promote high-rise in the west end. Now we say we are going to put towers in the east it turns all that on its head."

"There's more than a **million** square metres of developable land in the west of the city. If we do these towers in the east it means the west can't happen. It won't be viable. So, why can't we ask who made this decision, why they made it and who will benefit?"

The Greens are hoping their traditional supporters will come out in force, motivated not only by anger at the ICAC revelations but also by frustration over **mining** and gas issues.

Personally, Mr Osborne said he was very heartened by the level of recognition he was achieving in the community, following his years of civic involvement.

"People know my name and they know I stand up for what I believe in," he said.

JACQUELINE "Jak" Haines readily concedes that her winning is unlikely. "But you don't have to be elected to achieve something with your candidacy."

The aim, instead, was to get her agenda on the table with whoever did win.

So, what is Ms Haines' agenda?

The former Tasmanian, who moved to the Hunter in 1991, wants an end to the squabbling and infighting in the city and a new style of politics that puts the city and its people first, ahead of political parties or narrow business interests.

"I want Newcastle to have a diverse economy and I want a manufacturing industry on the agenda," she said.

That's not surprising, perhaps, coming from an industrial project manager with a strong interest in the economic underpinnings of social prosperity.

Ms Haines told me she was approached, once, by Labor to join the ALP after running in a mayoral contest. She declined, not because she lacked sympathy for Labor's social program, but because she didn't like what the party did to some of its people.

The Liberals? "I couldn't agree with half their stances on issues at present. Nor Labor for that matter," she said.

"One thing they did prove: they proved they could work together to destroy Newcastle's chance to have a container terminal. I'm not going to forget that."

In her travels campaigning she says the dominant feeling she gets is that people have turned off politics in a big way.

"There is a loud base that is either pro or anti cutting the rail. Beyond that it's very hard to open a discussion."

What about the recent planning decisions?

"I want to see the projects go ahead, but when you have people breach trust then you need to examine what's gone on. You do need to analyse the issues and it needn't take a tremendous amount of time."

Ms Haines calls herself a realist.

No member for Newcastle, no matter their political allegiance, would have a lot of power to alter decisions that had been made, she said.

"You will have the power to shape things and you will have opportunities for influence. But if you are realistic you will recognise what you can and can't do.

"I believe an independent member will be in the best position to get good results for Newcastle."

MILTON Caine isn't boasting when he flatly takes credit for Newcastle's parliamentary inquiry into its recent controversial planning decisions.

"I'm the one who went to Fred Nile's office at Parliament. I took people who were upset and angry and we persuaded Fred that this inquiry was necessary," Mr Caine said.

He also acknowledges with the same matter-of-factness that he's been a near-permanent fixture on ballot papers in the Newcastle areas for decades, sometimes as a Liberal, sometimes as an independent and now as a member of Fred Nile's Christian Democrats.

"I came close once. That was the time that people actually listened to me".

And if voters listen to Milton Caine in 2014 what will they hear?

First, the rail line. Mr Caine believes the rail line should stay, but that trains should be slowed in the inner city area so that the tracks can be landscaped and made simple to cross at any point.

He believes a tram network should be added, linking the University of Newcastle's Callaghan campus and its proposed new city operation, sharing the same existing tracks as the heavy rail.

His passion for the transport issue is related to his work, driving a taxi for disabled people.

"Hurt the transport and you hurt the disabled, who are the most vulnerable and least listened-to people in our community."

What about the GPT towers in the Mall?

"I'm not opposed to high-rise if it's what the people of the city say they want," he said. But personally, he likes the way the east end looks and doesn't want to see it ruined.

MEET THE CANDIDATES

■ WHERE do the election candidates stand on the things important to voters? Each day from Tuesday in the Newcastle Herald the candidates will deliver their thoughts and policies direct to you. From Thursday we will also quiz all of them daily on health, education, law and order, the environment, urban renewal, jobs and industry, and roads and transport. The full list of candidates, at close of nominations on Thursday, and in ballot order, are ...

NEWCASTLE Steve O'Brien (Socialist Alliance), Tim Crakanthorp (Labor), Michael Osborne (Greens), Jacqueline Haines (Independent), Jennifer Stefanac (Palmer United-backed independent), Karen Howard (Independent), Milton Caine (Christian Democrats), Brian Buckley Clare (Independent)

CHARLESTOWN Luke Arms (Independent), Marc Sky (Independent), Jane Oakley (Greens), Suellen Wrightson (Palmer United-backed independent), Jodie Harrison (Labor), Luke Cubis (Independent), Arjay Martin (Independent), Reverend Brian Tucker (Christian Democrats), Veronica Hope (Independent)

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