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Port council sued for \$8m on land deal

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A WILLIAMTOWN family that claims it was short-changed in a land deal involving former Port Stephens mayor Bruce MacKenzie is seeking \$8.551million in compensation from the council.

The council compulsorily acquired part of the Towers family's Williamtown land late last year to build the Stockton Bight Track, a road gazetted more than a century earlier but never built.

The road is crucial to accessing the approved multimillion-dollar sandmine operated by Macka's Sand, a company part-owned by Cr MacKenzie.

The Towers allege they signed an agreement with Cr MacKenzie in 2006 that would have earned the family \$1 for every tonne of sand mined in exchange for access to the mine across their property.

But Macka's Sand pulled out of the deal, opting to develop the Stockton Bight Track and a private haul road for access instead.

The Towers family alleges the \$53,500 compulsory acquisition fee failed to factor in the lost revenue from their deal with Cr MacKenzie.

Family spokeswoman Patricia Ann said they had hoped to avoid taking the council to court but saw no other option.

"The council are acquiring our land and they are taking our financial advantage," she said.

"We have no choice, we have to fight this."

Confidential council documents obtained by the Newcastle Herald reveal fighting the case could cost ratepayers up to \$300,000, although most of that amount would be recoverable if the council wins costs.

Council general manager Peter Gesling said he was unable to comment specifically on the "highly sensitive matter" as it was before the courts.

"However, Port Stephens Council is taking the matter very seriously and has sought expert legal advice on the best course of action," he said.

Cr MacKenzie declined to comment yesterday but has previously told the Herald his initial agreement with the family collapsed because the Towers family walked away.

In August 2010 he produced solicitor's letters alleging to represent the Towers family and stating they had not seen any documents considered "an agreement or in any way binding".

A Planning NSW spokeswoman said the authority was still assessing the Macka's Sand proposal to change access on its merits, and was not a party to the legal proceedings.

The matter is scheduled to be heard in the NSW Land and Environment Court in August.

