

GERRY MCCARTHY MLA

Member for Barkly

Hon Adam Giles MLA
Chief Minister
GPO Box 3146
Darwin NT 0801

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Laid upon the Table
5/12/2013

Dear Mr Giles

I refer to statements made by CLP Ministers under Parliamentary privilege last week making various allegations in relation to the agreement reached between the previous Labor Government and Unions NT for the Stella Maris site as set out in the letter I sent as Minister for Lands and Planning to Unions NT dated 3 August 2012. I also note the Attorney-General's subsequent statement that your Government is considering a formal inquiry into the relevant issues.

In the light of what you and your representatives have said, I consider it important that the following matters be put very clearly on the record:

1. Darwin has a shortage of genuine heritage sites in its CBD. This is due in part to Cyclone Tracy, but also to previous CLP governments. As an example of the damage done by the latter, I need only refer to the Hotel Darwin. Stella Maris is one of the few genuine heritage sites left in Darwin, having provided assistance and support to travellers and seamen for over 100 years as well as being closely associated with the proud history of the trade union movement in the Northern Territory over several decades.
2. For some years, the site had fallen into disuse. This had been of concern most particularly and understandably to the trade union movement. Unions NT had been dealing with my department for some years prior to my letter of 3 August 2012 for the purpose of developing a workable proposal for Stella Maris to ensure that its history and heritage values could be properly acknowledged and celebrated by bringing it back to life as a valued place for the community. It is important to note that, as I understand it, over this period Unions NT was the only organisation to take any real interest in the heritage values of this site.
3. The proposal which was discussed with Unions NT and which was recorded in my letter involved Unions NT taking full responsibility for all the costs involved in returning Stella Maris back to life and then running it in compliance with the *Heritage Conservation Act* including the substantial capital works and on-going maintenance required.

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The Unions NT proposal for the site also included provision for community rooms that could be accessed by local organisations to undertake benevolent and cultural activities. The proposal was clearly consistent with Government policy as set out in the objectives of the community land grants scheme.

4. The cost to Government to achieve the same outcome I expect would have been in the \$100,000s per annum. The proposal was not put out to public tender because there was no reasonable prospect of finding any other organisation which was prepared to devote the time and resources needed to get Stella Maris back to life. The link between Stella Maris and Unions NT is no less obvious than the link between the Defence of Darwin Experience and the Darwin Military Museum. That project was not put out to tender for equally obvious reasons.
5. In these circumstances, Cabinet approved the proposal which had been discussed with my department and authorised me to make the offer set out in my letter of 3 August 2012. It did so in good faith believing that to be in the best interests of the Territory, including the Territory tax-payer. That remains the view of myself and my colleagues involved. I can categorically assure you that we had no awareness at the time of any proposal by Unions NT to derive a net financial benefit or some other pecuniary advantage from its interest under the proposed lease (as opposed to pursuing the heritage and cultural values of the site). Given the terms of the proposed lease and the expenses involved in complying with *Heritage Conservation Act* in relation to the site I have real problems seeing how anyone could sensibly have reached the view that that was possible. In any event, and at the risk of repetition, myself and my colleagues involved supported the proposal because and only because we believed that it was in the best interests of the Territory and the Territory tax-payer to do so.
6. The suggestion that the value of the lessee's interest under the proposed lease is \$150,000 per annum and therefore a total of \$3,000,000 shows a complete misunderstanding of the terms of the proposed lease. It is plain from its terms that it imposes significant on-going liabilities on the lessee. The \$150,000 figure is, I suspect, a figure that you and your colleagues have made up. If I am wrong and this view reflects independent professional advice, I look forward to you tabling that advice in Parliament so I may have a fair opportunity to show that it is wrong.
7. Similarly, the suggestion that the former Government gave away public assets is also plainly untrue. The lease itself contains no right in the lessee to purchase. Further, the policy on community land grants is that any community group applying to convert to freehold title can only do so on payment of the current market value of the land as determined by the Australian Valuation Office. But that of course is only policy and not part of the terms of the proposed lease. The Minister retains in any individual case the right to insist that the lessee gives up the land at the end of the lease. Finally, under the terms of the lease, the Minister has an absolute right to refuse any proposed assignment.

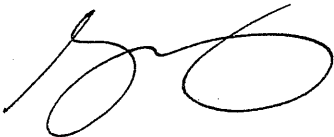


The decision Cabinet made to grant a lease to Unions NT in terms of my letter dated 3 August 2012 was the correct decision at the time and remains the correct decision. Your Government should honour this contractual commitment to Unions NT and not jeopardise this important initiative to breathe life back into what potentially is one of Darwin CBD's major heritage assets.

In terms of an inquiry:

1. My colleagues and I would welcome the opportunity to put the matters we have set out above before an independent inquiry and then to test in that inquiry your and your Government's integrity not just in relation to the treatment of this site but generally in relation to various other land development proposals which your government appears to be promoting at the moment.
2. That said, I do seriously question the sense of spending \$100,000s on lawyers and on the other costs involved in an inquiry when these funds would be much better deployed in developing the Northern Territory.

Yours sincerely



Gerry McCarthy

2/12/2013.

