



The Hon Chris Hartcher

Minister for Resources and Energy

Special Minister of State

Minister for the Central Coast

MEDIA RELEASE

Friday 11 November 2011

NSW GOVERNMENT REFERS AWARD OF EXPLORATION LICENCE TO ICAC

The NSW Government has today introduced a resolution into Parliament to formally refer the award of a coal exploration licence by a former Labor Minister to ICAC, with an independent report finding “a circumstantial case of wrongdoing and a breach of public trust.”

The independent report prepared by Clayton Utz reviewed available documentation relating to the granting of the Doyles Creek exploration licence to the former union boss and then chair of Doyle’s Creek Mining, John Maitland – also a significant shareholder in NuCoal.

The report also examines the role of former Minister for Mineral Resources, Ian Macdonald and his Department in the circumstances surrounding the granting of the licence.

“This report confirms what we’ve always suspected – that the former Labor Government had a propensity for providing special treatment to their Labor mates,” Resources Minister Chris Hartcher said.

“The report shows the circumstances surrounding the award of the Doyles Creek exploration licence represent a clear departure from proper practice.

“Ian MacDonald personally invited John Maitland to apply for an exploration licence and subsequently awarded Mr Maitland that licence without any recommendation and without the knowledge of the Department.

“Further, the report found that Mr Macdonald’s actions had been inconsistent with the Department’s advice and Guidelines up to the point of awarding the licence.”

The report raises a number of additional questions, including:

- Was Mr Macdonald’s decision to grant the Doyles Creek licence a breach of public trust by a Minister?
- Why were the Guidelines not complied with?
- On what basis did the Mr Macdonald invite Mr Maitland to apply for an exploration licence over Doyles Creek contrary to the advice of the Department?
- What was the nature and extent of relations between Mr Macdonald and Mr Maitland?

- Why was the Department's usual practice of requiring an exploration licence to be advertised for a period before granting the licence not followed on this occasion?

The report also questions the results of an internal investigation – the findings of which have since been released in a probity review – conducted by the former Government in 2010.

The Clayton Utz Report found the former Government's investigation failed to make any substantive findings regarding the allocation of the licence and “was not the result of a robust investigation into the matters at hand.”

Further, the probity review did “not appear to meet its stated objective” of determining whether the process for granting the EL had been conducted with due regard to probity in accordance with the *Mining Act 1992 no. 29* and that key individuals – including Ian Macdonald and John Maitland – were not interviewed.

“The Clayton Utz investigation exposes significant errors of judgement by Ian Macdonald and raises a number of serious questions as to the suitability of his actions,” Mr Hartcher said.

The resolution seeks to refer the award of the exploration licence for investigation pursuant to Section 73 of the *Independent Commission Against Corruption Act 1988*.