



# **Tweed Shire Council Public Inquiry**

## **First Report**

May 2005

Emeritus Professor Maurice Daly BA PhD MIMC

**ISBN 1 902766 34 0**  
**© NSW Government**  
**May 2005**

# Table of Contents

---

|  |         |
|--|---------|
| <b>Section 1</b>   |         |
| The Context of the Public Inquiry into Tweed Shire Council           | 2–16    |
| <b>Section 2</b>   |         |
| An Investigation in to the 1999 and 2004 Electoral Processes         | 17–264  |
| <b>Section 3</b>   |         |
| Findings   | 265–272 |
| <b>Section 4</b>   |         |
| Other Matters Considered by the Inquiry                              | 273–295 |
| <b>Section 5</b>   |         |
| Recommendations  | 296–299 |
| <b>Section 6</b>   |         |
| Appendices - Information on Election Results and Additional Material | 300–312 |

SECTION 1

---

**The Context of the Public Inquiry  
into Tweed Shire Council**

# The context of the public Inquiry into Tweed Shire Council

## Background

On 10 November 2004 the Minister for Local Government, the Hon Tony Kelly MLC convened a Public Inquiry into Tweed Shire Council, pursuant to Section 740 of the Local Government Act.

Section 740 of the Act empowers the Governor or the Minister to appoint a person as Commissioner, to hold a Public Inquiry and to report to the Governor or the Minister, relevantly, with respect to:

*Any matter relating to the carrying out of the provisions of the Act or any other act conferring or imposing functions on a council, and*

*Any act or omission of a member of a council, any employee of a council or any person elected or appointed by any office or position under the Act or any other act imposing functions on a council, being an act or omission relating to the carrying out of the provisions of the act concerned, or to the office or position held by the member, employee or person under the act concerned, or to the functions of that office or position.*

The Act incorporates certain powers, which are given to commissioners, under the Royal Commissions Act 1923.

Amongst those powers is the power, pursuant to section 12 A, to communicate information and to furnish material to a law enforcement agency.

## Terms of Reference

### **The Inquiry has been conducted within the confines of the terms of reference announced by the Minister.**

The Terms of Reference provided for the conduct of a wide-ranging inquiry into the affairs of the council, involving the conduct of the Councillors as the Elected Body, and also of the council staff and council's operations, as comprising the Corporate Body.

The Terms of Reference are set out below:

*“To inquire, report and provide recommendations to the Minister for Local Government on the efficiency and effectiveness of the governance of Tweed Shire Council.*

*The Inquiry will have particular regard to:*

1. *Whether the elected representatives have adequately, appropriately and reasonably carried out their responsibilities in the best interests of all ratepayers and residents, in an environment free from conflicts of interest.*
2. *The appropriateness of the procedures and processes adopted by Council in relation to its environmental planning responsibilities, including the processing of applications for development, particularly those of a significant nature.*
3. *The appropriateness of the relationship between elected representatives and proponents of development in the council area.*
4. *Whether the elected representatives are in a position to adequately direct and control the affairs of council in accordance with the Local Government Act 1993, so that council may fulfil the Charter, provisions and intent of the Local Government Act 1993 and otherwise fulfil its statutory functions.*
5. *Any other matter that warrants mention, particularly where it may impact on the effective administration of the area and/or the working relationships between the council, councillors and its administration.*

*The Commissioner may make other recommendations as he sees fit, including whether all civic offices in relation to the Council should be declared vacant.”*

In light of the directions embodied in the Terms of Reference, the Inquiry has directed itself to matters, which it regards as falling within the Terms of Reference, involving both the Elected Body and the Corporate Body.

### **The Concerns underlying the Inquiry**

In announcing the Inquiry, the Minister for Local Government, the Honourable Tony Kelly MLC ascribed the reasons for convening the Inquiry as:

Recent press reports and correspondence to the Minister from the local community has highlighted concerns about the manner in which a number of planning decisions have been conducted.

### **Council’s Charter**

Section 8 of the Act sets out council’s charter. This charter contains a set of principles intended to guide councils in the manner in which they carry out their functions.

While the principles contained in the charter are not exclusive, councils are required to act in a manner that is not inconsistent with the principles contained in its charter.

Relevantly, the Charter provides that a council is:

- To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- To exercise community leadership
- To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- To have regard to the long term and cumulative effects of its decisions
- To bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible
- To facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in development, improvement and co-ordination of local government
- To keep the local community and the State government (and through it, the wider community) informed about its activities
- To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected

### **The Role of the Councillors**

The Act provides, in section 223, that the role of the councillors, as the governing body, is to direct and control the affairs of the council in accordance with the Act.

Section 232 further elaborates on their role, emphasising and differentiating between a councillor's role as a member of the governing body of the council and his or her role as an elected person.

Councillors, as members of the governing body:

- Direct and control the affairs of the council in accordance with the Act
- Participate in the optimum allocation of the council's resources for the benefit of the area
- Play a key role in the creation and review of council's policies and objectives and criteria relating to the exercise of council's regulatory functions

- Review the performance of the council and its delivery of services, and the management plans and revenue policies of the council.

and, as an elected person:

- Represent the interests of the residents and ratepayers
- Provide leadership and guidance to the community
- Facilitate communication between the community and the council.

### *The Concerns*

In announcing the Inquiry, the Minister had highlighted community concerns over planning matters.

Ancillary to these were concerns over the relationships between certain councillors and developers, which was partially emphasised by substantial donations provided by certain developers to assist the election campaigns of such councillors.

These concerns are partially reflected in terms 1, 2 and 3 of the reference.

### *Council's Planning Role*

**Councils exercise powers, EP & A Act, as the primary body determining what use can be made of land within their local area.**

This planning function is exercised in conjunction with the State Government, primarily through consultative processes with departments such as DIPNR.

Despite contrary suggestions made to the Inquiry, councils are the primary determinants of development applications within their local area.

While, in certain instances the State exercises a determinative of power, such as under SEPP 71, such determinations find their basis in and are dependent upon the underlying planning regime adopted by the council.

In the exercise of their role, determining development applications, councils are required to give effect to the objects of the EPA Act:

(a) to encourage:

- |  |
|--|
| <p>(i) the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economical welfare of the community and a better environment,</p> |
|--|

(ii) the promotion and co-ordination of the orderly and economic use and development of land,

(iii) the provision of land for public purposes,

(iv) the provision and co-ordination of community services and facilities, and

(v) the protection of the environment, including protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and

(vi) ecologically sustainable development, and

(vii) the provision and maintenance of affordable housing, and

(b) to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and

(c) to provide increased opportunity for public involvement and participation in environmental planning and assessment.

### **The Scope of the Inquiry**

When opening the public hearings, the Inquiry emphasised:

*“...In conducting this Inquiry I've been called upon to form an opinion regarding governance issues affecting Tweed Shire Council.*

*It is my view that the Terms of Reference extend both to the role of councillors, forming the elected body, but also to the conduct of the corporate body principally represented by the staff.*

*The context concerns a broader domain: the governance of Tweed Shire Council, with some emphasis on conflicts of interest, environmental planning responsibilities, the relationships of elected representatives and proponents of development, and finally, it is focused on the Charter of the Local Government Act. These issues are specifically related to the first four terms of Reference. It is important to note item 5 of the terms of reference in this context. I will repeat item 5 for those who might not have heard it the first time. Item 5 says:*

*Any other matter that warrants mention, particularly where it may impact on the affected administration of the area and/or working relationships between the Council, councillors and its administration.*

*It will therefore be my duty to make determinations on what other matters might be relevant to the effective administration of the area, and/or the working relationships between the council, councillors and the administration... ”*

The Inquiry has explored a number of themes in order to fulfill its role. On 16 February 2005, the themes that the Inquiry intended to pursue were advised as:

- (a) Election issues. These involve the conduct of councillors and developers, including the receipt of donation, in particular those connected with the 1999 and 2004 ordinary elections.
- (b) Conflicts of interest issues. Arising from the first point the associations of persons and the compliance by councillors with the Council's adopted code of conduct. Secondly, councillors' declarations of their pecuniary interest in the preceding five years.
- (c) Development processes and statutory functions. In particular, the Council's understanding of planning instruments. Section 94 contributions. Section 96 variations. And the handling of certain significant development applications in the areas that include Kingscliff, Casuarina, and Cabarita.
- (d) Transparency and communication with the community. The use of closed sessions of meetings of the Councils, especially in consideration of large development applications will be examined. Also, Council's complaints management systems, and the Council and the Council laws interactions with the public.
- (e) Compliance with Council's charter. That is defined in section 8 of the Local Government Act. In particular, having regard to the long term and the cumulative effects of Council's decisions in its area.

This report places emphasis on electoral issues, in so doing it makes reference to the relationship between certain councillors to developers and to the perception that certain councillors had, prior to the 2004 council elections provided outcomes that may be perceived as favourable to certain developers.

In its later report the Inquiry will explore in greater detail each of the themes that were indicated on 16 February 2005.

## **The Bulford Inquiry**

**In May 2001, Robert Bulford was authorized to conduct an investigation into the local planning practices of the council. In his later reports, Mr Bulford was to be highly critical of the role of certain members of the elected body, and of their relationship with certain developers operating in the Tweed.**

This Inquiry does not follow from Mr Bulford's investigation and is entirely separate from it. However concerns raised by Mr Bulford remain and were emphasised in the conduct of the 2004 election.

It is important to emphasise that this Inquiry does not draw from Mr Bulford's investigation nor rely on it when coming to its conclusions and findings.

## **Conducting the Inquiry**

The Inquiry has undertaken a number of processes aimed to ensure that it fulfilled its role, both in respect to the Terms of Reference and to ensure that it was, as suggested by its nomenclature a "public" inquiry.

It is important to emphasise that the Inquiry has been required to deal with an undercurrent intended to undermine the Inquiry and its ability to undertake its tasks conducted by certain councillors, elements within the council, certain of its advisors, and members of the public associated with the campaign to elect some councillors.

To some extent this arose from a failure on the part of the elected body, the governing body and particularly its legal advisors to understand the nature of an inquiry convened under Section 740, a wider understanding of the concept of "governance" in the context of local government, the provisions of the Act and the standard of conducted expected of both the elected and governing bodies.

### **(i) Public Notices**

Following the announcement of the Inquiry, notices calling upon the public to provide written submissions to the Inquiry, were published in Sydney daily newspapers and in local newspapers circulating within the council area.

This call for written Submissions was subsequently re-iterated when notices were published advising the dates of the Public Hearings.

### **(ii) Direct Approaches to the Council for Information**

Including:

- Council's Planning instruments
- Councils codes and policies
- Council's management and future planning documents.

**(iii) Letters Addressed to:**

- The Mayor and each of the Councillors
- The General Manager, Dr Griffin
- Members of council's Executive Staff
- Former members of council's Executive Staff
- Members of Parliament and former Councillors

advising them of the Inquiry, its terms of reference and inviting them to make a submission.

The Inquiry also wrote to:

- The NSW Ombudsman
- The Independent Commission Against Corruption
- The Department of Local Government
- Department of Infrastructure, Planning and Natural Resources
- The Department of Lands
- Department of Environment and Conservation
- Department of Primary Industries

**seeking information from them.**

**(iv) The Inquiry's website**

Immediately following the appointment of the Commissioner, the Inquiry established its own website.

The website contained a précis setting out the Terms of Reference and an Information Paper providing information about the Inquiry and setting out the intended processes which the Inquiry proposed to undertake.

Subsequently details regarding the Public Hearings and the list of speakers for each of the daily hearings was added.

**(v) The Written Submissions**

An Information Package, to assist the preparation of submissions, was prepared by the Inquiry.

**A copy of the Information Package, in a downloadable format, was made available on the Inquiry's website. Additionally, arrangements were made with the council for copies of the Information Package to be available at the Council Chambers and at council's library. The council made copies of the Information Package available for this purpose.**

## **The Approach taken by the Inquiry**

The Terms of Reference called upon the Inquiry to obtain an overview of matters pertaining to the governance of the council, and to form an opinion on the governance matters raised in the Terms of Reference.

In so doing, the Inquiry was directed to inquire into certain matters associated with the conduct of the Elected Body, and in the wider context, the council as a whole.

In the opening address of the Public Hearings the Inquiry's approach was clearly defined, and the relevant parts of the transcript are set out below:

*“...In light of the issues raised by the terms of reference I have agreed to allow a number of people to make submissions and appear before the Inquiry to talk about specific issues.*

*I emphasise, however, that this Inquiry is not called upon to reassess an individual's case in relation, for example, to a development application or any other matter that pertains to the individual rather than the specific Terms of Reference. I do not – and stress this – I do not have the power to overturn or change any approval granted by the Council. Accordingly, I will consider submissions and evidence solely from the point of view of the Terms of Reference. I am, however, keen to receive a broad range of submissions, provided that they are relevant to the Terms of Reference.*

*I do not wish to exclude people from having their submissions published where they appear to fall within the Terms of Reference, or to refuse to allow them to appear. If I were to do so there would be justifiable concern that the inquiry may be less than open. At this point I should correct some of the information that I saw in the local press this morning. First, I do not intend to have any closed sessions at the public hearings. I believe that the hearings are public; they have to be transparent and that whatever evidence is presented has to be available to anyone who is interested in the carriage on the Inquiry.*

*So there will be no – I repeat – no closed sessions of this Inquiry. Second, I noticed in the local press this morning that we may be tapping phones. I can give you total assurance that there will be no phone tapping. It is also suggested that there will be covert operations by the Inquiry. I give you water-tight guarantee that there will be no covert operations either under way or likely to happen in the future. I repeat: this is a Public Inquiry and its operations must be transparent and the information must be there for the public to share. As I've said before, all evidence will be given on oath or affirmation...”*

In conducting the Inquiry, and particularly throughout the Public Hearings, the Inquiry has sought to obtain an understanding of the council's processes.

In order to do so, the Inquiry has reviewed various documents, including:

- Council files relating to a number of development applications
- Council planning instruments and policies
- Council codes and policies
- Reports to and minutes of council meetings
- Electoral returns and funding declarations.

The Inquiry has conducted its review to obtain sufficient information based upon which it can be satisfied that a conclusion can be safely drawn.

### **Publication of Submissions**

The Inquiry emphasized its role as a Public Inquiry.

It sought, as far as possible, to obtain the public's views of the matters raised in the Terms of Reference.

This was emphasised on a number of ways, in the information sheet, the notices calling for submissions and advising the dates of the public hearings, at the commencement of, and during the Public Hearings conducted by the Inquiry.

In order to undertake the Inquiry required by the Terms of Reference, it was appropriate to seek involvement of the public, particularly when considering whether the council exercised appropriate openness and transparency in its decision-making.

Copies of submissions were made available for public viewing at the council's chambers and its libraries.

### **Censorship of Submissions**

The Inquiry relied on advice regarding the general application of defamation law to matters contained in submissions. The advice indicated that matters would generally not be considered defamatory, if contained in Submissions falling within the Terms of Reference of the Inquiry.

The nature of this advice was incorporated into the Information Package.

Discretion was exercised as to whether to make a Submission publicly available.

In light of the advice that had been provided to the Inquiry, notwithstanding the Inquiry's view that Submissions should be publicly available, it was felt appropriate in certain instances to refrain from providing copies of certain Submissions.

A policy was adopted to consider whether a Submission should be censored or not be published, and each Submission was reviewed according to this policy.

While the Inquiry had considered whether partial exclusion of information such as identifying details was appropriate. It was felt inappropriate to exercise this discretion, rather it was considered preferable not to make available some of the submissions.

### **The View**

In order to acquaint itself with the properties directly or likely to be involved in its consideration, on 9 December 2004 the Inquiry attended the council area to conduct a review. The Inquiry viewed major developments within the area, lesser developments and the local area generally. The sites viewed included:

- SALT
- Seaside City
- Kings Forest
- Casuarina Beach
- The Resort Corporation Pty Ltd proposal at Cabarita Beach, and
- Various proposals at Kingscliff, Terranora, Pottsville, Hastings Point and Tweed Heads.

### **Public Hearings**

The Inquiry made arrangements to conduct Public Hearings in 31 sessions.

The Public Hearings were held at the Court House, Tweed Heads.

The Public Hearings commenced on December 16 2004 and concluded on 18 March 2005.

In all, 134 different speakers attended and spoke, some on more than one occasion. Speakers included:

- The Mayor and Councillors
- Council's current and former General Manager
- Past and present senior members of council's staff
- Mr Bulford
- Professor Bruce Thom, visiting Professor to DIPNR
- Representatives from the Department of Environment and Conservation, DIPNR and Primary Industries
- Various developers operating in the council area and their advisors and consultants.

The Public Hearings were conducted on an informal basis. The procedures that were adopted, sought to ensure that the Inquiry proceeded in a simple and expeditious manner, whilst at the same time, recognising the rights of the people involved.

The approach taken by the Inquiry at the Public Hearings was to put questions to the speakers on the themes being pursued by it. This approach was underlain by the premise that the Inquiry had reviewed the Submissions made by the various speakers before they were called, and was aware of the issues that they had raised.

In adopting this approach, the Inquiry sought to obtain clarification or further detail of matters, which it thought appropriate, whether the particular matters had been specifically raised in the Submission, or not.

It was felt that this approach would enable the Inquiry to make more efficient use of the limited time available to it at the Public Hearings.

Through the adoption of this course, the Inquiry heard from a greater number of speakers than it could otherwise have heard from, if each speaker were simply allowed to read from, and expand on their written Submission.

Most importantly, it allowed the Inquiry to direct itself to, and focus on, the issues it regarded as important to its Inquiry.

This approach differed from the approaches which had been taken by previous Inquiries convened under Section 740 of the Act.

### *Right of Reply*

The Terms of Reference call upon the Commissioner to inquire, report and provide recommendations to the Minister on aspects involving the governance of the council. At all times it was open to the Inquiry to make a recommendation that the Governor declare all civic offices to be vacant.

Such a recommendation, if made, and if acted upon, could result in the appointment of an Administrator or a fresh council election.

Whilst the Inquiry would only be making comments, findings or recommendations, these might be taken up by the Minister or by the Governor and given effect to.

Given this, the Inquiry regarded itself as having a duty to act fairly in accordance with the principles of administrative law. The Inquiry sought to conduct its proceedings in a manner, which afforded natural justice to the Councillors, council's staff and to members of the public.

Time was set-aside at the conclusion of the Public Hearings for council, Councillors and members of the public to reply to matters, which had been raised during the Public Hearings. Ultimately, no requests for an oral reply were received.

Council, Councillors and members of the public were afforded an additional opportunity to make further written Submissions in reply within two weeks from the conclusion of the Public Hearings.

During the Public Hearings a number of speakers provided additional material, which have been treated as submissions.

**Additionally, the Inquiry received a large number of written submissions in reply.**

In all the Inquiry has received over 574 submissions.

### **Natural Justice**

The powers available to the Inquiry included the power to recommend the dismissal of the Elected Body. In light of this power it was imperative that procedures were adopted to ensure that the principles of natural justice be observed.

Whilst not wishing to detail the entirety of the approaches taken to ensure this outcome, it is appropriate to highlight some of the major aspects embodied in the manner in which the Inquiry was conducted.

Included in the procedures adopted were:

- The majority of Submissions which were received by the Inquiry were made available for public viewing at the council's chambers and Libraries.
- Details which were thought to be inappropriate, were deleted from other Submissions.

This approach provided opportunity to others to comment on or correct statements made in the Submissions.

### **Other procedures included:**

- Providing copies of documents to councillors, witnesses and to the council and seeking comment or clarification
- Conducting the hearings in public
- Allowing members of the public, with leave of the Commissioner, to put questions to speakers.

A right of reply, both orally at the conclusion of the Hearings, and subsequently in writing.

### **Post Hearing Procedures**

The Inquiry has adopted a view that where issues required further clarification following the conclusion of the Public Hearings it should seek appropriate evidence.

The Inquiry has sought further evidence from the council and from various witnesses.

### *This Report*

The recent death of Councillor Bell has prompted speculation regarding the future of the council, particularly whether significant expense should be incurred in a by-election pending the outcome of the Inquiry.

It is considered appropriate, in those circumstances to bring forward this report to determine the future of the council and to avoid further speculation.

Accordingly this report will precede a more lengthy report which will deal with all issues associated with the Terms of Reference, including those more briefly touched on in this report.

SECTION 2

---

# An Investigation into the 1999 and 2004 Electoral Processes

# An Investigation into the 1999 and 2004 Electoral Processes

## 2.1 *The 1999 Election*

### 2.1.1 The election model

In 1999 the structure and financing of Local Government elections in the Tweed changed, introducing new methods of financing and campaigning. A third party, called the Tweed Concerned Small Business Group, developed a fund to support certain candidates. The group was organised by a local businessman and property owner, Mr. Albert Lawrence Bedser. Mr. Bedser appears to be known more commonly as Bill Bedser.

Mr. Bedser supplied information on how he set up the Tweed Concerned Small Business Group (TCSB) when he appeared at the Public Hearings on February 18, 2005 (T. 18/2/05 p. 259-268).

(T. 18/2/05 p. 260-261)

MR BEDSER: ...*The 1999 campaign election run by the small business group was, in fact, funded by a community of people. We had, to begin with, a volunteer of 14 local rate payers, running the administration of it. I was responsible for the day-to day direction of that organisation, and we funded it in a manner that we ran - I first of all spoke at seven well-organised, small business rallies, passing the bucket around, as it were. There was one large public dinner, which, again, several buckets were passed around. And we had on our mailing list, which is on record, just under 400 small business professional people who lived and worked here in the Tweed Shire.*

*We sought \$100 from each of those businesses and/or professional people, as a recognition of being involved in this campaign. Our banking receipts show that only a figure of just under 300 traders actually contributed with their payment of a cheque. I must tell you that the fund raisers that we ran did produce some big amounts of money, but, unfortunately, there were no "big givers", if I can use that expression, out here in the Tweed Shire in those days. In answer to the amount of money that I, myself, submitted to that program, I think it's necessary to say that the 1999 election was, in fact, funded by a community, fed up with the previous administration in the Council chamber. ...*

Mr. Bedser pointed out that the contributors to the fund were local business people. When the election was over it was found that the expenditure of those candidates associated with the TCSB group was in excess of the campaign funds provided through TCSB. Mr. Bedser's company, Domfor Pty Ltd, made up the shortfall. According to the Electoral Funding Authority New South Wales records the total amount expended by the TCSB group and Domfor was \$68,558.47, which included the \$19,785 shortfall provided by Domfor. There are no details available on the identity of donors or size of the donations

made to TCSB group. Mr. Bedser made it plain in his evidence that none of the donations to the TCSB group was large. In fact the \$19,785, provided by Domfor, made Mr. Bedser both the key organiser of the TCSB group, and the largest single donor to the group's campaign.

**(T. 18/2/05 p. 261)**

MR BROAD: *Can I pursue that a little bit? You spoke about having "no big givers" in the 1999 election. What's a "big giver"? What do you mean by a "big giver"?*

MR BEDSER: *Well, the sort of people that have been referred to in this election. People who put cheques into people's accounts.*

42 candidates contested the 1999 election<sup>1</sup>. Two of the candidates stood in their own right, and the remaining 40 candidates belonged to 21 groups. There were 24 candidates in 11 groups that were allied with the TCSB group and 16 candidates in 10 groups that were not allied with the TCSB group. The impact of the TCSB/Domfor funds was great: the donations to the campaigns of the "Balanced Team" (the groups allied with TCSB) averaged \$6232.73 per group, whilst the donations to the unallied groups averaged \$72.85 per group. Donations made up 46.7% of total electoral expenses. The average personal contribution to campaigning expenses was \$1953.33 for candidates allied to the TCSB group, and \$1035.44 for other candidates. The campaign advantages of being allied to the TCSB group were clearly very great.

Table 2.1.1 provides a summary of the break-up of funding sources for the "Balanced Team". Nine of the 11 allied groups relied on donations from the TCSB/Domfor pool for the major share of their funding. This introduced a significantly new factor in campaign funding in the Tweed area: a number of candidates relied on external funding from one external source to run their electoral campaigns.

Table 2.1.1  
Proportional Funding Sources for the "Balanced Team" Candidates 1999 Election

|         | % TCSB* | %Domfor* | %Candidates |
|---------|---------|----------|-------------|
| Group A | 50.3    | 18.5     | 27.2        |
| Group D | 51.4    | 19.0     | 29.6        |
| Group F | 76.5    | 23.5     | -           |
| Group H | 28.9    | 10.7     | 60.4        |
| Group I | 56.4    | 20.8     | 22.8        |
| Group Q | 48.6    | 51.4     | -           |
| Group R | 42.7    | 15.8     | 41.5        |
| Group S | 20.2    | 7.4      | 72.4        |
| Group T | 46.4    | 17.1     | 36.5        |
| Group U | 43.2    | 15.9     | 40.9        |

<sup>1</sup> All of the data presented here comes from the records of the NSW State Electoral Office.

|         |      |      |      |
|---------|------|------|------|
| Group V | 43.6 | 16.1 | 40.3 |
|---------|------|------|------|

Source: NSW Electoral Office

\* TCSB: Tweed Concerned Small Business Group

\*Domfor: Domfor Pty Ltd

### 2.1.2 The reasons for creating the TCSB pool of funds

Following his appearance at the Public Hearings Mr. Bedser supplied further material to the Inquiry. This included a chapter of a book written by Mr. Bedser, which explained why he decided to put together funds for the 1999 election (the relevant section of the chapter is provided in Section 4 Addendum 2.1.2.1) to assist candidates who had qualities that Mr. Bedser believed were needed in the council.

Mr. Bedser's explanation of his movement into Local Government politics can be reduced to two primary factors. First, he believed that there was gross mismanagement within the council, and that both the elected representatives and staff were to blame for this. Second, he had developed a strong animosity to the long-standing Mayor, Councillor Boyd, and was determined to wrest control of the council away from him. As will be discussed later in this part, Mr. Bedser did not develop a strong policy base for the campaign he was organising, and it is difficult to escape the conclusion that his personal hostility to Councillor Boyd was the prime motivation for the campaign.

Mr. Bedser was convinced that his business background and his training in management organisation systems equipped him to know what needed to be done to improve the administration of the council. Nowhere in his evidence to the Inquiry did he spell out the exact nature of the administrative changes he envisaged. **(After Hearings Submission 7, p. 1)**

Having studied (Stanford RI USA) and implemented successful Management Organisation Systems and Decision Analysis theories over some 40 years in my professional business capacity, I was well qualified to give advice to elected Councillors who had absolutely no knowledge of the subject. My recommendations were after all, in line with the General Managers plan, a plan which had been ignored over some 6 years by the Boyd led council. As I said at the hearing, that plan has since been implemented by Dr Griffin. It was my Civic duty to have helped, how can it then, or now, possibly be construed as manipulative?

As reported in Addendum 2.1.2.1, Mr. Bedser was almost as frustrated with Councillors from his own conservative side of politics as he was with his declared opponents. His frustration was concerned with the fact that the conservative Councillors had not made the same economic analyses of Tweed Shire as he had done, and because of that had failed to win control over the council in the preceding three elections. He believed that none of them understood finance and economics. He felt forced into taking the lead by being outspoken and organising a number of meetings across the business community. Finally, he decided that he should take control of running the election campaign. He produced a Tweed Balance mail-out paper, which was circulated for the last 8 weeks of

the campaign, with the last issue showing who the Balanced Team were and instructions on how to vote<sup>2</sup>. He hired the services of a professional journalist to “keep the barrage going to the press” (Addendum 2.1.2.1). Despite his general concerns about the conservative candidates Mr. Bedser’s evidence shows that he did form a close relationship with one of the sitting Councillors, Mr. Brinsmead.

Mr. Bedser’s enmity with Councillor Boyd is deep and apparently long-standing. It appears to have come to a head over the refusal of the council to provide the Anglican Church with a zoning change on land it held at Cudgen (see Addendum 2.1.2.2). The issue of rezoning of land in the Cudgen area is a source of conflict within the Tweed, and has been for many years (Sections 6 and 7). From the newspaper coverage of the issues the dispute over the zoning became a cause celebre, and appears to have been a final force in irrecoverably splitting Mr. Bedser and Councillor Boyd. There can be little doubt that Mr. Bedser’s motivation in seeking to defeat Councillor Boyd and his allies at the 1999 election was highly personalised. His comments in one of his submissions to the Inquiry leave no doubt about this.

**(After Hearings Submission 6, p. 1)<sup>3</sup>**

As you prevented me from publicly defending the dreadful remarks recorded in a submission by Cr Boyd about me, in the first two pages of his 400 page submission, I feel it is not unreasonable to state the following. As the ICAC letter in reply to him and included in his submission explains: “He has hopelessly exaggerated figures and amounts” .....His incendiary like half-truths and pugnacious invention and confusion of facts about me, must surely be driven by his fertile and deranged imagination. His reputation of producing inaccurate information on others is widely held. He is far from the Saint he illustrates himself to be. Not one word of his opening submission is in fact true in the manner he has expressed each paragraph.  
As requested in your January letter just to hand, I have attached a copy of chapter 13 from my book

<sup>2</sup> Examples of the advertising used is given in Addendum 2.1.2.2

<sup>3</sup> In the opening address to the Public Hearings (December 16 2004) it was stated that: “I should point out that this is an Inquiry into aspects involving the governance of the council. It is not a trial of individuals. The basis of the submissions, and the presentation of evidence and other matters should therefore be dictated by this, and not by rules that ordinarily would apply in a legal action or formal court case between parties to those proceedings.....The mere fact that a critical comment is made during the Hearings (or contained in the report of the Inquiry) is not of itself sufficient to open up that comment on the grounds of procedural fairness. Where matters are no more than conclusions on disputed facts that are ancillary or collateral to the major findings called for in the terms of reference, the finding cannot be impugned for want of procedural fairness, no matter how distressing the criticism or condemnation might be to the individual concerned”. Mr. Bedser, like every person who appeared at the Public Hearings, was not permitted to refute comments made by Councillor Boyd. He did provide his refutation of Councillor Boyd’s comments in a submission in reply, which was the designated path for such refutations.

### 2.1.3 Implications of the 1999 Election

The “Balance Team” was highly successful at the 1999 elections. Mr. Bedser summarised the outcome in a chapter of his book, which he provided to the Inquiry.

The polling results enabled the Balance Team to win a total of 7 of the 11 seats available. It would have been two more, save for a stupid out-of-order manipulation of preferences by one of our people that would backfire, added to which, in an effort to get 7 across the line we had to stand a total of 25 candidates to meet the crazy preferential voting system.

Mr. Bedser showed that it was possible for *one* person to organise and provide funding to enable a group to get control of a council. It may be that for the first time in the history of Local Government elections in New South Wales such a possibility was exercised. It had significant implications for the conduct of the 2004 election in the Tweed, and it has probably influenced the conduct of Local Government elections in other councils in the State.

As the evidence provided above shows Mr. Bedser appeared to play a very singular role in the election.

Assisted by an apparently small band of helpers he obtained donations from 300 of the 400 Tweed small business firms that were targeted, raising close to \$48,000. He eventually supplemented these funds with a donation from his own company of nearly \$20,000. In his evidence to the Public Hearings, Mr. Bedser suggested that almost 10% of the community was involved in subscribing to the election. The evidence indicates that whilst the contribution base was relatively large, Mr. Bedser had a central role in organising the distribution of the funds and, it would seem, in deciding which candidates were going to receive funds.

There can be little doubt that the funds were the basis of the success of the “Balanced Team” in the election. From the State Election Office data cited earlier, the donation bases of the Balanced Team candidates outstripped those of the other candidates by an extraordinarily large amount. The candidates (bar two) each belonged to one of 21 groups. The 11 groups supported by the TCSB/Domfor funds were on average 85.4 times better off in terms of donated funds than were their opposition groups. As explained in Mr. Bedser’s chapter, these funds allowed the “Balanced Team” groups to cover the constituent households with a mail-out paper for each of the last 8 weeks of the campaign. Professional journalists were employed and favourable material was prepared “to keep the barrage going to the press”.

Mr. Bedser’s very public feud with Councillor Boyd is well documented. Councillor Boyd, however, was not the only target of his wrath. In the chapter of his book forwarded to the Inquiry Mr. Bedser stated that Councillor Boyd had “surreptitiously climbed in with his planning bureaucrat friends and left-wing Labor-Green socialists determined at

any cost to see the Tweed area move at ‘their’ pace under incompetent management and political extremism”. The strength of Mr. Bedser’s views could suggest that the “Balanced Team” might have run a very negative, perhaps ‘dirty’, campaign. The evidence before the Inquiry provides no indication of such a campaign. The strong views that Mr. Bedser held, however, were to underlie attitudes of some of the Councillors that were elected in 1999 with his assistance. These Councillors adopted certain stances during the term of the 1999-2004 council that were certainly negative to some groups within the community. All of this was to translate into strong community reactions against some of the outcomes of their decision-making over the life of the 1999-2004 council.

Mr. Bedser’s enthusiasm for his cause, and disdain for his opponents, did create a very negative conclusion to the election campaign. The issue focussed on whether or not Mr. Bedser possessed a tape of an ALP meeting at which he claimed to have been denigrated by a smear campaign against him. Mr. Bedser announced that he had such a tape. In the event, it turned out that no such tape existed. His opponents suggested that Mr. Bedser’s claims, on the eve of the election, had a strong negative impact on the result. Addendum 2.1.3.1 provides Mr. Bedser’s version of the events as well as a newspaper report on the issue. The Inquiry does not seek to make an opinion on the rights and wrongs of the episode. What it does point to, however, is that the relationships between the groups within the council, and between the council and the community, began in controversy, and would continue to proceed controversially over the life of the council.

Mr. Bedser’s energy, organisational drive, and money appear to have been the dominant factors in achieving a 7-4 majority of Councillors who followed his general credo. The problem is that it is difficult to establish just what that credo was. At the Public Hearings (T. 18/2/05 p. 268) he stated:

*“I have never reprimanded anybody in local government. I know nothing about local government and I don’t reprimand people for things that I’m unfamiliar with”.*

In the chapter of Mr. Bedser’s book, wherein he explains the course of his intervention in the 1999 electoral process, and his reasons for intervening, he wrote:

The opposition knew in the last week they were finished, but in desperation they launched a massive publicity attack on me personally. In the main concentrating on every new idea we had come up with, they barraged the press with convoluted and fabricated evidence. The more I was able to draw them out on their failed economic management, the sillier they looked with their answers. Even the highly paid City managers they had hired and protected over the two terms they had control could not answer our criticisms correctly.

Mr. Bedser, in this summary of the final stages of the 1999 campaign, focussed on the “failed economic management” of the previous council, and the limitations of the “highly

paid City managers they had hired". The evidence presented to the Inquiry by Mr. Bedser failed to reveal what the characteristics of good economic management were, beyond limiting rate rises and avoiding debt. Mr. Bedser also failed to understand the processes of appointing staff introduced by the 1993 Local Government Act. Staff appointments and dismissals are the responsibility of the General Manager, not the Mayor or the Councillors.

The particular segment of the staff that provoked Mr. Bedser's ire was the planning and development unit of the council ("his (Mayor Boyd's) planning bureaucrat friends"). Since Mr. Bedser was, or had been, a substantial land holder in the Tweed area, the suspicion that the council's planning and development regulations did not suit Mr. Bedser's commercial plans arises. It perhaps partly explains his crusade against the council. Several of the group of councillors elected in 1999 with Mr. Bedser's help carried his vendetta against members of the planning/development processes staff when they became Councillors.

Mr. Bedser, in his appearance at the Public Inquiry, was vague about his broad program of reform of the council. He could not articulate what the main themes of his 1999 campaign had been (**T. 18/02/05 p. 268**). He referred to six or seven items, but could not remember what they were except for the need to reshape the organisational structure of the council.

*MR BEDSER: ...And the specific nature of my concern was that we had set out in the balanced campaign, at the request of the candidates, a group of objectives. I've looked for those overnight and I can't find them. There are either six or nine policy objectives that that election was fought on. And one of those, to me, was a very important issue and that was that the organisation structure - having come from a background in management organisation and structure, the organisation structure of the shire was one of the key issues of our platform in that the general manager had offered a different organisation which was never accepted by the - this is a management organisation - was never accepted by the Boyd-run council. ...*

In a subsequent submission to the Inquiry (**After Hearings Submission 6**) Mr. Bedser provided a copy of a survey that had apparently been put to all intending candidates before the 1999 election. This survey had been organised by John Murray. Mr. Murray was not a candidate at the 1999 election, and is not mentioned in Mr. Bedser's account of how he organised his group finances and other assistance in the election. It is, at the very least, curious that Mr. Bedser was unable to recall what his broad platform for the 1999 election was. It is even more curious that the only evidence Mr. Bedser could produce of what constituted that platform came from a party that appeared to have no direct link to Mr. Bedser's campaign.

The Mayor  
Lyn Beck  
Tweed Shire Council  
MURWILLUMBAH NSW 2484  
12<sup>th</sup> June 2001

Dear Lyn,

Thank you for your call earlier today. As requested, I will list below the 'Ten Issues of Community Concern' put to all intending candidates prior to the last Council election.

- 1 Will you support a ward system for future council elections? yes/ no
- 2 Will you support a review of Council management structure that may eliminate unnecessary levels of bureaucracy? yes / no
- 3 Will you restrict rates rises to CPI? yes / no
- 4 Will you review executive management contracts in line with comparable Councils within NSW? yes / no
- 5 Will you ensure that the local environmental plan (LEP) & the Development Control Plan (DCP) are updated so that community concern is replaced with certainty & that the balance between encouraging development & conserving the Tweed's unique environment & lifestyle is achieved? yes / no
- 6 Will you accept that unemployment is a major problem in this shire & support programmes / developments that are sustainable & compatible with our unique lifestyle & environment?yes/no
- 7 Will you support a change of culture within Council bureaucracy to increase the service ethic to the benefit of all council users? Yes / no
- 8 Will you genuinely attempt to work in harmony with the local State & Federal members for the betterment of the Tweed Shire? Yes / no
- 9 Will you ensure best practice methods are enshrined in all Council departments through bench marking with other similar sized Councils in NSW? yes / no
- 10 Will you encourage more closer ties with the community, business leaders and individuals to maximise input on a wide range of issues affecting the strategic planning & development of the shire? Yes / no

For your information, I have received support from the media to run a 'mid term review' of Councillors actual performances versus their pre-election promises. I am confident that, with only one or two blemishes, the 'balanced team' will gain favourable public endorsement for their determination to keep their promises.

Yours Sincerely



John Murray  
19 Sequoia Crt  
BANORA POINT NSW 2486

However broad, and apparently indeterminate in the details Mr. Bedser's policy agenda might have been, he held strong views about the quality of the people who were elected with his assistance. He made this very clear in the chapter in his book where he commented on the outcome:

I am often asked: “Did I get the team I wanted out of the 7 elected?” The answer to this is categorically NO! A better management group of 7 could have been assembled from the ranks of the entire Balance Team candidates. As in all politics.... “Just how can the best and most suitable politicians get past the post and be elected?” No one has done it yet in a democracy!

Mr. Bedser claimed that he did not take any kind of overseeing role in the policy directions of the council after the election, and there is no evidence to suggest the contrary. (T. 18/2/05 p. 268)

MR BEDSER: ... *the organisation structure of the shire was one of the key issues of our platform in that the general manager had offered a different organisation which was never accepted by the - this is a management organisation - was never accepted by the Boyd-run council. And I was concerned that the balanced councillors that had been elected had not taken that up with the general manager. ...*

In a campaign advertisement published close to the elections the 11 groups supported by the TCSB group and Mr. Bedser stated for the first time their combined policies for the election. It should be noted that none of the 8 points listed as their policies included any reference to the reform of the administrative structure that Mr. Bedser considered to be the main plank of his program. It is apparent that the 11 groups supported by Mr. Bedser in the 1999 election were not running on a policy framework spelled out in detail by Mr. Bedser; there is no evidence that Mr. Bedser ever actually articulated such a framework. His main ambition appears to have been obtaining better economic management by the council, a goal that would be achieved by replacing the previous council with a group of business-minded people, and reforming the administrative structure of the council. The evidence suggests that the policies listed below (which the 11 groups carried to the election) represented a policy mix that might have been in accord with Mr. Bedser’s broad sentiments but was not detailed by him.

**(Extract from Baudino Files)**

Each of the **INDEPENDENT** candidates featured here simply asks, when considering your vote on Saturday, please remember why we nominated in the first place – to introduce sound, responsible management of your Council with priority to ...

- **stopping rate hikes** (69% in six years)
- **fixing neglected roads** and sealing more of the 300 klms of unsealed roads
- **balancing the budget and slashing extravagant admin & legal costs**
- **lowering unreasonable fees** – excess water, septic charges, etc.
- **addressing the planning and management problems** identified in Abnett, Midwood, Ernst & Young and several costly court decisions
- **encouraging sustainable job-creating industry and enterprise, &**
- **listening to the needs of urban residents, farmers & rural landholders**
- **conflict resolution in place of litigation**

The detailed policy connections between the 11 groups that made up the “Balanced Team” and Mr. Bedser might not have been extensively developed but there was one undeniable link between them: this was the fact that the TCSB group and Mr. Bedser had provided the funds that supported their campaigns. The groups that made up the “Balanced Team” claimed that they had each conducted and financed their campaigns. As Table 2.1.1 illustrates this was simply a lie in terms of 9 of the 11 groups. In the campaign advertisement, published in the Daily News, September 10, 1999 it is stated that:

*“We are **INDEPENDENT**<sup>4</sup>. We have not and will not make any deals. We have conducted and financed our own campaigns.”*

The claim of independence by the “Balance Team” is weak. The evidence shows that the TCSB group ran a broad campaign against the Councillors in the majority in the 1995-1999 council, alongside the campaigns of individual groups. According to Mr. Bedser’s evidence that campaign ran for eight weeks, and it was only in the last week that the “Balance Team” was introduced to the community as a whole. Substantial amounts of money must have been devoted to that central campaign alongside the funds that were expended by individual groups. The overall success of the central campaign must have substantially assisted the groups that sat under the “Balance Team” umbrella.

If the community had known that each of the 11 groups had received funds from a single source<sup>5</sup>, and that 9 of the 11 groups had received the majority of their funds from that source, a different impression may have been formed about the proclaimed independence of each of 11 groups. Whether this might have influenced the outcome of the election is purely a matter of conjecture.

There is a much broader context in which the claim of independence must be considered. According to Mr. Bedser’s evidence the establishment of a pool of funds to support candidates was his idea. He was centrally responsible for converting that idea into a reality. He supplied the major part of the funds for most of the groups under the “Balanced Team” umbrella, and in the case of two of the groups he supplied all of the funds. It is hard to believe that the recipients of the funds did not carry a sense of some implicit obligation to the donors. Mr. Bedser’s evidence shows that he struggled to get enough people to stand as candidates at the election to support his electoral ambitions for the TCSB group. In fact he resorted to placing advertisements in the newspaper in a rather desperate attempt to get people to stand on his platform. As shown above, it is difficult to establish just what that platform actually was. It is likely that at least some of the people who did stand were content with accepting Mr. Bedser’s broad goals of

---

<sup>4</sup> Emphasis in the original advertisement.

<sup>5</sup> Prior to the election the TCSB group fund had been the single source for the group; with expenditure overruns during the election Mr. Bedser’s family company added further funds to offset these.

unseating the incumbent Councillors, and improving the management of the council. It is likely that they would not have stood had they not received the substantial funding support that the TCSB group offered. It is obvious that the mission to defeat the majority Councillors of the 1995-1999 council was created, funded, and driven by Mr. Bedser. It was a complete falsehood to pretend that the various groups linked to the TCSB group were truly independent.

Outside of Mr. Bedser the candidates probably had no direct understanding of who specifically contributed to the pool of funds. Mr. Bedser's evidence suggested that some 300 businesses were involved, a number too great to imply any direct obligation to any single donor. What might logically be concluded, however, is that the seven "Balanced Team" Councillors entered into power with a combined purpose of promoting business development within the Shire. There can be no criticism of this broad goal.

The details of the level of funds raised for the Balance Team, and the central role played by Mr. Bedser in supplying funds, were not revealed to the community until some time after the election. The size of the election victory, and the very public pro-development stance taken by the new Mayor and Deputy Mayor (Councillors Beck and Brinsmead), began to raise a perception in parts of the community that the majority Councillors were partisan when performing some of their responsibilities as consent authorities for development applications. These perceptions, and the strong advocacy of development by the Majority Councillors, underlaid a number of controversial development issues over the life of the council. As the 2004 election loomed, the opposition to the council's strong pro-development stance solidified around various issues related particularly to the Tweed coast.

## 2.2 *The 2004 Elections*

### 2.2.1 Donations: Size and Source

Mr. Bedser's success at organising a conservative majority in the 1999-2004 council was to be followed by attempts to fund a conservative victory at the 2004 elections. The approach adopted involved the generation of much larger pool of funds, and involved a number of professionals from outside of the Tweed area playing a key role in the campaign. The larger and more sophisticated approach was soundly condemned by Mr. Bedser in his written submission (no. 161) sent to the Inquiry on 19<sup>th</sup> January 2005.

**Finally, I have never been happy with professional, paid, non resident campaign management of Local Government elections. The conservative activities undertaken at the last Tweed Shire Election were unfortunate to the extreme and failed to engage the input of the larger community.**

The process that Mr. Bedser condemned produced a huge pool of money to assist conservative candidates. According to records of the Electoral Funding Authority of New South Wales, the group established to organise the campaign, Tweed Directions, raised \$341,199 from donors. This sum was five times larger than Mr. Bedser's fund in 1999. \$163,900 of this was given to 9 groups identified with the conservative cause. In the election there were nine other groups that did not receive any funding from Tweed Directions.

In Local Government elections Third Parties, whether individuals or organisations, are required to make a declaration of electoral expenditure incurred and political contributions received by a person, body or organisation. The requirement applies to sums greater than \$1500. The declaration is in two parts. Part A is itself divided into two sections. The first requires details of gifts or donations made by the third party to be stated. The second requires electoral expenditure made by the third party, other than gifts or donations to candidates, to be nominated. Part B requires the third party to list details of gifts or donations received by it; this was the source of the figure of \$341,199 raised by the Tweed Directions group for the Tweed Shire Council elections in 2004.

Candidates at the election must also make a summary of declaration of political contributions received and electoral expenditure incurred. Examination of the declarations of the 9 groups supported by Tweed Directions, cross-checked against the information supplied by Tweed Directions to the Election Funding Authority confirms that \$163,900 was given directly to the 9 groups that Tweed Directions supported.

This means that Tweed Directions held \$177,299 from its pool of donations, which was used to run a parallel campaign to the individual campaigns of the nine groups supported by Tweed Directions.

The Tweed Directions' third party declaration stated that its total electoral expenditure, other than gifts or donations, was \$342,980.76. The same total was repeated in the Tweed directions' written submission to the Inquiry (S. 263, p. 10). In his evidence at the Public Hearings, however, Mr. Blundell stated that Tweed Directions spent only \$307,000 on its parallel campaign (T. 23/2/05). Since that expenditure does not, by definition, include the \$163,900 donated to candidates, it suggests that Tweed Directions spent \$177,299 on its parallel campaign plus a further sum between \$143,100 and \$165,681.74. *There is no indication of the source of this additional money in the official declaration to the NSW Electoral Funding Authority, or in the evidence supplied to the Inquiry.*

Table 2.2.1

| ANNEXURE "B"  |        |                                    |                      |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
|---|--------|------------------------------------|----------------------|---------------|-----------|-------------|---------------------------------------|-----------|-------------|--------------|---------------------|-----------------------|---------------|----------------------|------------------|-------------|------------------------|
| SUMMARY OF ELECTORAL EXPENDITURE INCURRED OTHER THAN GIFTS OR DONATIONS |        |                                    |                      |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Electoral Exp   | Date   | Creditor                           | Total TD CBA         | Total TD NAB  | Ac Fees   | Airfares    | Parking/Taxi<br>Car Hire & Fj & Accom | Meals     | Stationery  | Poll Costs   | Consultancy<br>Fees | Publicity<br>Retainer | Advertising   | Graphics<br>Services | Booth<br>Manning | Signs       | Scrutineer<br>Expenses |
| Y   | 19-Jan | Flagship Communications            | \$ 547.95            |               |           | \$ 431.00   | \$ 84.00                              |           | \$ 32.95    |              |                     |                       |               |                      |                  |             |                        |
| Y   | 19-Jan | Flagship Communications            | \$ 427.15            |               |           | \$ 321.37   | \$ 105.78                             |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 19-Jan | Baudino & Assoc                    | \$ 1,318.00          |               |           |             |                                       |           |             |              | \$ 1,318.00         |                       |               |                      |                  |             |                        |
| Y   | 2-Mar  | Flagship Communications            | \$ 11,000.00         |               |           |             |                                       |           |             |              | \$ 11,000.00        |                       |               |                      |                  |             |                        |
| Y   | 4-Mar  | Solutions Marketing                | \$ 3,960.00          |               |           |             |                                       |           |             | \$ 3,960.00  |                     |                       |               |                      |                  |             |                        |
| Y   | 4-Mar  | Baudino & Assoc                    | \$ 4,028.00          |               |           |             |                                       |           |             |              | \$ 4,028.00         |                       |               |                      |                  |             |                        |
| Y   | 10-Mar | Directions Media                   | \$ 8,988.74          |               |           |             |                                       |           |             |              |                     | \$ 8,988.74           |               |                      |                  |             |                        |
| Y   | 15-Mar | Zenith Media                       | \$ 50,028.00         |               |           |             |                                       |           |             |              |                     |                       | \$ 50,028.00  |                      |                  |             |                        |
| Y   | 18-Mar | Directions Graphics                | \$ 12,500.00         |               |           |             |                                       |           |             |              |                     |                       |               | \$ 12,500.00         |                  |             |                        |
| Y   | 19-Mar | Cash                               | \$ 1,000.00          |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 19-Mar | Zenith Media                       | \$ 80,928.00         |               |           |             |                                       |           |             |              |                     |                       | \$ 80,928.00  |                      | \$ 1,000.00      |             |                        |
| Y   | 25-Mar | Cash                               | \$ 1,000.00          |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 25-Mar | Directions Graphics                | \$ 7,447.00          |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 25-Mar | Directions Media                   | \$ 9,239.12          |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             | \$ 7,447.00            |
| Y   | 31-Mar | Directions Graphics                | \$ 17,751.20         |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 5-Apr  | Directions Media                   | \$ 1,930.48          |               |           |             |                                       |           |             |              |                     | \$ 1,930.48           |               | \$ 17,751.20         |                  |             |                        |
| Y   | 14-Apr | APN Newspapers                     | \$ 2,260.00          |               |           |             |                                       |           |             |              |                     |                       | \$ 2,260.00   |                      |                  |             |                        |
| Y   | 1-May  | Directions Media                   | \$ 4,738.05          |               |           |             |                                       |           |             |              |                     | \$ 4,738.05           |               |                      |                  |             |                        |
| Y   | 1-Jun  | Zenith Media                       | \$ 948.38            |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 25-Jun | Flagship Communications            | \$ 6,771.50          |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 28-Jun | Job Photo                          |                      | \$ 24,085.44  |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 28-Jun | Baudino & Assoc                    |                      | \$ 7,532.50   |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 28-Jun | GC & T Party Hire                  |                      | \$ 50.00      |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 28-Jun | Murwillumbah Print Spot            |                      | \$ 27,808.50  |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 28-Jun | Solutions Marketing                |                      | \$ 7,920.00   |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 28-Jun | Zenith Media                       |                      | \$ 311.55     |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 30-Jun | Murwillumbah Print Spot            |                      | \$ 19,279.00  |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 30-Jun | Tweed Radio & Broadcasting         |                      | \$ 462.00     |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 30-Jun | Look Media                         |                      | \$ 6,050.00   |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
| Y   | 13-Jul | Midwood Tourism & Development      |                      | \$ 7,000.00   |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |
|   |        |                                    | \$ 206,787.55        | \$ 100,298.99 | -\$ 15.00 | \$ 1,463.27 | \$ 3,370.63                           | \$ 169.05 | \$ 1,290.90 | \$ 11,880.00 | \$ 28,846.00        | \$ 24,874.37          | \$ 191,958.87 | \$ 30,251.20         | \$ 2,050.00      | \$ 7,447.00 | \$ 3,500.00            |
|   |        | <b>TOTAL ELECTORAL EXPENDITURE</b> | <b>\$ 342,980.74</b> |               |           |             |                                       |           |             |              |                     |                       |               |                      |                  |             |                        |

There are further discrepancies in the information provided to the Election Funding Authority by Tweed Directions in relation to electoral expenditure other than gifts or donations. Between January 19 2004 and July 13 2004 the declaration lists a total of 30 transactions drawn against Tweed Directions bank accounts with the CBA and the NAB. The total amount of these transactions was \$307,086.54 leaving a deficit of \$35,894.20 (out of the \$342,980.74) that is not accounted for. There is no indication of how this money was expended.

The Inquiry wrote to Mr. Staerk, who signed the Tweed Directions declaration to the NSW Electoral Funding Committee on 5 May 2005 requesting his comments on the apparent irregularities in the accounts. He was asked to do so by 20 May 2005. No reply was received and no explanation has been given.

The section of the declaration dealing with electoral expenditure other than gifts or donations itemises the parts of the expenditure (Table 2.2.1). The major area of expenditure was advertising costing \$191,958.87. The 9 groups supported by Tweed Directions spent \$181,268.34 on advertising, according to their individual campaigns. It is conceivable that some groups may have made an arrangement with Tweed Directions to do some or all of their electoral advertising for them, and in the process paid back part of the money donated to them. If this were so there would be a double declaration of the same expenditure.

In a memo to candidates dated 11 February 2004 Tweed Directions' Bob Baudino<sup>6</sup> strongly warned the candidates against either having double campaign funding<sup>7</sup>, or running accounts that could lead to double declarations. Both warnings provide important insights into the structure of the Tweed Directions campaign. Tweed Directions wanted to be the sole funding agent for the groups that belonged to their team. It may be presumed that they insisted on this so that they could maintain control over those groups. The caution against double declarations appears to have been made in the light of the Election Funding Authority's powers to review funding declarations.

**All candidates should have no double campaign funding and expenditure will be under the microscope at all times, particularly after the campaign ends and losers complain to any body willing to listen to them. It is imperative all Lead Candidates ensure all campaign expenditure comes from their Election Accounts and they have receipts for every item. There are no circumstances under which any Candidate accepts a donation directly. Such a donation is a certain path of political oblivion as it ties the Candidate directly to the donor. It is most likely the candidate, if successful, will be kicked out of Council. Again, confer with the Support Group where, among other things, legal advice is available.**

It is highly unlikely, therefore, that much, if any, of the \$191,958.87 has been doubly declared. The Inquiry has acquired copies of the advertising made by Tweed Directions in its parallel campaign. It is directed at broader issues than the advertising of the individual groups, and it contains more expensive forms of advertising such as television promotions. It clearly represents a substantial advertising budget. As well, the advertising expenditure of the individual groups is spelt out in detail in the individual declarations of the individual groups: the names of newspapers, print shops and the like and the amounts spent with them are provided. If the amounts paid for advertising by the nine groups individually and by Tweed Directions separately are indeed \$181,268.34 and \$191,958.87 (which they should be if honest declarations had been made), it would mean that a total of \$373,227.21 was spent on advertising in favour of the 9 groups supported

---

<sup>6</sup> Bob Baudino was one of the professional campaign managers brought in by Tweed Directions to help organise and manage its campaign for the 2004 elections.

<sup>7</sup> That is, additional donors beyond Tweed Directions funding.

by Tweed Directions.

Total expenditure by candidates in the 1999 election was \$162,267. The quantity of funds donated to the nine groups by Tweed Directions was, therefore, greater than the total expenditure by all candidates in the 1999 election. Total expenditure by candidates in the 2004 election was \$273,682<sup>8</sup>.

The expenditure of the nine groups supported by Tweed Directions was \$199,150, 2.4 times larger than the total expenditure of the candidates not supported by Tweed Directions. 87.3% of the total money spent on their electoral campaigns by members of the 9 groups supported by Tweed Directions was donated to the groups by Tweed Directions.

For eight of the nine groups supported by Tweed Directions almost all of their funding came from Tweed Directions, and their own contributions were negligible. Of the total of \$42,462 declared as candidate's own expenditure by the nine groups allied to Tweed Directions, 97.1% was attributed to just one group, the Brinsmead Progressive Independents.

The amount expended by the other eight groups, who received Tweed Directions support, and recorded as candidates' own contributions to their campaign was just \$1,222.63. In contrast, the candidates' contributions to their campaigns by the nine groups who received no support from Tweed Directions totalled \$55,932. The 2004 election was between two sets of nine groups of candidates. One, supported by Tweed Directions, had

an exceptionally large amount of funds at their disposal. The other relied heavily on their own funds to support their candidacies, and had a comparatively small pool of funds to work with. The Tweed Directions groups worked as a team (see below), campaigning against each and any group that was not part of that team. This meant that, de facto, the other nine groups were pitted against the Tweed Directions team but were hopelessly outstripped when it came to campaign funds.

The total amount of donations to candidates supported by Tweed Directions \$169,400, of which \$163,900 came from Tweed Directions. This was 13 times greater than the donations received by the nine groups not supported by Tweed Directions.

As noted above Tweed Directions ran a parallel campaign to those of the nine groups they supported. Because of the confused nature of the Tweed Directions declaration to the Election Funding Authority it is not clear how much was expended on the parallel campaign. It may have cost anywhere between \$177,299 and \$342,980.74. A group called Tweed Monitor also ran a parallel campaign in favour of groups not supported by Tweed Directions. Tweed Monitor made no donations to any groups or individuals. Their parallel campaign cost \$16,307. The combined cost of the two parallel campaigns was \$193,606 at a minimum, or \$359,288 at a maximum.

---

<sup>8</sup> Totals rounded.

When the expenditure of the parallel campaigns are added to the candidates' expenditure on their own campaigns the total expenditure for the 2004 Tweed Shire Council elections totalled at least \$467,238 or as much as \$632,970. This means that the total expenditure on the 2004 grew by at least \$304,971 over the 1999 total of \$162,267 and may have grown by \$470,640.

Table 2.2.2

Comparative Election Funding: North Coast Councils NSW 2004

Total Amount of Funds

|                                |           |
|--------------------------------|-----------|
| Hastings                       | \$145,121 |
| Byron                          | \$35,232  |
| Ballina                        | \$34,954  |
| Coffs Harbour                  | \$105,643 |
| Tweed                          | \$273,682 |
| Tweed with parallel campaign*  | \$467,238 |
| Tweed with parallel campaign** | \$632,970 |

\* minimum estimate    \*\* maximum estimate

Source: NSW Election Funding Authority

The gross spending on the 2004 election in the Tweed compared to other coastal councils with similar geographic and land use characteristics area is notably higher. There is no evidence of parallel campaigns being run in any of the other four councils used for comparative purposes.

On a per capita basis, and excluding the parallel campaign, electoral spending in the Tweed 2004 election was 1.7 times greater than Hasting's, 2.1 times greater than Coffs Harbour's, 3 times greater than Byron's, and 3.9 times greater than Ballina's. When the minimum estimate of expenditure including the parallel campaign is compared with the four councils the differences jump to Tweed expenditure being 2.8 times larger than Hasting's, 3.6 times larger than Coffs Harbour's, 5.2 times larger than Byron's, and 6.7 times larger than Ballina's. If the maximum estimate of including the parallel campaign is used expenditure in Tweed was 3.8 times greater than Hasting's, 4.9 times greater than Coffs Harbour's, 7 times greater than Byron's, and 9.1 times greater than Ballina's.

Table 2.2.3: Political Contributions of \$1000+ as a Percentage of Candidate's Own Expenditure

2004 Election

|                                |       |
|--------------------------------|-------|
| Hastings                       | 12.0  |
| Byron                          | 56.2  |
| Ballina                        | 0     |
| Coffs Harbour                  | 40.5  |
| Tweed                          | 198.3 |
| Tweed with parallel campaign*  | 207.3 |
| Tweed with parallel campaign** | 302.8 |

\* minimum estimate \*\* maximum estimate

Source: NSW Election Funding Authority

The funding impact of political donations on the 2004 election in Tweed Shire Council is starkly portrayed in comparison with other coastal councils in Table 2.2.3.

Table 2.2.4

Candidate's Own Expenditure as a Percentage of Total Expenditure

NSW Coastal Councils 2004

|                                |      |
|--------------------------------|------|
| Hastings                       | 52.7 |
| Byron                          | 26.2 |
| Ballina                        | 97.1 |
| Coffs Harbour                  | 50.7 |
| Tweed                          | 34.2 |
| Tweed with parallel campaign*  | 20.6 |
| Tweed with parallel campaign** | 15.2 |

\* minimum estimate \*\* maximum estimate

Source: NSW Election Funding Authority

As Table 2.2.4 shows Tweed and Byron councils contrasted with the other coastal councils examined in terms of the quantity of electoral funds expended by the councils. It should be noted that the total of the electoral spending in Byron was only \$35,232.

By any measure the quantity of funds applied to the Tweed Shire Council elections of 2004 was extraordinarily high compared to councils with similar characteristics. The relativities when donations are reduced to a per capita level show that the levels of donations in Tweed were remarkably high (Table 2.2.5).

Table 2.2.5

Per Capita Donations Coastal Councils 2004 Elections

|                                |        |
|--------------------------------|--------|
| Hastings                       | \$0.25 |
| Byron                          | \$0.65 |
| Ballina                        | 0      |
| Coffs Harbour                  | \$0.66 |
| Tweed                          | \$2.16 |
| Tweed with parallel campaign*  | \$4.51 |
| Tweed with parallel campaign** | \$6.75 |

\* minimum estimate \*\* maximum estimate

Examination of the source of the donations to candidates suggests one explanation for the high level of donations to the Tweed election: 98.4% of the donors came from the property industry.

| <b>ANNEXURE "C"</b>   |   |                          |                                |
|---|---|--------------------------|--------------------------------|
| <b>DETAILS OF GIFTS OR DONATIONS RECEIVED BY TWEED DIRECTIONS</b> |   |                          |                                |
| <b>Date 2004</b>  | <b>Name and Address of Person, Body or Organisation Making Gift</b>           | <b>Brief Description</b> | <b>Amount of Value of Gift</b> |
| 19-Jan  | Usher Powell Developments Pty Ltd<br>PO Box 8962<br>GCMC 9726                 | cash                     | \$ 10,000.00                   |
| 27-Jan  | Bradshaw Developments Pty Ltd<br>PO Box 4004<br>MILPERRA 1891                 | cash                     | \$ 975.00                      |
| " "   | Leisurebid Pty Ltd<br>PO Box 4004<br>MILPERRA 1891                            | cash                     | \$ 975.00                      |
| " "   | Bradshaw Developments Pty Ltd<br>PO Box 4004<br>MILPERRA 1891                 | cash                     | \$ 975.00                      |
| " "   | Prop & Recl<br>PO Box 4004<br>MILPERRA 1891                                   | cash                     | \$ 975.00                      |
| 3-Feb   | DTZ Valuers<br>PO Box 8095<br>GCMC 9726                                       | cash                     | \$ 2,000.00                    |
| 4-Feb   | Michel Survey Group<br>PO Box 665<br>SURFERS PARADISE 4217                    | cash                     | \$ 500.00                      |
| 9-Feb   | Mark Stapleton & Associates<br>PO Box 243<br>BANORA POINT 2486                | cash                     | \$ 300.00                      |
| " "   | John Coleman<br>PO Box 1433<br>KINGSCLIFF NSW 2487                            | cash                     | \$ 1,000.00                    |
| " "   | LJ Hooker, Kingscliff<br>106 Marine Parade<br>KINGSCLIFF NSW 2487             | cash                     | \$ 500.00                      |
| 10-Feb  | Perry Homes (Aust) Pty Ltd<br>47- 49 Minjungbal Drv 2486<br>TWEED HEADS SOUTH | cash                     | \$ 5,000.00                    |
| " "   | Stewart Silver King & Burns<br>PO Box 8319<br>GCMC 9726                       | cash                     | \$ 5,000.00                    |
| 10-Feb  | Axis Campaigns<br>8 Petrie Terrace<br>BRISBANE 4000                           | cash                     | \$ 2,000.00                    |

380625\_1.XLS

| Date 2004 | Name and Address of Person, Body or Organisation Making Gift  | Brief Description | Amount of Value of Gift |
|-----------|---|-------------------|-------------------------|
| " "       | Almoni P/L<br>14 Bozier Court<br>CASUARINA, KINGSCLIFF SOUTH,<br>NSW 2487   | cash              | \$ 5,000.00             |
| 17-Feb    | APH Properties/Macquarie St Projects<br>Level 3<br>345 Anne Street<br>BRISBANE 4000                                   | cash              | \$ 10,000.00            |
| 20-Feb    | North Steyne Investments<br>40 Sydney Road<br>MANLY 2095  | cash              | \$ 20,000.00            |
| 23-Feb    | Richtech Pty Ltd<br>6/1990 Logan Road<br>UPPER MT GRAVATT 4122  | cash              | \$ 30,000.00            |
| 1-Mar     | T Younan<br>11 Shore Place<br>KINGSCLIFF NSW  | cash              | \$ 1,000.00             |
| " "       | T & T Building<br>PO Box 446<br>TUGUN 4224  | cash              | \$ 1,000.00             |
| " "       | Southern Pacific Mercantile<br>Association Pty Ltd<br>PO Box 2012<br>GRACEVILLE 4075                                  | cash              | \$ 5,000.00             |
| 3-Mar     | The Wintersun Festival Association<br>Inc.<br>PO Box 913<br>COOLANGATTA 4225  | cash              | \$ 1,000.00             |
| 3-Mar     | PRD Consulting Services Pty Ltd<br>PO Box 844<br>SURFERS PARADISE 4217  | cash              | \$ 5,000.00             |
| 3-Mar     | North Steyne Investments<br>40 Sydney Road<br>MANLY 2095  | cash              | \$ 60,000.00            |
| 4-Mar     | Kings Beach (No. 2) Pty Ltd<br>Level 12<br>344 Queen Street<br>BRISBANE QLD 4000                                      | cash              | \$ 25,000.00            |
| 5-Mar     | Kings Beach (No. 2) Pty Ltd<br>Level 12<br>344 Queen Street<br>BRISBANE QLD 4000                                      | cash              | \$ 25,000.00            |
| 11-Mar    | Expo Park Bagcorp Pty Ltd & Bagcorp<br>Pty Ltd<br>Unit 1 Corporate House<br>Corporation Cct<br>TWEED HEADS SOUTH 2486 | cash              | \$ 50,000.00            |

380625\_1.XLS

| Date 2004 | Name and Address of Person, Body or Organisation Making Gift                                   | Brief Description | Amount of Value of Gift |
|-----------|--|-------------------|-------------------------|
| 12-Mar    | Angus Johnson/JV Property Syndicates<br>16/455 Brunswick Street<br>BRISBANE QLD 4000           | cash              | \$ 5,000.00             |
| 17-Mar    | Metricon Qld Pty Ltd<br>PO Box 2791<br>SOUTHPORT 4215  | cash              | \$ 12,500.00            |
| " "       | Metricon Qld Pty Ltd & Lanlex No 49 P/L<br>PO Box 2791<br>SOUTHPORT 4215                       | cash              | \$ 7,500.00             |
| " "       | Paul Bolster - Bolster & Co<br>8 Beryl Street<br>TWEED HEADS NSW 2485                          | cash              | \$ 10,000.00            |
| 19-Mar    | Tweed Coast Homes Pty Ltd<br>PO Box 10<br>CABARITA BEACH NSW                                   | cash              | \$ 5,000.00             |
| 23-Mar    | Greenview Developments Pty Ltd/South-East Excavations<br>PO Box 6009<br>TWEED HEADS SOUTH 2486 | cash              | \$ 5,000.00             |
| 25-Mar    | BSI<br>PO Box 3007 DC<br>TWEED HEADS SOUTH 2486  | cash              | \$ 24,999.00            |
| 26-Mar    | Denward Bond Pty Ltd<br>PO Box 6426<br>TWEED HEADS SOUTH 2486                                  | cash              | \$ 1,500.00             |
| 7-Apr     | Danny McLaughlin<br>PO Box 3007 DC<br>TWEED HEADS SOUTH NSW 2486                               | cash              | \$ 1,500.00             |

Source: Tweed Directions Declaration to the Electoral Funding Office of NSW.

A reasonable hypothesis is that those with property interests in the Tweed area were concerned to have a council elected that would protect their interests.

Mr. Staerk, who was an organiser of the Tweed Directions campaign, refuted this hypothesis when he appeared at the Public Hearings (**T. 23/2/05 p. 370**).

*MR STAERK: Absolutely. Look, I think the other thing, I've been reading the coverage of the inquiry so far, and a lot of talk about perceptions and a lot of talk about Chinese walls, and a lot of talk about, you know, the motivations of developers. It's very important to make clear that developers don't donate for influence. They donate, as the*

*Gold Coast Bulletin editorial said the other day, towards a value proposition, a philosophical proposition. People in business life do that at every level of government in every State, and the Tweed is no different. There was a real fear in the Tweed of a Byron Bay-style take-over of the Council where you would have some of the policies enunciated by the alternative council teams, such as populations caps, such as a shrink or sink proposition, that was, you know, that is very fearful - - -*

MR BROAD: *But - - -*

*MR STAERK: - - - to the business - I'll finish my answer - that's very fearful to the business community. Developers donate to a proposition of who is - who are the best qualified, who holds a view similar to theirs in life. Developers in the Tweed - and there is not one developer to our campaign that differs from this - developers in the Tweed and business people in the Tweed donated towards a proposition, a valued proposition around the kind of governments they wanted in the Tweed, not in favour of a development application, not in favour of their personal interests, because, you know, if you polled donors to all parties at all levels across Australia, it's about their viewpoint. It's about their life view. It's not about donations for decisions, and I think the inquiry has to be very careful around that kind of questioning because, you know, it goes to the issue of motivation of people.*

Mr. Staerk's argument that developers donate towards "a value proposition, a philosophical proposition", and that "developers don't donate for influence" is difficult to accept on two counts.

First, is the fact that developers and allied groups within the property industry accounted for almost all of the donations to the Tweed election. Why did proponents of the property industry, alone amongst the many different industry and service sectors in the Tweed area, contribute to so much to Tweed Directions? Is there any logical reason to suppose that developers have stronger values and a deeper sense of philosophical matters that might pertain to Local Government than any other group? And that their values and philosophies are so deeply developed that they would be prepared to supply substantial quantities of money to candidates in an election without any expectation that by so doing they might be protecting their business interests? There is, however, a logical argument that can be made to explain why developers and others in the property industry would have a very direct interest in Local Government. Local Governments have a primary responsibility for planning the land uses of their areas, and they are the consent authority for most of the developments that take place in their area. The Elected Representatives oversee the preparation of Local Environment Plans (before they are approved by the Department of Infrastructure, Planning and Natural Resources), Development Control Plans, and broad strategic plans for their area. They have the power to vary zoning requirements. They have the ultimate say in whether individual development proposals are approved or not. Given these powers it is hard to make any conclusion other than that developers and others in the property industry have a direct and strong self-interest in the composition of councils, and that the most compelling reason for them to make substantial donations during an election is to protect their self-interest. The Elected

Representatives have the power to remove a prime commercial risk that developers must face: the risk that the council will not consent to a development application.

Second, Mr. Staerk's argument fails to address a central issue: why was so much money donated to the Tweed election and why was so little, relatively, given to the elections in other similar coastal councils? The answer must surely lie in the perception of greater opportunities in the Tweed area by developers, and the obvious fact that those opportunities would need the support of council if they were to be seized.

Mr. Staerk also argued that "it's fallacious to say that all developers donated or all donations came from developers". In fact 92% of the donors to Tweed Directions were property developers. A further 6.4% of donors hailed from other sectors of the property industry. Every one of the developers who were donors had an interest in the Tweed property market.

**The driving force for the set up of Tweed Directions was generally for the promotion of business, growth and opportunity on the Tweed, but it was set up about 6 months prior to the Tweed Shire Council Elections in early 2004 with one of its intentions to:-**

- 1. Provide funding to Council candidates who supported the Objects and a platform of growth, business, development and opportunity for the Tweed; and**
- 2. To play a role as a third party campaigner in that election, to highlight and promote issues that were relevant to a viable future for the Tweed.**

In its submission to the Inquiry (S. 263 p. 2) Tweed Directions stated that it was primarily concerned with the promotion of business, growth and opportunity on the Tweed, and that it was designed to fund candidates who supported its platform. Since almost all its contributors came from the property industry it might reasonably be assumed that this was the business that was intended to grow and be given opportunities.

**(S.263 p. 10)**

- 1. Tweed Directions aggressively sourced contributions from Tweed businesses, individuals, land owners and developers. Did they have an interest in whether the Tweed would go forward or go backwards? Of course they did! Tweed Directions received a fabulous response from these stakeholders because they recognised the serious and extreme nature of activists attempting to turn off the Tweed's moment of economic sunshine.**

**(T. Staerk 23/2/05 p. 372-373)**

**MR BROAD: *Can I put the questions to you, please? The funding disclosure that you have provided to the Electoral Commission, which of the developers disclosed in that do not have an interest in the Tweed?***

MR STAERK: *I've not read it in that way. You are reading it.*

MR BROAD: *No, I'm trying to draw from your statement. I think you suggested that there were people who had made donations who did not have an interest in the Tweed. Now, is that correct or not?*

MR STAERK: *Oh, look, I will have to go back and have a look at it, but my view is that not everyone has a development application or a residential aspect to their donation. If you go through the donation list there's business people who just care about the nature of governments in the Tweed, the fear of Byron Bay style takeover, the need for adequate planning for infrastructure, the need for not a shrink or sink mentality, but the need for a progress. I would note that other part of my submission is the attachment around the Alan Midwood report. That's a commonly held view that the alternatives last March were about a return to the dark days of economic misdevelopment - hang on - or a bright new future.*

PROF DALY: *We've read your submission. Just answer the - - -*

MR STAERK: *So it's fallacious to say that all developers donated or all donations came from developers. It was a business community response to what they saw as the dangers to the future of the Tweed.*

The majority of the funds provided by property interests came from outside of the Tweed area. Queensland property interests provided 42.9% of the donations to Tweed Directions. 24.6% came from groups in other parts of New South Wales, and 3% from Victoria. Donations from firms local to the Tweed made up 29.5% of the donations. 74.4% of the Tweed-based donations came from 2 companies, both part of the businesses run by Mr. Blundell, a central figure in organising Tweed Directions. In fact in his evidence Mr. Blundell suggested that his appeals to local businessmen were not very successful.

**(T. 23/2/05 p. 402)**

MR BROAD: *Now, in respect of approaches to developers, did you approach any developers for funding?*

MR PIERS-BLUNDELL: *I approached mainly business people. I don't have a lot of contact with larger developers, but the sorts of people that I contacted really were business people in the Shire. They had small or medium businesses and - - -*

MR BROAD: *What, building firms?*

MR PIERS-BLUNDELL: *- - - unfortunately, they were not larger donors, so that's probably why I felt compelled to provide larger sums myself.*

Mr. Staerk's assertions that there are business people who basically care only about the

nature of governance in the Tweed, and have no self-interest, may well be correct in a general kind of way for some contributors. It appears much more likely, however, that they were primarily fearful of a “Byron Bay style takeover”, and were anxious to protect their interests in the Tweed. It is fanciful to conclude that the companies based outside of the Tweed, that contributed 70.5% of the Tweed Directions pool of funds, and who had property interests in the Tweed, just happened to decide to support the principle of good governance (as they understood it) there and not in other councils. It is equally as fanciful to think that the donors had no particular view that if a council that favoured development were to be elected their business interests might be protected. The two largest donors gave \$80,000 and \$74,999 each to Tweed Directions, or 45.42% of the pool. These are large sums; so large that it beggars any belief that the funds were given for any reason other than safeguarding their business interests by trying to ensure the election of a council made up of Elected Representatives favourable to further development. Viewed from another perspective such donations might simply make good business sense. They might be viewed as a kind of insurance policy against the commercial risk contained in the development consent process.

### 2.2.2 The Tweed Directions Organisation

Mr. Blundell followed in the footsteps of Mr. Bedser. He was a local businessman with a strong interest in trying to achieve the election of a conservative council<sup>9</sup>. Mr. Blundell’s approach to achieving that outcome built on the Bedser model to such a point that it transformed the original model into a much larger and more sophisticated form. The Tweed Directions’ submission to the inquiry (**S. 263 p. 2**) set out the incorporation and objects of the group.

---

<sup>9</sup> The term conservative council was frequently used by Mr. Bedser. It is taken to mean a pro-business council.

Tweed Directions is a Tweed based community and business association.

Tweed Directions was incorporated on 11 November, 2003. The Objects of the Association incorporated into the Constitution of Tweed Directions are as follows:-

1. To promote Tweed business and community issues and the natural and built environments of the Tweed in order to assist in maintaining the platform for further economic growth of the Tweed Shire.
2. To propose strategies and innovative solutions to Local and State Government relating to its objects.
3. To actively raise funds from entities both within and outside the Tweed and if necessary to borrow any funds, to be utilised for achieving its Objects.
4. To promote, oppose and resource political parties, groups or candidates at Local, State or Federal Government level that the Association believe will help it to best achieve its Objects."

Tweed Directions Committee members comprise Mr Alan Blundell and Mr Graham Staerk.

The membership of Tweed Directions comprises a cross-section of the Tweed Business Community.

The income of Tweed Directions is sourced through donations from Tweed residents and the business and land owning community. All donations to Tweed Directions are utilised for the purposes of its Objects.

Mr. Blundell gave an account of how Tweed Directions began, when he appeared at the Public Hearings (T. 23/2/05 p. 392-393).

PROF DALY: *From the evidence that's come before me, there was a meeting in September 2003 that, I think, you called?*

MR PIERS-BLUNDELL: *Yes, that's be right. I don't know the exact dates but it sounds about right.*

PROF DALY: *And, there were a number of business people from the Tweed area that attending that meeting. Is that correct?*

MR PIERS-BLUNDELL: *Yes, throughout just general business, for some months prior to that I'd been discussing with colleagues that we really do need to get organised to*

*assist in the election campaign for the local government and it was about that time that we belatedly got together, yes.*

PROF DALY: *Can you tell me who might have been at that meeting?*

MR PIERS-BLUNDELL: *Yes, there was about half a dozen people from memory. It was myself and Bidwell Richards and Derek Budd and Mike Allen and - I can't really remember the exact - there was one or two other people, I think.*

PROF DALY: *Yes. Was Mr - - -*

MR PIERS-BLUNDELL: *I'm not saying it was Staerk.*

PROF DALY: *- - - Staerk at that meeting?*

MR PIERS-BLUNDELL: *No, he wasn't at that meeting.*

PROF DALY: *Okay. When did you make contact with Mr Staerk?*

MR PIERS-BLUNDELL: *I think it was probably very soon after that meeting. In the discussions that we had we were looking for someone that had had experience in election campaigning and could assist us.*

PROF DALY: *Yes, so Mr Staerk came to you with a model, as it were, of how you'd do it. Is that - - -*

MR PIERS-BLUNDELL: *Well, no, it was a little more convoluted than that. Actually, now that I think back, that first meeting was probably prior to September because we were mindful of our legal requirements in terms of funding and fundraising for a election campaign as there are in all campaigns. We had a new Election Act which this election was being run under and that was quite confusing to a lot of people and we sought advice from a number of people which we - well, people that we believed were experts in that sort of thing and it was during that process that we were introduced to Graham Staerk and he had some input in relation to that but we actually went to lawyers and things like that to get opinions, yes.*

PROF DALY: *So that would have taken some time to source through potential ways of doing it and - - -*

MR PIERS-BLUNDELL: *Yes, it was quite frustrating really because the advice that we were getting was necessary to look at it in light of the new Local Government Election Act or whatever it's appropriately called.*

Mr. Blundell is the President of Tweed Directions. Mr. Staerk is the Secretary/Treasurer. Mr. Staerk has been a central figure in organising the operations of Tweed Directions. He believed his key functions were to raise funds for the campaign at arms-length from

candidates, to introduce a higher standard of political campaigning, and to ensure a victory in the election (T. 23/2/05 p. 365-366).

MR STAERK: ... *It was set up to provide structure, provide an arm's length capacity for fundraising, to ensure that candidates and existing - sitting councillors and candidates were as far removed as possible from the process of fundraising. It was set up to ensure a higher standard of political campaigning, and I'm happy to go into details of what that means, a higher standard of political campaigning.*

PROF DALY: *We'll come back to that.*

MR STAERK: *Sure. To, you know, to ensure, without any apologies, a victor in the 2004 election.*

Mr. Staerk indicated (T. 23/2/05 p. 367-368) that personally he believed that donations should be disclosed to the public but he was instructed by the people who had hired his services to establish the maximum distance between donors and candidates, "because some in our group suspected there might be an inquiry later on".

MR BROAD: *You indicated that the intent was to remove the perception that the donor and the candidate were close, or had relationships.*

MR STAERK: *Look, I think it's a preferable system that disclosure takes place. One of the reasons we're all sitting here today discussing donations is you know who donated and how much they did. Disclosure is the basis of any transparent and honest methodology around fundraising in my view. However, prior to becoming formally involved in Tweed Directions, I had some requirements around my participations, and those requirements were that a third party operation should be formed to keep the maximum distance because some in our group suspected there might be an inquiry later on.*

MR BROAD: *Now, when it came - - -*

MR STAERK: *And donations - donations, and it's been in the press in Sydney and Brisbane recently about the millions of dollars received by other parties from business and developers - donations is always going to be a controversial issue because there's always going to be the allegation of closeness, and all you can do in our system is maximise the distance, unless you want to go further in denying the right to donate, which I believe to be undemocratic.*

Both Mr. Staerk and Mr. Blundell gave a simple account of how funds were raised: each member of the group would approach business associates and request donations (T. 23/2/05 p. 394).

MS ANNIS-BROWN: *In terms of getting the money, if you like - - -*

MR PIERS-BLUNDELL: *Yes.*

MS ANNIS-BROWN: *- - - and collecting it, I'd just like to know how you went about getting that. Did you hold fundraisers, meetings, go out for dinner, doorknocking? How did you achieve that?*

MR PIERS-BLUNDELL: *No. Well, I put a lot in myself. I'm not great at asking people for money but I did ask some people for some funds, for some assistance and actually we tried to get everyone within the organisation to ask and it was a matter of really sitting down and thinking to yourself, who may be interested in contributing? It became obvious, of course, that disclosure was an extremely important issue. One of the - well, not one, probably the only condition that we put on anyone who was willing to contribute was that they had to be prepared to be disclosed, that we weren't going to try and do anything funny or silly not to disclose anyone, so everyone in the group really just thought of people that they might know or have had dealings with that they could approach and request funds.*

Mr. Staerk enrolled the assistance of professional campaign organisers from Brisbane (Mr. Baudino) and Sydney (Mr. Egan) to assist him in establishing the campaign. Mr. Staerk stated that the Tweed Directions group met every Monday for six months from September 2003 (T. 23/2/05 p. 377-378). He distinguished between the campaign run by Tweed Directions and the campaigns of the individual groups that received funds from Tweed Directions. He makes it clear that the “umbrella” campaign that Tweed Directions was running was “the main game” in the Tweed election campaign. The leaders of the groups were invited to some meetings but it is clear that the specific campaigns that they ran for their groups were considered to be of relatively minor importance to Mr. Staerk.

MS ANNIS-BROWN: *So are you aware at all about any market research that went into the selection of candidates?*

MR STAERK: *There were two lots of market research conducted. I don't have copies of them. They weren't ordered by me, they were ordered by another person of the campaign group, a Mr Bob Baudino, but I'm aware of the contents and what it meant to the conduct of our campaign.*

MS ANNIS-BROWN: *Just to go back I just wanted to specifically ask you did you meet with any of the candidates at any stage during the campaign?*

MR STAERK: *We invited appropriately various leaders of the teams. Don't forget from about September - August or September - through to March, which is a six month period, the group met in different forms every Monday. Every Monday. And there would be in the case of the Mayor the Mayor might have attended three or four times. I thought it might have been less but I notice the Mayor said three or four times and that's probably*

*about right and that was on our invitation just to see how he was going and what he was doing.*

*We never ever sought to involve ourselves direct or in any way control the individual candidate activities. It was a matter for them and - but we would invite them because we had a, you know, a de facto, political organisation running. We invited them to know how their activity was fitting into ours because we were running the umbrella campaign and they were running the specific. So we would invite Lynne Beck, Warren Polglase, John Murray might have come to a couple of meetings, I think Gavin Lawrie might have come to a few meetings and Phil Youngblood might have been at one.*

*But, you know, the main game in the Tweed election campaign was the Tweed Directions campaign whilst we asked candidates to, you know, implement their own.*

MS ANNIS-BROWN: *In these meetings you say a meeting is held every Monday with the team leaders. Surely, the team leaders would have given you feedback regarding the other members of the group.*

MR STAERK: *About the other members of their own candidate teams?*

MS ANNIS-BROWN: *Yes.*

MR STAERK: *No, it wasn't about that. These were umbrella meetings about over-arching and I've been involved in many over 20 years. These were about the to and fro of day-to-day media campaigning, advertising, where we are in the marketplace, how their campaign is fitting into the global campaign. If you've ever been on the inside of a political campaign you'd know what I mean.*

*You don't drill down into the individual behaviour of any particular candidate, it's about the generic, it's about the umbrella campaign, you know, creating an environment whereby a majority of councillors might be re-elected. That was our whole and sole aim as Tweed Directions.*

Mr. Staerk stated that Tweed Directions did not select candidates, indicating that Mr. Blundell might have been responsible for that.

**(T. 23/2/05 p. 375-377)**

MS ANNIS-BROWN: *I think we might move on to the selection process of candidates. The first thing I'd like to talk to you about is how do people know that Tweed Directions was around, basically? I mean, did you put ads in the newspaper? How did you get it known that this organisation, if you like, was around to assist them?*

MR STAERK: *Ultimately, there were nine groups of 54 candidates or more. I think some teams might have had more than six but I six was the basic requirement under the new electoral system that was instituted for this campaign. The team leaders there all tended to be senior councillors from the previous administration seeing re-election. And*

*because of the change in the electoral system, you know, they then determined that they weren't going to run as one team.*

*They determined - and I'm sure they speak on behalf of themselves – they determined, as I understand it, to run separately as leaders of teams, and, however, those leaders of those teams, sitting councillors, were known to various people involved with the Committee and discussions came from there. There were, of course, other teams that weren't led by sitting councillors; the Hundred Group, from memory, the John Murray Group was not an existing councillor and there was broad knowledge within the Tweed Directions grouping - not with myself, of course, because I wasn't a local - but there was broad knowledge about their aims and objectives, probably their political views, probably their long held local relationships or whatever.*

*And by the time that nominations closed there was nine - you know, there were nine teams of 54 candidates and other persons made those decisions. I was never involved in those decisions.*

*MS ANNIS-BROWN: So you didn't actively advertise the organisation and its purpose or objectives at any stage?*

*MR STAERK: To the degree that the Tweed is a small area, and I would argue in some ways it's not, but to the degree that the Tweed is a relatively small area and the persons involved in the political system down here seem to all know each other it would have been through relationships and networks and words of mouth that I wasn't involved with. So I imagine - from my position as somewhat of an outsider it appeared that the teams came together slowly and there was a, you know, bubbling up of - a new understanding of the electoral system and by the time the nomination was closed people has sorted themselves out into teams and found the prerequisite number of candidates.*

*And from there there was a clear understanding at Tweed Directions, you know, with the exception of one group, which came late, which is the Hundred Group, that they were the groups that would be funded because their aims, objectives, philosophies - they used political relationships, local relationships would come to the fore.*

*MS ANNIS-BROWN: So it was essentially through word of mouth, is that what you're suggesting?*

*MR STAERK: I suspect that but I don't have any detailed knowledge of that because my role was not involved in selecting candidates, selecting groups, etcetera, etcetera. I had a pure campaign mechanism role.*

*MS ANNIS-BROWN: Who was responsible for that?*

*MR STAERK: Look, to a great degree it may have been Alan Blundell, but we've never had a detailed discussion about this. I wasn't involved in the candidate selection, that was a matter for local people. And as I understand it Tweed Directions certainly didn't*

*frame those candidate groups, that was entirely left to the group leaders who were sitting councillors. So there was no input as I knew it and I certainly heard no input or was involved in any meetings around that.*

Mr. Blundell was not very precise in his description of how candidates were selected (T. 23/2/05 p. 393-394). He seemed to suggest that somehow it just happened: conservative councillors made suggestions or people simply heard about the campaign and put their hands up. This seems to add substance to Mr. Staerk's contention that the Tweed Directions' umbrella campaign was the main game.

*PROF DALY: Yes. I think it was one of the newspapers reported that you had said that you would choose who would get the money, who would stand. Was that correct? Did you talk about that too at some stage?*

*MR PIERS-BLUNDELL: Unfortunately, you can't believe a lot in the newspapers these days so, it wasn't - no, it wasn't a task that I took on myself but we were looking for people of conservative view. From the ensuing publicity that's occurred there seems to be this term of pro development council that we were looking for. We were not looking for that. We were looking for people that we thought were progressive but their decision-making in the council chamber would provide commercial opportunity to people so that we could have a prosperous Tweed.*

*To that end, we believed that there were some existing councillors that fitted that mould and we, through various contacts, anyone of our loose group, if you would put it that way, spoke, to councillors and said, "You know, it's going to be a bit campaign coming up" and "What do you think about it?" and, as time progressed, there were other individuals that put their hand up and said, yes, they were going to stand to council and we, through their public involvement as citizens, were able to understand whether they were business-minded, pro-business type of material so to speak.*

Councillor Murray was more explicit about the selection of candidates in his evidence (T. 23/2/05 p. 225-227). It appears that there were a number of meetings at which prospective candidates met with the Tweed Directions group and discussed their possibilities of standing at the election and receiving Tweed Directions support. That support could include advice on campaign structure and presentation. Most importantly the candidates would receive funding. Funding initially would consist of \$10,000 that would be placed in a bank account especially opened by the candidate for that purpose. Additional funds were supplied according to need as the group's campaign developed. Councillor Murray stated that he did not know what selection criteria were used by Tweed Directions to select certain candidates from an apparently fairly large group of contenders. Mr. Staerk's evidence suggests that the candidates being selected were group leaders rather than simply members of a group.

*CR MURRAY: The 10,000 was paid in by bank deposit into my bank account. It was set up specifically for the election.*

PROF DALY: *But they must have contacted you?*

CR MURRAY: *Yes, we had had discussions, yes.*

PROF DALY: *Who were the discussions with?*

CR MURRAY: *I had had - I had sat in on a couple of meetings before making a decision. But there were some candidates and there would have been Alan Blundell, most certainly. There were - Graham Stark was there and quite a lot of other people so - just drifting in and drifting out; no formal sort of base to the meeting, just very casual meetings. But I had been asked to stand and - yes.*

PROF DALY: *But everyone who drifted in and drifted out presumably didn't get \$10,000.*

CR MURRAY: *Mr Commissioner, I don't know. I don't know. I can only talk about my own situation. I was approached to stand. I did some preliminary figures on what sort of money that was required - but certainly it didn't add up to a \$10,000 figure. It was certainly far in excess of that. But the first payment was certainly \$10,000. So there were several payments that fell in line fairly closely to an advertising marketing promotional plan that I had put together.*

PROF DALY: *These meetings that you were referring to - you said you went to a few of them.*

CR MURRAY: *Yes.*

PROF DALY: *What was their nature? Was it a kind of recruiting meeting or something?*

CR MURRAY: *I think there was a little bit of that in the early stages. There were certainly quite a few interested candidates involved in the early stages. But there were people there from advertising companies, there were political analysts, there were some people with media skills, a whole lot of candidates.*

PROF DALY: *Can I take those things you've just mentioned step by step.*

CR MURRAY: *Yes.*

PROF DALY: *There are a lot of people with media skills and so forth. What exactly were they doing at these meetings? Were they outlining how a campaign should be run or what was the purpose of - - -*

CR MURRAY: *I think there were some offers in that regard but that wasn't the purpose of - that wasn't to my benefit. The people - there were people there with media skills who*

*were prepared to do - and help out with how to set out ads and how to book space. There was a whole lot of support. There was basically a support mechanism there available to candidates. But I was very fortunate because my number two running partner was somebody that was in the media industry and he runs his own publication so between us, and of course the rest of the team, we were actually to plan our own path - totally our own campaign.*

*PROF DALY: With \$23,700 from Tweed Directions. The other part that you were just mentioning was there were a lot of candidates turning up at these meetings. Have you any sense - can you give me any sense of how some candidates got selected, as it were? Is that the right term? How did they get on the books - - -*

*CR MURRAY: I'm sorry, I can't answer that. That's outside of my knowledge.*

*PROF DALY: But you got on.*

*CR MURRAY: Sorry?*

*PROF DALY: You got on.*

*CR MURRAY: Yes.*

*PROF DALY: So there must have been that they were impressed about from you.*

*CR MURRAY: I'm a pretty impressive sort of bloke, Mr Commissioner. I was - well, there must have been something there, okay, so I can't say what it was that they were impressed about me and the others. I don't know. They were - they had their own selection criteria and away they went. And I'm very fortunate that I was part of the process.*

Mr. Blundell gave evidence on the matters of selection and funding, but his evidence does not provide anything more than a broad impression of just how candidates who received Tweed Directions funds were selected.

**(T. 23/2/05 p. 397-399)**

*MS ANNIS-BROWN: Just returning to the funding model. And I just wanted to clarify with you something that Mr Staerk referred to earlier. He said that "amounts were given to candidates based on certain criteria and what we believed they deserved". Could you just elaborate on that?*

*MR PIERS-BLUNDELL: Well, that's probably not - probably not what you would call an accurate statement. As you know, I mean, I like Graham a lot. He is a PR man, so he - he speaks in that way. Basically the way we set the organisation up was that we believed it was very important that a third party campaign be run and that's the one which cost \$307,000, I think it was. It's reported at 320,000 - 342,000 I think, but it's*

*actually 307,000. And the other thing that was important is that the candidates that we believed were of the right philosophical view run their own campaign and they have to have their own issues and their own platforms.*

*Indeed, some of them were at odds with each other in various areas. Basically what we've said to them is "How much are you going to spend on your campaign?" And they would tell us and we knew if it was pretty much in the right field because it cost generally for a team \$20,000 to \$25,000 to run a campaign. We would say, "Give us a rough budget" so that we knew that they knew what they were doing and then we would say to them, "How much would you like in assistance?" Some of them didn't require as much because they put in more themselves or they may have had some family that were helping them or - I don't really know. I don't really care. And others asked for the whole lot.*

*So we just looked at how much money we had and if someone asked for the whole lot we gave them the whole lot. But it was very important they had to run their own campaign. In those groups there was something like 54 candidates, nine groups. We weren't in the business of running nine campaigns. It was physically impossible and we didn't want to, in any case. So what happened was as pledges came in we were able to make instalments on that promise that we would provide funds. So initially some parties got 5000, some got 10,000, but we made good with what we agreed to at that point. The other thing is that we also asked them to open a separate bank account because it's good practice in campaigning to put all your campaign funds through a specific bank account for a campaign and not mix it up with your own funds or your business bank account or anything like that. That's why we asked them to open their own bank account and preferably call it The Campaign Account.*

MS ANNIS-BROWN: *So what you're suggesting is the teams came to you or the team - through the team leaders or how did that occur?*

MR PIERS-BLUNDELL: *We dealt basically with the team leaders because otherwise how do we talk to 54 people.*

MS ANNIS-BROWN: *So they came to you? The team leaders came to you and said, "Our campaign is going to cost X amount".*

MR PIERS-BLUNDELL: *Some did. Some did.*

MS ANNIS-BROWN: *And we need - - -*

MR PIERS-BLUNDELL: *Some did. We also just through our network provided information to say that Tweed Directions are here. We have the ability to provide funding. We have the ability to provide some resources.*

*We had a couple of experts that we had available to the teams if they wanted to utilise that and that was to help explain to them the new voting system and the new Act and that sort of thing. So we sort of advised some people that we were there and a couple also*

*heard of us and came to us and we asked around as to - if we didn't know them as to who they were. And really that's how it worked.*

*We also - we also suggested to them that it was up to the individual team people but because of the system we were using where we were raising funds separately, going into a big pot and providing funds, that it may be better for them in terms of conflict of interest and that sort of thing then to accept a donation from someone directly to their own election account. Now, it was up to them whether they decided to do that or not.*

In relation to the selection of candidates, the raising of funds and other matters there appeared to be an unwillingness of those running Tweed Directions to supply details of their operations to the Inquiry. Directions Graphics and Directions Media were companies associated with Mr. Staerk who played a strong operational role for Tweed Directions. In an effort to obtain detailed information on how the Tweed Directions group operated summonses were ordered in the Supreme Court of New South Wales on February 1 2005 directing the Directions companies (and other groups: Addendum 2.2.2.1) to supply:

**All files, memoranda, presentations, diary entries, advertisements, promotional material, advices, advertising strategies, diary records, letters of engagement, meeting notes and other records of meetings, correspondence, invoices and records of payment; and/or copies of any of the above, whether in printed form or otherwise held by you, relating to your dealings with Tweed Directions Incorporated and/or the election of councillors of Tweed Shire Council in 2004.**

TAKE NOTICE that if you, without reasonable excuse, fail to comply with the requirements of this summons, you will commit an offence contrary to section 19 of the *Royal Commissions Act 1923*; or your failure may be dealt with as contempt of the Inquiry.

The Directions (Staerk) companies responded with a paltry quantity of information. Some of the information could not be deciphered<sup>10</sup> and there was basically almost nothing in terms of files, memoranda diary entries and the like. Some of the material applied to the Gold Coast and not to the Tweed. Mr. Staerk's evidence at the Public Hearings was strong on rhetoric and bereft of detail. Subsequently, on March 10 2005, a further request was made to Mr. Staerk for more information. That too produced little of consequence, and Mr. Staerk claimed that "any other daily records, emails, conversations, directions, contracts and notes were all (and only) compiled by Ms. Kimberley Hrastovec and Ms. Nicole King. None of these persons are currently employed by myself. Ms Hrastovec and Ms King are currently living and working in the United Kingdom and their files

<sup>10</sup> This included video material that was meant to show television campaign advertisements for the Tweed Directions umbrella campaign. There was nothing on the DVD.

(computer and otherwise were either cleared or lost prior to their departure) are unavailable”.

The Inquiry can only draw one conclusion from all of this: Mr. Staerk was determined to hide whatever detail of his company’s operations that might be in any way enlightening of the operations of Tweed Directions or injurious to the cause that he had been hired to promote. Mr. Staerk must be considered as a hostile witness.



## **Tweed Shire Council Public Inquiry**

Office of the Commissioner

Locked Bag A5045 SYDNEY SOUTH NSW 1235

TEL (02) 9289 4020 FAX (02) 9289 4099

EMAIL [InquiryCommissioner@dlg.nsw.gov.au](mailto:InquiryCommissioner@dlg.nsw.gov.au) WEB [www.dlg.nsw.gov.au/tweed](http://www.dlg.nsw.gov.au/tweed)

Directions Media  
30 James Street  
Burleigh Heads  
QLD 4220

10 March 2005

Dear Mr Staerk,

I ask that you review your records and that you produce any other material falling within the description of material sought in the schedule of the summons.

I am particularly concerned that you may not have produced this material and I take this opportunity to draw to your attention the provisions contained in Section 19 of the Royal Commissions Act which provides:

**Section 19 (1) Failure to attend or produce documents or other things**

*If any person served with a summons to attend a commission, whether the summons is served personally or by being left at the person’s usual place of abode, fails without reasonable excuse to attend the commission or to produce any documents or other things in the person’s custody or control which the person was required by the summons to produce, the person shall be guilty of an offence, and shall be liable to a penalty not exceeding 4 penalty units.*

I will allow until Wednesday 16 March 2005 for you to produce any further documents to the Inquiry’s office at Level 9, 323 Castlereagh Street, Sydney, 2000. Or alternatively

you may post the material to the Locked Bag address above but the material must arrive by 16 March 2005.

Yours sincerely,

Professor Maurice Daly  
**Inquiry Commissioner**

Graham Staerk  
CEO  
Directions Media  
Directions Graphics

16 March 2005-03-15

Dear Commissioner,

I acknowledge your letter of 10 March seeking more documentation or material in relation to the Tweed Shire Council Public Inquiry in relation to my role as CEO of Directions Media and Directions Graphics during the Tweed Shire elections.

Please note that I have at all times sought to cooperate with the Inquiry in the provision of material to date.

This includes the electoral and campaign advertising material supplied so far; the clippings of the editorial campaign conducted; and the cd of election tvc commercials.

Following your further request, the additional material I have been able to discover includes:

- Directions Graphics invoices paid by Tweed Directions.
- Directions Media invoices paid by Tweed Directions.
- Files relating to Directions Graphics activity on behalf on Tweed Directions.

Please note that any other daily records, emails, conversations, directions, contracts and notes in relation to the campaign were all (and only) compiled by the following persons:

- Ms Kimberley Hrastovec (Directions Media)
- Ms Nicole King (Directions Media)
- Ms Abbey Trueman (Directions Graphics)

None of these persons are currently employed by myself.

Ms Hrastovec and Ms King are currently living and working in the United Kingdom and their files (computer and otherwise were either cleared or lost prior to their departure) are unavailable.

Ms Trueman is currently employed by Delfin, however her campaign files are presented in full.

Furthermore, my Financial Controller/book keeper employed at that time – Mrs Karen Friend – has ceased working with my firm and I have been unable to contact her in relation to this matter.

So whilst I'm pleased to provide the material requested, please do not hesitate to contact me on 04000 48883 if you believe I can be of further assistance.

Yours

Graham Staerk  
CEO  
Directions Media  
Directions Graphics

In general, the evidence provided by Mr. Staerk and Mr. Blundell seemed to be designed to conceal the way in which Tweed Directions managed and operated the 2004 campaign, and to present a façade that was meant to hide the fact that Tweed Directions was responsible for funding and managing a concerted campaign that involved nine groups that purported to be independent of each other and of Tweed Directions. This was a gross exercise in deceit of the electorate.

The Tweed Directions submission to the Inquiry is replete with explanations of their general objectives against the background of the economic and social changes that have occurred in the Tweed over decades. This provides a broad rationale for the group's involvement in the election. In the Tweed Directions submission (**S. 263**), and in Mr. Blundell's and Mr. Staerk's appearances at the Public Hearings, they gave very general summaries of how they approached donors and how those donors were selected. Similarly, there was only the most general description of what took place at their meetings and who made decisions about various aspects of their operations. The information provided on how candidates were selected by Tweed Directions was risible in its lack of detail.

The evidence points to a similar reluctance to inform the community about its operations. The existence of Tweed Directions gradually seeped out, but its structure and funding base were never revealed in any substantive way during the campaign (**T. 23/2/05 p. 393**). The best clue perhaps was the insistence by the group who hired Mr. Staerk on the necessity of keeping candidates and donors at arms length. Presumably the group were fearful of the electors perceiving any potential conflicts of interest if they were to know

the origins of the funds. The arms length approach was designed to allow the individual groups to portray themselves as being genuine independents.

**(T. 23/2/05 p. 393)**

PROF DALY: *I'm not sure I've got the right terminology here, when did you go public as it were? When did people know that there was something called Tweed Directions?*

MR PIERS-BLUNDELL: *Well, Tweed's a fairly small community, really, and we never went public as such. We just went about doing our business but it was probably not until about October or November. I mean, Tweed Directions wasn't incorporated, I think, until November, from memory. I'd have to check that but there was a group of people working and, I suppose, it was really November-December when things started to become obvious that there was a group supporting a conservative push for council.*

### 2.2.3 Managing the 2004 Election Campaign

Mr. Blundell and Mr. Staerk seemed to imply in their evidence that the development of a campaign and the selection of candidates were somewhat casual in the way people were recruited to the Tweed Directions cause. The Inquiry issued a summons to Mr. Bob Baudino, one of the professionals engaged to help run the campaign, and to supply detailed material on how the campaign was organised. In contrast to Mr. Staerk was compliant with the summons. The material supplied by Mr. Baudino (henceforth referred to as the Baudino files) helps to piece together some of the detail of how the campaign was managed.

The contact list within the Baudino files indicates some of the people who were involved with the program from the early stages of developing an organising group. The list includes the Councillors who served on the Balance Team from 1999 to 2004, the professionals brought in to assist in directing the campaign (Staerk, Hrastovec, Egan), Paul Brinsmead (lawyer/developer/son of Councillor Brinsmead), Mr. Sutherland (a consultant to developers), Mr. Wilson (associate of the Richtech development group), Dr. Allen (the president of Tweed Community Vision), Mr. Budd (a solicitor), and Mr. Richards (waste services businessman). It should be noted that the list also included Mr. Bedser. Tweed Directions was incorporated on November 17 2003.

## Contact List:

**Alan Blundell:** (0) 07 5523 1472 (M) 0419 657 381 Email: [info@piersproperty.com](mailto:info@piersproperty.com)

**Bob Brinsmead:** (p): 02 66777279; Email: [rdb@tropicalfruitworld.com.au](mailto:rdb@tropicalfruitworld.com.au)

**Frank Wilson:** Mobile: 0418 735280; Phone (B) 3849 2966; (hFax) 3855 2277  
- Email: [acclaim@powerup.com.au](mailto:acclaim@powerup.com.au). (Wife Mobile) 0411083145

**Bill Bedser:** Phone (H) 0266791351 (b): 02 66723677. Email:  
[bbedser@norex.com.au](mailto:bbedser@norex.com.au)

- Mobile:

**Derek Budd:** PO Box 203, Tweed Heads 2485. Phone. (bus) 07 55362144; (h) 07 55241094

- email: [deedeg@worex.com.au](mailto:deedeg@worex.com.au)

**Dr. D. Weston Allen:** 278 Cudgen Road, Cudgen, 2487;

- Tweed Community Vision: PO Box 6517, Tweed Heads South;

- Phone (h) 0266745086, (B, Tues-Thurs.): 07 32495353;

- **Mobile:** 0407 995234. Email: [wesallen46@bigpond.com.au](mailto:wesallen46@bigpond.com.au).

**Paul W. Brinsmead:** c/- Hickey Lawyers, 6<sup>th</sup> Level, Corporate Centre, Bundall.

- Phone 07 5574 1000; Fax: 07 5574 1130. **Mobile:** 0417077728

- Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au).

**Graham Staek,** Winning Directions Pty. Ltd., 30 James Street, Burleigh Heads, 4220.

- Phone 07 55353900; **Mobile:** 0419 712833. (fax) 07 55353911.

**Kimberley Hrastovec:** Winning Directions: (P) 07 5535900; **Mobile:** 0423577899  
Email: [Kimberley@winningdirections.com.au](mailto:Kimberley@winningdirections.com.au)

**Idwall Richards:** **Mobile:** 0408, 196888; Phone: 02 66747656; Email:  
[idwall.richards@solo.com.au](mailto:idwall.richards@solo.com.au)

**Neil N.M.Sutherland:** **Mobile:** 0418 760919; (B) 55789944.

**Warren Polglase:** (0) 0266702401 (M) 0428 961 306 Email:  
[mayor@tweed.nsw.gov.au](mailto:mayor@tweed.nsw.gov.au)

**Lynne Beck:** (h) 02 6679 3204 Email: [magec@bigpond.com](mailto:magec@bigpond.com)

Phil Youngblutt: (M) 0428603584 Email: [pandmy@norex.com.au](mailto:pandmy@norex.com.au)

George Davidson: (o) 02 66763509 Email: [grdavidson7@bigpond.com.au](mailto:grdavidson7@bigpond.com.au)

Gavin Lawrie: (0) 02 66726997 Email: [gavinlawrie@better.net.au](mailto:gavinlawrie@better.net.au)

Wendy Marshall: (0) 02 6670 2400. Email: [shonaway@primus.com.au](mailto:shonaway@primus.com.au)

Bill Bedser: 02 6679 1351. Email: [bbedser@norex.com.au](mailto:bbedser@norex.com.au)

Jeff Egan (Flagship Communication): (0) 02 4739 0796 (M) 0425 340 044 Email: [jeff.egan@flagship-communications.com](mailto:jeff.egan@flagship-communications.com)

There was another group called Tweed Community Vision allied to Tweed Directions. This group appears to have been formed prior to the November 17 2003 incorporation of Tweed Directions. The role of Tweed Community Vision is discussed in 2.2.8, but it should be noted that a number of people on the Tweed Directions' list appeared on the list of the Tweed Community Vision's first members. It would seem that the Tweed Community Vision group became a subset or an operational arm of Tweed Directions. The problem of building an accurate picture of these groups flows from the vagueness of the evidence supplied by those involved. The Inquiry can only conclude that this vagueness was intentional. The following evidence supplied by Mr. Richards illustrates this (T. 10/3/05 p. 1185-1187).

MR RICHARDS: *Oh, occupation. Well, I'm virtually retired, but I am an ex-company director.*

PROF DALY: *Thank you. What business was your company associated with? What line of business?*

MR RICHARDS: *Well, waste management.*

PROF DALY: *Did you have contracts with the Tweed Shire Council?*

MR RICHARDS: *Did we?*

PROF DALY: *Yes.*

MR RICHARDS: *Yes, the company did.*

PROF DALY: *Does it still have contracts with them?*

MR RICHARDS: *Yes.*

PROF DALY: *Thank you. I'd like to ask you about a group called Tweed Community Vision. Could you explain what that group is and when it was formed and who was related to it?*

MR RICHARDS: *Well, I can't really, because I'm not prepared. Tweed Community Vision was formed about - well, prior to the Council election - to, as I understand it, present the facts associated with activities in the Shire.*

PROF DALY: *Were you a member?*

MR RICHARDS: *Well, it was loosely grouped. I suppose anyone attending a meeting was a member, perhaps.*

PROF DALY: *I have a document which lists - it is entitled "Tweed Community Vision List of First Members", and I'll mention the names on that list: Alan Blundell, Paul Brinsmead, Derek Budd, Neil Sutherland, your own name, Graham Stark, Tony Redonovic, John Murray, David Weston Allen, Mike Allen, Nicholas Carlos.*

MR RICHARDS: *Yes. Well, I was confusing that with Tweed Directions.*

PROF DALY: *Can you explain what Tweed Community Vision was then, if you were confusing them?*

MR RICHARDS: *Well, as far as I know, Tweed Community Vision was formed, as I said, to promulgate information relative to activities in the Tweed Shire, and I know there were several documents printed which I don't have any with me, but all they did was print the facts of what transpired in the Tweed Shire over the last several years and perhaps may have referred to what could happen in the next few years. But it was an information document as I remember it.*

PROF DALY: *You're listed, as I say, as one of the first members.*

MR RICHARDS: *Yes.*

PROF DALY: *What role did you play, and who organised the group? I've mentioned the names of the group.*

MR RICHARDS: *Well, I think the people that you've named there would be the organisers.*

PROF DALY: *Who? Someone must have - there's a number of names; there's about 10 or a dozen names. Who organised the group to get together?*

MR RICHARDS: *Well, we're basically friends, I guess. We'd meet - we had met on other occasions, and we probably thought that that was a good idea to promote what we started there.*

PROF DALY: *But someone must have taken the lead. Was it Mr Blundell, for example, or someone else?*

MR RICHARDS: *Well, I really can't answer that definitely, but we all had our input about the Tweed Community Vision because we felt the need to counter the misinformation that had been spread throughout the Tweed Shire by the media over the last several years - like four or five years - and that was why concerned people such as you've named there got together and said "We have to do something to let the people know the truth".*

PROF DALY: *You said that you were a little confused by my first question - confused Twee Community Vision with Tweed Directions.*

MR RICHARDS: *Yes.*

PROF DALY: *Could you tell me what the difference was? Tweed Directions, what role did that play as opposed to the role that Tweed Community Vision played?*

MR RICHARDS: *You're asking me something I can't answer definitely because I'm not sure where one - I know Tweed Directions was a separate entity, and I was part of Tweed Directions, and that's listed as well. Tweed Community Vision was a more loosely framed organisation to do those things, and I just can't separate - I can't draw a line as you're requesting me to how - where one started and the other finished.*

The Baudino files show a candidates list that includes 55 names of potential candidates, plus the (unnamed) Presidents of four bowling clubs, and unspecified “young active persons” and “sporting identities”. Each of the potential candidates was assigned a liaison person drawn from the Tweed Directions/Tweed Community Vision groups. It is very clear the campaign began with this potential group of candidates being completely undifferentiated in terms of policy views or linkage with each other. They existed on the list because they were seen as being potentially good candidates in terms of what Tweed Directions was trying to achieve. Eventually a number of them did stand for election. When they stood they were assigned to one of nine groups supported by Tweed Directions funding. At the time of drawing up this initial list the group structure was enormously fluid as the comments on the candidates indicate. In the campaign these groups presented themselves to the community as being independent, both in terms of policy and the other Tweed Directions-supported groups. From the very start it is obvious that each of the possible candidates listed had been chosen by Tweed Directions to represent the Tweed Directions’ objectives.

#### CANDIDATES LIST

| <b>NAMES OF CANDIDATES</b> | <b>COMMENTS ON THE CANDIDATES</b> | <b>LIAISON PERSON OR GROUP</b> | <b>HAVE THE CANDIDATES BEEN APPROACHED</b> | <b>CANDIDATE'S POSITION</b> |
|----------------------------|-----------------------------------|--------------------------------|--|-----------------------------|
| Warren Polglase            |                                   | Idwall Richards                |  |                             |
| George Davidson            |                                   | Warren Polglase                |  |                             |
| Lynne Beck                 |                                   | Bob Brinsmead                  |  |                             |
| Phil Youngblutt            | Will run. Don't know what group.  | Bob Brinsmead                  |  |                             |
| Bob Brinsmead              |                                   | Paul Brinsmead                 |  |                             |

| <b>NAMES OF CANDIDATES</b> | <b>COMMENTS ON THE CANDIDATES</b>   | <b>LIAISON PERSON OR GROUP</b> | <b>HAVE THE CANDIDATES BEEN APPROACHED</b> | <b>CANDIDATE'S POSITION</b> |
|----------------------------|---|--------------------------------|--|-----------------------------|
| Gavin Lawrie               | Will run. Don't know what group.  | Idwall Richards                |  |                             |
| Wendy Marshall             | Will run. Don't know what group, possibly Brinsmead.                                    | Bob Brinsmead                  |  |                             |
| Paul Waters                | Murwillumbah Chamber of Commerce President Will run.                                    | Idwall Richards                |  |                             |
| Bob Robertson              | Editor of Local Newspaper   | Bob Brinsmead                  |  |                             |
| ?                          | President, Pottsville Bowls Club  | Alan Blundell                  |  |                             |
| ?                          | Young active persons  | Paul Brinsmead                 |  |                             |
| Krekelberg                 | Alan Blundell to follow up.   | Alan Blundell                  |  |                             |
| Felicia Cecil              | Idwall Richards to follow up.   | Idwall Richards                |  |                             |
| Ian Fraser                 | Bob Brinsmead to approach to run on his ticket. Run with Gavin Lawrie?                  | Bob Brinsmead                  |  |                             |
| Mick Michael               | Bob Brinsmead to follow up<br>John Murray to follow up.                                 | John Murray                    |  |                             |
| Alana Brims                | To be followed up by Bob Brinsmead or Idwall Richards. Possibly Phil Youngblutt's team. | Warren Polglase                |  |                             |
| Nick Karlos                | Will run as part of Brinsmead   | Bob Brinsmead                  |  |                             |

| <b>NAMES OF CANDIDATES</b> | <b>COMMENTS ON THE CANDIDATES</b>  | <b>LIAISON PERSON OR GROUP</b>   | <b>HAVE THE CANDIDATES BEEN APPROACHED</b> | <b>CANDIDATE'S POSITION</b> |
|----------------------------|--|----------------------------------|--|-----------------------------|
|                            | ticket.  |                                  |  |                             |
| Dr. Weston Allen           | Will run as number 1   | Bob Brinsmead                    |  |                             |
| Rod Bates                  | Bob Brinsmead to follow up John Murray.  | John Murray                      |  |                             |
| Eddie Buchanan             | President, Kingscliff Bowls Club<br>Bob Brinsmead to follow up to run on his ticket. |                                  |  |                             |
|                            | President, Murwillumbah Bowls Club   |                                  |  |                             |
|                            | President, Tweed Bowls Club  |                                  |  |                             |
|                            | President, South Tweed Bowls Club  |                                  |  |                             |
|                            | Sporting Identities  |                                  |  |                             |
| Jeff Gilliland             | Alan Blundell to follow up.  | Alan Blundell                    |  |                             |
| Barry Spinks               | Will run on Lynne Beck's ticket.   | John Murray                      |  |                             |
| Ashleigh Beadel            | Alan Blundell to follow Murray Lees up.  | Murray Lees<br>Idwall Richards   |  |                             |
| John Penhaligan            | To be followed up by Bob Brinsmead.  | Bob Brinsmead<br>Idwall Richards |  |                             |
| Kieran Kenny               | Jeweller   | Alan Powell                      |  |                             |
| Sue Furlong                | Kingscliff Surf Club   | Alan Powell                      |  |                             |
| Don Faulkner               |  | Alan Powell                      |  |                             |
| Graham Dusto               | SDA  | Alan Powell                      |  |                             |
| John Herd                  |  | Idwall Richards                  |  |                             |

| <b>NAMES OF CANDIDATES</b> | <b>COMMENTS ON THE CANDIDATES</b>   | <b>LIAISON PERSON OR GROUP</b>    | <b>HAVE THE CANDIDATES BEEN APPROACHED</b> | <b>CANDIDATE'S POSITION</b> |
|----------------------------|---|-----------------------------------|--|-----------------------------|
| Peta Smith                 | Lindisfarm School<br>Run with Gavin Lawrie  | Alan Blundell/Bill Bedser         |  |                             |
| Robin Goldstone            | Opposes quarry.<br>Run with Gavin Lawrie.   | Alan Blundell                     |  |                             |
| Jeff Holloway              | Possible Weston running mate  | Paul Brinsmead/Bob Brinsmead      |  |                             |
| Bob Small                  | Ex radio announcer.<br>Recommended by Bill Bedser.  | Neil Sutherland/<br>Bob Brinsmead |  |                             |
| Max Hooper                 | Tweed self funding retirees – OBE<br>Kingscliff resident<br>Recommended by Bill Bedser            | Bob Brinsmead or Neil Sutherland  |  |                             |
| Alan Shepherd              | Caravan Park Association  | Bob Brinsmead                     |  |                             |
| Don Morgan                 | Associated with Pensioner groups  | Bob Brinsmead                     |  |                             |
| John Herd                  | Runs business breakfasts  | Idwall Richards                   |  |                             |
| Harry Christopher          | Helped Bronwyn Luff last election, but no longer supports her                                     | John Murray                       |  |                             |
| Terry Plant                | Owens Surfside Buslines   | Alan Blundell                     |  |                             |
| Rose Kennedy               | Young person from Kingscliff associated with Labour party, but opposes Neville Newell and is pro- | Alan Powell/Phil Usher            |  |                             |

| <b>NAMES OF CANDIDATES</b>                      | <b>COMMENTS ON THE CANDIDATES</b>   | <b>LIAISON PERSON OR GROUP</b> | <b>HAVE THE CANDIDATES BEEN APPROACHED</b> | <b>CANDIDATE'S POSITION</b> |
|---|---|--------------------------------|--|-----------------------------|
|   | development   |                                |  |                             |
| Les Roughead                                    | Tweed Coast Limousines  | Bob Brinsmead/<br>Alan Powell  |  |                             |
| Ben   | (Kingscliff Surf Shop)  | Phil Usher                     |  |                             |
| Mark Occhilupo/<br>Joel Parkinson/<br>Luke Egan | Professional Surfers located in the Tweed.<br><br>Luke Egan is managed by Mike Serle from Sports Management at Southport. | Phil Usher/Alan Powell         |  |                             |
| Ackoyd  | Opposes the quarry and is associated with John Murray.  | Bill Bedser                    |  |                             |
| Doug Cluer                                      | Vet at Tweed Heads  | Paul Brinsmead                 |  |                             |
| Joe O'Neill                                     | Solicitor at Kingscliff   | Paul Brinsmead                 |  |                             |
| Peter Curran                                    | Vet at Kingscliff   | Bob Brinsmead                  |  |                             |

|              |  |
|--------------|--|
| M. Allen     | All possible candidates listed by Bill Bedser.<br><br>Person to follow up: Neil Sutherland/Bob Brinsmead/Bill Bedser |
| G. Beck      |  |
| B. Francis   |  |
| M. Findlater |  |
| J. Herd      |  |
| J. Morrin    |  |
| I. Murray    |  |
| K. McDonald  |  |
| C. Taggart   |  |

Evidence from the Baudino files shows that the selection of a final list of candidates was slow, as was the process of dividing them into groups. New names were put forward and their willingness to stand and their suitability was assessed by Tweed Directions. Quite importantly it seems that Tweed Directions were focused on presenting to the community the nine groups that they created as being genuinely “independent” groups. From the start

Tweed Directions deliberately set out to mislead the electorate about this. They did this to try and maximize Tweed Directions' prospects in the election by designing a group structure that might maximize preference flows according to changes introduced across New South Wales for the 2004 election. These issues are discussed later in this section. The following extract from the files gives a sense of the process.

## ANNEXURE "B"

### PRO-FORMA EXAMPLE OF GROUPS

| <b>GROUP 1<br/>Warren Polglase's Group</b> | <b>GROUP 2<br/>Lynne Beck's Group</b> | <b>GROUP 3<br/>Bob Brinsmead's Group</b> | <b>GROUP 4<br/>Phil Youngblutt's Group</b>                                    | <b>GROUP 5<br/>Gavin Lawrie's Group</b> | <b>GROUP 6<br/>Dr Weston Allen's Group</b> | <b>GROUP 7<br/>Terranora / Banora Point Resident's Group</b> | <b>GROUP 8<br/>Tweed Heads Resident's Group</b> |
|--|---------------------------------------|--|---|---|--|--|---|
| Warren Polglase                            | Lynne Beck                            | Bob Brinsmead                            | Phil Youngblutt   | Gavin Lawrie                            | Dr. Weston Allen                           |  |   |
| George Davidson                            | Barry Spinks                          | Nick Karlos                              | Bob Dow   |   | Peta Smith?                                |  |   |
|  |                                       | Roy Rudman                               | Glen Potter (associated with light machinery business and Speed on the Tweed) |   | Sue Furlong?                               |  |   |
|  |                                       |  | Michael Gates (Tweed Heads gym)   |   |  |  |   |
|  |                                       |  | Jenny Hayes (teacher at Crabbes Creek)  |   |  |  |   |
|  |                                       |  | Joan Ekelshear (Vice-President Friends of the Pound)                          |   |  |  |   |
|  |                                       |  | Sancho Nigan (student)  |   |  |  |   |

Councillor Murray (in his appearance at the Public Hearings 17/2/05) gave a rather flippant description of the selection process he went through before becoming a funded candidate. In fact Mr. Murray was a part of the process of recruiting and selecting candidates. The process that Bob Baudino and his colleagues went through in sifting through the possible candidates was clearly somewhat tortuous. Mr. Murray's indecision about whether he would run or not (see e-mail from Bob Baudino to Paul Brinsmead below) was an example of the way process twisted and turned as the Tweed Directions group assembled its team to contest the elections. There was no doubt that they were assembling a single team, rather than merely supporting a number of independent teams with funds and some other support. The Baudino files reveal that Tweed Directions decided that Bob (Brinsmead), Warren (Polglase), Lynne (Beck) could not be presented as fresh and new. Phil (Youngblutt) was "sitting back and waiting for us to run his campaign", and was demanding money. Reservations were expressed about Wendy (Marshall). There was a definite concern that some of the groups that were so painstakingly being formed by Tweed Directions, or their leaders, might show some independence and not follow the Tweed Directions directions on what to do in their campaigning. "Too much push is going to produce a lot of resistance in some quarters".

**(Extract from Baudino Files)**

**From:** Bob Baudino [baudinob@pacific.net.au]

**Sent:** Wednesday, 11 February 2004 3:05 PM

**To:** 'Paul Brinsmead'

**Subject:** RE: Elections

Paul: My email has gone to all lead candidates except John Murray. I have been trying to contact you to see what is the position there. As it went out before I received your email I am now sending a second email following receipt of your email and again am not sending to John until I receive some direction on this. I have conflicting information on whether he is running or not. I have also removed the line "the group is fresh and new" as it could be very strong ammunition to our Opponents and destroy the strength of any brochures. With a good attack from the other side they would have to be junked.

If I was on the other side I would immediately turn our own cartoons against us as (and this is said with great respect for they are my friends) I cannot present Bob, Warren, Lynne, among others, as fresh and new. They have to be sold as safe and experienced – good hands at the helm. My meeting with candidates last Monday showed that the full implications of the decision that all lead candidates were running their own campaigns had not got through. Phil Youngluff, although fully briefed, was sitting back waiting for us to run his campaign. This was echoed (again) by Wendy. Another problem was no one was prepared to do anything until they saw some funding. Phil was particularly vocal about this claiming he was promised funding on a weekly basis and was still waiting. I am attaching the latest email. I will give them today to digest all of this and ring all of them tomorrow. In the meantime I would like some direction on John Murray. I think the move to get Jeff up to help on printing

Layout and presentation is a good idea. I had already asked him to consider helping Phil who is terrified of running a campaign, something he has never done. Wendy also needs help. Lynne, Warren and Bob are old hands while Weston has strong support. I have made arrangements to get a copy of the present Electoral Roll and, as you will see, have asked all lead candidates for their lists. My undertaking to the Support Group to base on ground for the last month stands. That

is when the real action takes place. I have and will continue to maintain contact with the lead candidates and anyone else they want me to meet. I have deliberately stayed out of the advertising printing area to this time because of your close ties and confidence in Winning Directions, who, as far as I can see, are doing a good job. Remember, under the terms we are working to Group Leaders have to be handled carefully. Too much push is going to produce a lot of resistance in some quarters.... Regards Bob Baudino

The Tweed Directions group were internally referred to as the Balance Team. There can be no doubt that Tweed Directions saw the groups that they were forming were not separate, independent groups. They were linked together as a basic structure of the Tweed Directions' plan to be victorious in the elections.

The complicated electoral system introduced in 2004, and the artificiality of the groups formed by Tweed Directions, meant that there was no expectation of any one group of six candidates actually having six candidates elected. The general expectation was that only one candidate from a group might be elected, and in just one or two groups of the Tweed Directions' nine groups a second candidate might win a place. Tweed directions' design was to find strong candidates to lead each of the nine groups they formed, and where possible place a reasonably strong candidate in second position. The remaining four candidates in each group were not going to be elected. They were there to make up the numbers by espousing the pro-business stance of Tweed Directions. The primary aim of the Tweed directions strategy was to get a sufficient number of their team (the nine groups) elected to form a majority in the 11 person council. The so-called independent groups were formed purely to achieve that outcome.

To perpetrate the false image of the nine Tweed Directions' groups as independents competing with each other and following different policy agendas, Tweed directions established a "Support Group". The evidence shows that this group created the grand plan for the campaign, and organised and managed the detail of that plan. It held regular meetings and maintained close contact with its nine groups. Group leaders could attend meetings, and some sometimes did. Regardless of whether they attended or not, the "Support Group" would fulfil its role as having control over the general strategy of the campaign.

**(Extract from Baudino Files)**

**From:** Bob Baudino [baudinob@pacific.net.au]

**Sent:** Thursday, 15 January 2004 2:35 PM

**To:** 'Wendy M Marshall JP'

**Subject:** RE: Phone

Wendy: Will try to call you but just in case I miss you I want to spell out the position of coming to the Support Group meetings. ALL members of the Balance team can attend those meetings which are held at Piers Developments every Monday 8.30 NSW time. It is your option as there are some Balance Councillors who have elected not to come. I have been trying to work out how the confusion arose as to whether you could or could not attend. Going back through my files I note that on the day I was arranging individual briefing (and that is where it was spelt out) you, in fact were getting ready to go into hospital for your eye operation (which, I hope, went well.) In any case you are welcome. It will give us a chance to bring you up to speed and to have your input.... With regards

*Bob Baudino*

E-mails were sent to the leaders of each group, who were expected to follow the guidelines given by the "Support Group", and where necessary transmit information to members of their groups. "None of them are in any doubt of what is required of them as spelt out in our e-mails" (Baudino files). Bob Baudino held meetings with group leaders to make sure this was happening. Baudino's personal letter to Paul Brinsmead (below) gives a sense of how this process worked. Clearly, the "Support Group" had the task of ironing out problems between the "independent" groups, such as Mr. Lawrie's refusal to help Mr. Murray, or Ms. Marshall's complaints about being at "the bottom of the totem pole", or Mr. Lawrie's readiness to accept money from developer Brian Ray (contrary to Mr. Baudino's instructions on February 11). Mr. Lawrie's "misdemeanour" was reported to Bob Brinsmead (leader of another group): a rather strange procedure if the groups were independent of each other.

**(Extract from Baudino Files)**

Att Paul Brinsmead  
From Bob Baudino

12 February 2004  
(For Paul Brinsmead only.)

Paul:

I have had meetings today at the Tweed and in Murwillumbah with Gavin Lawrie, John Murray, Wendy Marshall, Bob Brinsmead and the Returning Officer, Len Sperryboom. I also spoke on the mobile with Warren Polglase.

None of them are in any doubt of what is required of them as spelt out in our emails.

Following are some notes on the meetings:

**Gavin Lawrie:** The meeting with **Gavin** was at Coolangatta with Kimberley present. He has his team together and has promised to send all details to me for checking.

Gavin was delighted that we will be playing close attention to his campaign (in fact we will be running it for him) and has undertaken to give Kimberley all the details necessary for his print requirements – introductory brochure, door-knocking cards (plus Sorry I missed you card) etc. Kimberley also will be looking at an advertising campaign for him. Gavin is OK with the Support Group deciding the preference flow but will not help John Murray if he runs. He has strong feeling about this and used strong words to emphasise that feeling.

Gavin revealed he has been notified of a complaint against him to the Director of Local Government. He believes it has been lodged by Max Boyd or Broyd or both. It involves an alleged conflict of interest arising from extension of a garage on land on which he had done the legal conveyancing and consequently – to save the home owner costs – undertook to the extension through Council. Gavin said everything was stuffed around by staff. His last account to the people concerned was on 24 July 2003 and it was paid three weeks later.

Generally, Gavin is now a relieved, happy candidate. We discussed the advantages of door-knocking and I am confident he will not engage in this activity.

I took the opportunity (as I did with all of them) to again emphasise all expenditure had to come from their “election” bank account and all receipts carefully guarded. I warned Gavin (and all the others) about accepting financial donations directly and said there was a possibility this may happen.

Gavin revealed he had already been approached by Brian Rae who interrupted him at a beach photo shoot yesterday and said he wanted to give him a cheque. Kimberley and self discussed this after and both were convinced that until I raised it and warned of the consequences that Gavin was ready to accept the money. I have informed Bob Brinsmead of this.

**BOB Brinsmead:** I saw Bob at home. There is little to say here as Bob is a veteran campaigner and knows what he is about. His team is ready but Bob wants to keep them open a little longer as he is working on a couple of good candidates he would like to have in his group.

**Wendy Marshall:** The meeting with Wendy was like something out of a three-ring circus. It was at her home and she was moving furniture – so help me I don’t know even now if it was coming in or going somewhere else. Wendy’s main complaint was that Winning Directions would not talk to her. She again used the line she knew she was bottom of the totem pole. I emphasized all were equal but I think that fell on deaf ears. Anyway, it appears (or so Wendy claims) Graham told her at the last meeting he would contact her. She did not say what about but I deduced it had something to do with

research/strategy for her. I told her Graham was a very busy man and Kimberley was handling day-to-day for Winning Directions and she promptly declared Kimberley also was not talking to her. I have passed this on to Kimberley and asked her to talk to Graham when she has a chance. I do not see it as big deal as Wendy sees everyone against her. She declared her Manager had more experience than Winning Directions as he handled functions and events. I noted she had contacted Jeff Egan and she said she was waiting for him to come back to her also. Jeff will see her when he is up here. I suggest if Wendy is at Monday's meeting we ask her directly if she agrees to the Support Group deciding the preference flows. It is necessary all are aware of the undertaking.

When questions as to the status of her Group Wendy replied that she had until the 20<sup>th</sup> before she had to nominate. I emphasized we needed time to check and rectify any problems. It was left up in the air. However, she did have her own nomination form on the table and I noted her own nominators are Peter William Staniland and Violet Grace Beetlestone. I also have the addresses. However, when I questioned the status of their enrolment she revealed Staniland (who live with her) has moved to another address and this will be in the new roll. It is one we have to watch. I suggested we should be safe and she should use three or four nominators, as allowed for on the nomination form.

**John Murray:**

John is keen to run but made it plain if his problem is not resolved then he will not be running. However, he remains positive. John said he has the promise of a Number two (I elected not to know the name) that he feels will mean he can promise us two winners plus the outside possibility of a third.

He is keen to run. I took him through all the requirements he has to meet and, for the record, he fully endorsed the Support Group deciding the preference flow. However, like Gavin, he had a rider and that was he would not allow any of his preferences help Gavin.

John said he wanted someone to consider the positioning Dr. Di Blankesnee on our Groups. He has heard we will be placing her on Gavin's Group and maintains this is a waste as he feels as No.3 on his Group there is a chance of her being elected. I said I would pass his views on.

**Returning Officer: Len Sparryboom:**

Very co-operative. We discussed electorate office requirements noting that while the calling of nominations ends on 20 February they do not close until 27 February. I told him not to push that line as 20<sup>th</sup> gives us time to fix any problems. In discussion about the method of nominating Len produced a new information sheet from the State Electorate Office which states:

*Candidates should be aware that a proposer (nominator) cannot propose more candidates than the number to be elected in a ward/area. You should therefore ensure*

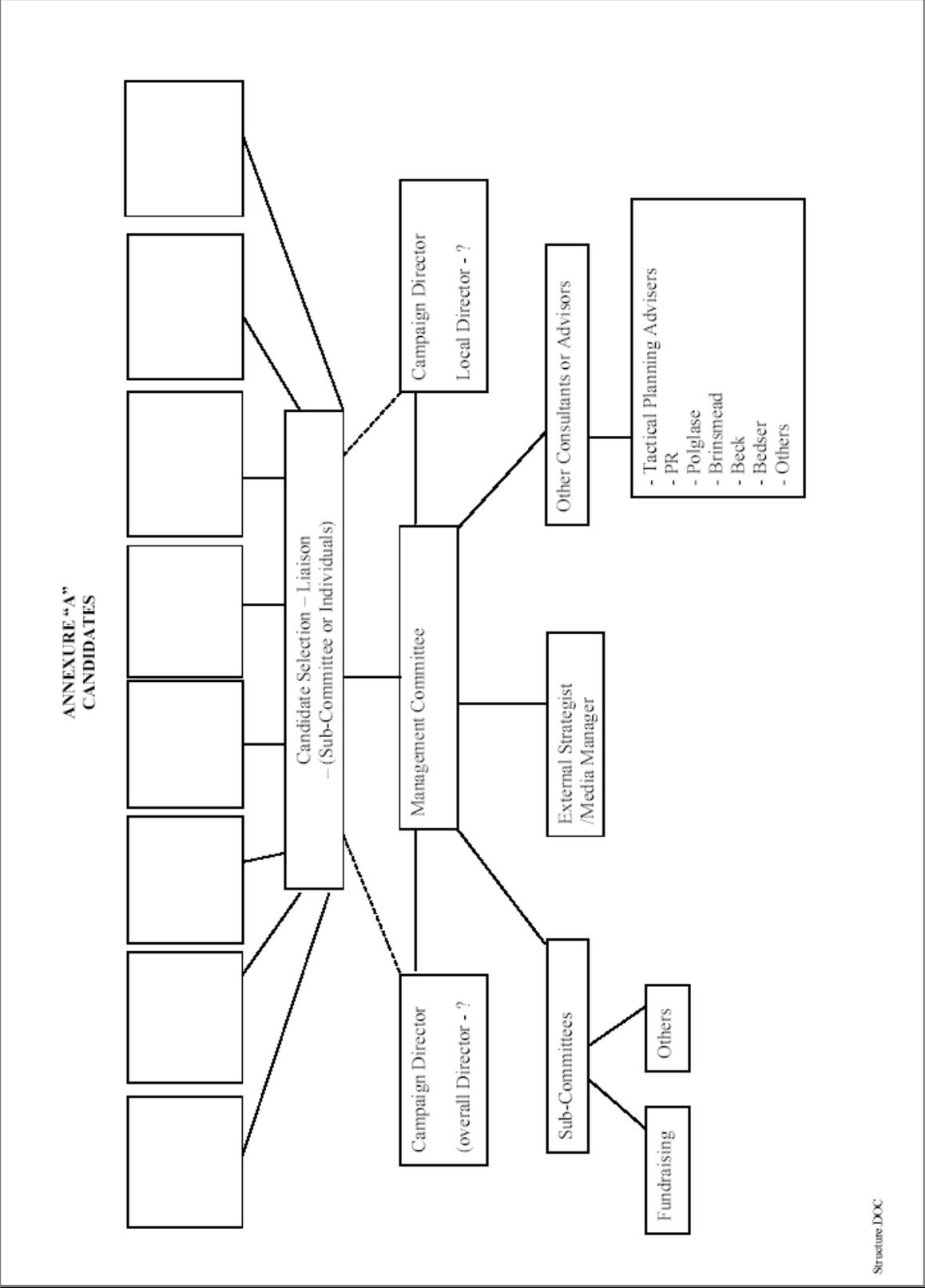
*that your proposers have not nominated more persons than the number to be elected in the ward or Council area for which you are nominating as a candidate.”*

This means that we only need two (2) enrolled residents of Tweed Shire to nominate all seven or eight members of our group. Makes life a lot easier. They cannot nominate another group.

Len Sparryboom has given me a copy of this booklet from the State Electoral Office for our use.

Kimberley and self are now finalizing arrangements to meet with Weston, Phil, and Warren on Monday.

The accompanying chart from the Baudino files shows the structure that Tweed Directions put in place to run the 2004 campaign. The actual operation may have deviated from the chart (for example, there were nine groups supported and not eight as the chart shows) but it shows clearly that Tweed Directions organised the critical dimensions of the overall campaign, from selecting the candidates to ensuring that the groups followed the procedures laid out for them.



**(Extract from Baudino Files)**

Tweed Directions did not attempt to get into the detail of policy development. Its primary objective was to achieve the outcome of Tweed Shire Council being run by a group of elected representatives whose general stance was the promotion of business along the lines followed by the Balance Team from 1999-2004. It allowed each of the groups to work out a set of their own policy statements, a device that make the groups appear to be truly independent of each other. For their parallel campaign, however, Tweed Directions needed to put forward the overall policies that summed up their general support for the team. The following extract from the Baudino files illustrates the kind of composite policy list that emerged.

**(Extract from Baudino Files)**

Main Policies (Brief version)

*“Community Independents – Managing your future”*

**MAIN POLICIES**

- Oversee \$11m on traffic congestion
- Bring to fruition Banora Point Community Centre / Child Care facility
- Maintain current land zonings and not increase them for development
- Protect and preserve coastline
- Improve parking in Kingscliff
- Improve and create community infrastructure
- Interactive education programs
- Improve and create youth facilities
- Enforce coastal protection projects

PLEASE LET ME KNOW IF THESE DOT POINTS COVER YOUR MAJOR POLICIES.

THEY WILL BE USED ON THE BACK OF YOUR BROCHURE AND ALSO AS A REFERENCE CARD THAT ALL TEAM MEMBERS CAN REFER TO AT ANY GIVEN TIME.

The fact that the Tweed Directions group was not into developing detailed policy agendas is stated clearly in a memo that was sent by Bob Baudino on January 6, 2004.

The memo begins by stating that the campaign will be based on the Balance Team of Independents (with the number of groups that made up this team decided by Tweed Directions, who also oversaw the recruitment of candidates for the various groups). The Baudino memo warns the recipients that opponents will attack the Balance Team for acting as a group when voting on council. The response to such criticisms was to point to the voting records of the outgoing council, which was meant to show the community that the Balance Team was, and remained, genuine independents. The critics of the Balance Team were essentially not concerned about the general voting patterns of the Balance

Team. Their focus was on their voting on major, and controversial, developments, and the perception that they were willing to by-pass staff recommendations and even attempt to bully staff into accepting their wishes (issues that are treated elsewhere in this report). It was these factors that bred an image of the Balance Team in the 1999-2004 period as a group, rather than a number of independent Councillors. The voting patterns on routine issues or on the minutiae of matters that affected the day-to-day running of the council were not the criteria on which people judged independence. When the 2004 campaign in earnest commenced Tweed Directions dropped its theme of the new Team being a continuation of the Balance Team. The subterfuge involved in pretending that the Team was not a "Team" is illustrated in Mayor Polglase's critique of a proposed press release that was going to inform the community that the "team" was no longer a "Team". His comments on Councillors Brinsmead and Beck, and his concern about the opposition, indicates clearly that the "independent" groups were linked.

**(Extract from Baudino Files)**

-----Original Message-----

**From:** Warren & Karlene Polglase [mailto:polglase@bigpond.net.au]

**Sent:** Tuesday, 10 February 2004 4:03 PM

**To:** Bob Baudino

**Cc:** 'Kimberley Hrastovec'

**Subject:** Elections

Hi Bob

I have just received a proposed press release from Winning Directions. If we are going to demonstrate a strong independence in this campaign, consideration should be given on the issue of these press releases as there is eyes and ears everywhere as you know in the press

1. It doesn't make sense to issue a release from the team to say it is no longer a team.
2. Spelling mistakes: Councillorss not Councillor's
3. Media releases should never, ever run to two pages
4. If "fresh faces are a priority", why are all of the "old faces" running again?
5. If we are steering away from "the Balance Group", why do we describe conservative councillors as "the majority Balance group" in the first paragraph?
6. If Brinsmead, 72, thinks we need "a change towards youth and generation" why is he running?
7. Nobody will believe that former National Party MP Don Beck's wife Lynne suddenly thinks "party politics is not what democracy is about".

These are some quick comments that I believe the opposition would challenge in this press release.

Regards Warren

The emphasis persistently promoted by Mr. Baudino is independence. Tweed Directions needed the community to believe that the campaigns and policy areas of each group were independent of each other, and of Tweed Directions. It was instrumental in promoting a falsehood to the voters.

The Baudino memo emphasises that candidates should promote a positive campaign, leaving the “Support” Group to be responsible for negative responses. Thus the duality of the Tweed Directions’ and the groups’ campaigns was defined.

In an ironic touch, after exhorting the groups to emphasise their independence, the memo attached the campaign strategy and time-table that the groups should follow.

**(Extract from Baudino Files)**

6 January 2004

To: Candidates  
From: Bob Baudino

**Group Lead Candidates: Please pass copies of these documents to other candidates in your group.**

The Support Group has decided the campaign will again be based on the Balance Team of Independents.

This decision is based on recognition of the achievements of the Balance Team and provides a sense of continuity and further progress/achievements. It promises stability within the Tweed Shire Council. Candidates should keep this in mind when preparing their own campaign programmes and personal policies.

Initial funding help will be based on early submissions from lead candidates on:

(1): A detailed campaign programme including projected expenditure on advertising, brochures, and other campaign initiatives. If possible, an estimate of costs would be helpful.

(2): Policy statements

Each Candidate is responsible for their own policies and own messages to the voters.

It is important these documents are received as soon as possible to allow initial funding allocations. The first meeting of the Funding Sub-Committee is to be held next Monday, 12 January 2004. Further funding will be available as required.

The Support Group also needs ASAP profile/resume information. This will be packaged (with pix.) for media, brochures and other promotions. When Group numbers are complete, a Group picture would be appreciated. This can be taken for email by any digital camera.

Emphasis is placed on the view that Candidates should maintain a positive campaign at all times. The Support Group will be responsible for negative responses, as and if required. If the negative attack is personal it should be discussed with the Support Group before reacting.

The Tweed Community News will be an important element of any negative response.

Opponents will attack the Balance Team, and support candidates, on the basis that this is a group determined to operate as a solid majority subverting initiatives and issues to the detriment of Tweed residents. The fact is all associated with the Balance Team are and remain genuine independents. The voting record of the Balance Team members during the term of the out-going Council provides solid rejection of this claim. That record will be promoted by the Support Group to substantiate beyond doubt that all our Candidates are independent of any central control.

Please remember each candidate in your group must be nominated by at least two (2) enrolled voters. To safeguard against any nominator being eliminated it is suggested, if possible, to have three nominators for each candidate. Also, nominators can only nominate one candidate.

I am attaching an aide to preparing our own resume. It will provide some consistency. If handwritten we can have it typed for you.

If you have any questions please do not hesitate to ring me on (07) 33983736 or mobile 0414509076, email: [baudinob@pacific.net.au](mailto:baudinob@pacific.net.au)

With regards,

Bob Baudino.

**(Extract from Baudino Files)**

Attachment 2.

Campaign Strategy and time-table:

List your most important policy issues and some details for yourself (Group). Apply the KISS principle as trying to take on too much dissipates impact and most likely will confuse voters as to what you really are about.

Suggest 3 main issues (5 max). If possible make sure they are within your area of expertise.

Campaign strategy involves two distinct stages:

- A: Pre-campaign and
- B: The Campaign itself.

A: Pre-campaign:

Activity in this period should include door-knocking (still the most effect method of campaigning), public events (including sporting events), functions, meetings, and anything else that could provide a picture or media. Voters like candidates who demonstrate they are prepared to earn their vote.

“Launch” of your Group --- where and when.  
-make sure media is advised.

Seek media opportunities, letters to editor from self and friends.

Be seen at shopping centres with family/friends. (This may need T/shirt, pamphlets to be handed out etc.)

(The Support Group will also be looking for opportunities)

B: The Campaign:

At present planning if based on a three-week campaign. It is hard to maintain the momentum (and keep the voters interested) any longer. Also, it ensures maxim impact and value for the dollar as far as funding is concerned.

Your strategy in this period should be more of the same but also cover advertising (break down into Radio, TV and Print Media). Media releases door-knocking, orchestrated events etc.

Suggest engagement could include:

: Public meetings

- : Meetings with key special interest groups (Chambers of Commerce etc.)
- : Club functions
- : Visits to local institutions, clubs and the larger industrial units (be seen by the workers) caravan parks (those with permanents),
- : shopping centre walks
- : Maintain contact with (and call on them if you can) journalists and their News Editors/Editors. Make certain they have your profile/picture, and contact details.
- : Any local projects and developments which you would like to be associated with.

NOTE: It is important that your profile "package" including information sheet and picture/s be completed as soon as possible. Please avoid 'passport' style pictures. It is far better to have a picture taken against a readily recognized background or an 'action' shot.

Please decide on the pamphlets you need and the lay-out (colour etc) of your How to Vote card.)

-----o0o-----

**(Extract from Baudino Files)**

The Support Group wants the brochure to contain:

- The photograph of the candidate and photographs of each of the other team members.
- The message to be sold is that:
  - **they are all independents**
- It must contain a brief resume of background and experience and a vision from the lead candidate and some biographical background details on each of the other candidates.
- It must contain not only a name, but also a distinct catch phrase or message.
- It must contain, in dot form, a summary of the policies.

Winning Directions (Kimberley and Graham) can design and prepare format for all of these for each group. They can help with the “slogan” and go to final layout and print if you want to go that way. Winning Directions is fully on all challenges in this campaign.

In a further memo from Mr. Baudino, regarding the production of brochures by each group, the general orders were delivered with the key message in bold: **they are all independents**. This theme became something of a mantra to the groups. The constant harping on this theme by Tweed Directions indicates that the reverse was true. If the groups had been genuinely independent there would have been no purpose of constantly emphasising this theme.

The evidence shows that the Tweed Directions group kept working in the background: shaping and directing the campaign right down to strategies for each area of the Shire.

**(Extract from Baudino Files)**

Research has been completed and data analysis. Winning Directions is now working on strategy for each area as identified by post code responses. If necessary, further research will be undertaken during the campaign proper – the last three weeks.

The extent of control of the “Support” group over the “Team” is well illustrated by the outline of a needs document related to the employment of an advertising agency (Baudino files, January 7, 2004). All advertisements, and all requests, drafts, and final printing of brochures/pamphlets/badges/posters and any other print work were to be approved by co-ordinator/support group. The Agency had to understand that the Balance Team Councillors were running under the Balance Team label. This meant that all other candidates were automatically identified with the Balance Team. The “independents” were identified primarily by their link to the Balance Team.

**(Extract from Baudino Files)**

7 January 2004

**ADVERTISING AGENCY:**

**PRIORITY:** Advertising Agency to prepare ASAP an advertising programme for the Tweed Local Government election on behalf of the Balance Team of Independents. This is to be based on “weightings” to be decided with representatives of Client.

Agency to undertake concept, design, artwork, bookings and placements.

- ALL CANDIDATE ADVERTISING TO BE POSITIVE.

- ALL ADVERTISEMENTS TO BE APPROVED BY CO-ORDINATOR/SUPPORT GROUP.

- ALL REQUESTS, DRAFTS, AND FINAL PRINTING OF BROCHURES/PAMPHLETS/BADGES/POSTERS AND ANY OTHER PRINT WORK TO BE APPROVED BY CO-ORDINATOR/SUPPORT GROUP.

- BALANCE TEAM COUNCILLORS ARE RUNNING UNDER THE BALANCE TEAM LABEL. THIS MEANS ALL OTHER CANDIDATES ARE AUTOMATICALLY IDENTIFIED WITH THE BALANCE TEAM.

- AGENCY SHOULD PRESENT CONCEPTS

- FOR REQUESTED ADS. ON SPECIFIC ISSUES
- ON THEIR OWN INITIATIVES. (The best ads.often emerge from the Professionalism of an Agency.)
- THIS APPROACH APPLIES TO ALL OTHER PRINT MATERIAL.

- AGENCY TO ATTEND SUPPORT GROUP MEETINGS

- PRESENT WEEKLY REPORT ON ACTUAL EXPENDITURE INCLUDING FORWARD COMMITMENTS.

- RESEARCH:

- AGENCY TO HAVE ACCESS TO RESEARCH.

Tweed Directions employed a Sydney-based expert on running campaigns, Jeff Egan. He was responsible for charting the general structure of the campaign. Mr. Egan began to work with the Tweed Directions group from its very early days. On October 31 2003 he provided a list and some details of his firm's tasks<sup>11</sup>: staging the incumbency campaign, designing the campaign plan, implementing the campaign plan, preparing for polling day, organising polling day, and the counting of votes. He provided a report to the incorporating meeting of Tweed Directions on November 17 2003 (Agenda item 7). Mr. Egan was to oversee the campaigns of the nine groups created by Tweed Directions. The extent of that supervision is demonstrated in the detailed set of tasks assigned to Mr. Egan for his mid-February 2004 visit to the Tweed (e-mail Paul Brinsmead to Jeff Egan February 13 2004: Baudino files)

**(Extract from Baudino Files)**

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]

**Sent:** Friday, 13 February 2004 12:08 PM

**To:** 'Bob Baudino'; 'Graham Staerk'

**Cc:** 'Kimberley Hrastovec'

**Subject:** Tweed Elections - Jeff Egan

Dear Sirs

---

<sup>11</sup> Flagship Communications

**Enclosed** is an email I have forwarded to Jeff Egan. He has agreed to come up. I am arranging:-

1. Accommodation.
2. A car.
3. A computer.

Please let me know if there are any further matters that Jeff Egan should be assisting in.

Can you please specifically communicate with each of the lead candidates and advise that Jeff Egan will be contacting them and will be coming up to review over where they are at. Make sure they make themselves available, because he has limited time during that period.

It may also be worth you attending the meetings, if you are available, with Jeff Egan and each of the lead candidates.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(13.02.04)

---

**Email to Jeff Egan:**

I refer to my conversation with you on Thursday, 12 February, 2004.

**Enclosed** is a list of each of the lead candidates with their contact details.

I note your advice that you will be coming up on Sunday and you will be leaving on Tuesday morning.

I am arranging accommodation at Paradiso at Kingscliff on both Sunday and Monday night. The address of Paradiso at Kingscliff is 78-80 Marine Parade, Kingscliff. I will send you a further email with the unit number and how you book in, etc.

Can you please make sure that you get appointments with each of the lead candidates for the period while you are here. If you cannot meet with all of them, you will need to make sure you have met with the balance by the end of the week, so you might need to return.

The things you need to cover with each of these candidates are:-

1. Review where they are at with production of their campaign brochure. Please provide input on its design, its contents, the messages it is selling, etc. Be aware that Winning Directions can actually do the layouts and print it and they can be present if you require it, or if you need to brief them later. Please contact Kimberley at Winning Directions and her details are:-

Ph: (07) 5535-3900

Ph: 0423 577 899  
Fax: (07) 5535-3911  
Email: [kimberley@directionsmedia.com.au](mailto:kimberley@directionsmedia.com.au)

It would also be of help if you brought some examples of brochures to hand to each of the candidates.

2. Assist the candidates in preparation of their How To Vote Cards. Please again bring some examples of this. I appreciate that you can't finally design the How To Vote Cards until nominations close and that the order on the ballot is actually drawn. However, at least they can commence working on design and layout, the messages that go on it, whether there are photos on it, etc.

Please note that in relation to the How To Vote Cards, we have clearly agreed in relation to the following:-

(a) We will be recommending that all voters vote 1 to 6 above the line; and

(b) We will also have a further wording on the How To Vote Card that if a voter chooses to vote below the line, then we recommend that they vote 1 to 12 below the line.

3. Please note that in relation to production of any campaign material, we intend to emphasise the following points:-

- that our groups are independent groups, not parties
- that our groups are led by experienced people, but with teams of predominately fresh new faces with new ideas and enthusiasm
- that the message we deal with in the Tweed Coast is mainly neutralising the over development issue
- the issue we mainly deal with in Tweed Heads, Banora Point, etc. is roads, jobs, opportunity and a future
- the issue mainly in the rural areas is also roads, but also specific rural issues
- some of the campaign also needs to be targeted at the over 65's and families

4. Please review where the groups are at in relation to registration and official enrolment. Please review the forms with them. Make sure they have completed them correctly. Make sure also that they have 2 nominations for each candidate. Emphasise that each candidate, as well as each of the nominators must be on the roll.

Can you assist in obtaining a copy of the roll? Would there be something that you could do to check whether the people are actually on the roll?

5. Also assist candidates in preparation to commence work on signage for the purposes of the campaign. Maybe bring some examples of signage and assist in the messages.

6. Review overall the campaign strategy of each of the candidate groups, the message is out, etc. Consider any other issues that might be relevant.

I also note that you indicated that you will need the following:-

1. A computer and printer. I will clarify with Bob Brinsmead where this is at.
2. You indicated that you may need a vehicle for the period. Again, I will communicate with the group and find out where we can get access to a vehicle for this period.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(13.02.04)

By January 10 2004 Tweed Directions had compiled a detailed map of what both the “Support” group and the candidates had to follow through to the election itself at the end of March 2004 (Baudino files: Addendum 2.2.3.1)

The unrefutable evidence that the promotion of the nine teams supported by Tweed Directions as nine independent groups was a falsehood lies in the way in which Tweed Directions decided on how many groups would be formed. This was based on deciding the number of groups according to the likely flow of preferences. The new voting system introduced by the NSW government for the 2004 election was predicted to produce an increase of between-group leakage of preferences by at least 36%. The Tweed Directions group were then faced with a mathematical challenge. The primary aim of the group was to get a majority of pro-business Councillors elected. They had a pool of potential candidates that they could call on. The critical decision that might dictate the outcome of the election was: how many groups should be formed? In the 1999 election the Balance Team had fielded 11 groups. The leakage of preferences if a similar large number of groups was used in 2004 was estimated to be 46% by a Tweed Directions study. Councillor Beck argued that three groups would be sufficient, but the report (Baudino files) argued that “given the Majority required for council is six and the likelihood that most candidates will poll more than a quota, the leakage of preferences where there are six or less becomes irrelevant”. The Tweed Directions’ report recommended seven groups. In the end nine groups received funds and direction from Tweed Directions.

(Extract from Baudino Files)

## **REPORT ON LEAKAGE OF PREFERENCES BETWEEN GROUPS AT THE TWEED COUNCIL ELECTIONS**

The following report is a summary of how the leakage of preferences is affected by the number of groups being run at the next Tweed Shire Council Elections.

### LEAKAGE OF PREFERENCES

The leakage of preferences between groups of candidates varies depending on the number of Groups involved in the preference exchange.

Essentially the greater the number of Groups the larger the leakage of preferences.

Taking into account the information presented in the previous report on the grouping of candidates, the following figures are a rough guide as to how the number of Groups will affect the leakage of preferences between groups.

| Number of Groups | Leakage of Preferences |
|------------------|------------------------|
| 11               | 46%                    |
| 10               | 36.88%                 |
| 9                | 27.75%                 |
| 8                | 18.63%                 |
| 7                | 9.5%                   |
| 1 to 6           | (Leakage unknown)      |

Given the majority required for the council is six and the likelihood that most candidates will poll no more than a quota, the leakage of preferences where there are six groups or less becomes irrelevant.

### RECOMMENDATIONS

- That the "Balance Team" or "friendly candidates" run no more than seven "Groups"

**That a decision on the number of groups being run at the 2004 Tweed elections be finalised at the Committee meeting scheduled for 2<sup>nd</sup> February.**

The number of groups was decided by mathematics and strategy. It had nothing to do with the particular themes and policies that the people recruited by Tweed Directions

might want to put forward. Such considerations were secondary to the main goal of getting a team of Councillors who broadly promoted pro-business ideas. Tweed Directions were managing a team, which had a singular goal: success in the election. Any particular candidate, aside from Councillors from the 1999-2004 council, might have found themselves in any one of the groups, or not be candidates at all depending on how many groups were formed. Clearly, it was the team that was paramount, and not the composition of the individual groups. Thus, Tweed Directions was instrumental in presenting the electorate with a falsehood. To present an image of independent teams the groups had to put forward policies and slogans intended to dupe the community into believing that they were truly independent. The singular focus of Tweed Directions was to ensure that any person who might be elected from any group would promote pro-business agendas at council. There can be little doubt that many of the candidates really believed in the policies that they put forward, but whether they believed in them or not was irrelevant to the “main game”. There is also a likelihood that some were massaged to ameliorate a pro-business stance that might not be accepted by portions of the community. Samples of the “independent” groups’ promotion material (some of it in production phase) are given in Addendum 2.2.3.2.

The truth, however, was expressed by Mr. Staerk in his evidence: the campaign of Tweed Directions was ‘the main game’. The groups had the “independence” to put out their campaign policies and so forth, but they were incidental to the “main game”. The evidence is overwhelming that the presentation of the groups as being independent was a lie, and a deliberately concocted lie intended to mislead the community on how the Tweed Directions’ team was constituted and how its campaign was directed and funded.

Effectively the processes adopted by Tweed Directions, and accepted by Tweed Directions candidates corrupted the processes of the 2004 election.

#### 2.2.4 Problems along the way

The general scheme of presenting the nine groups under the Tweed Directions umbrella to the community as being independent of each other and pursuing their own policies could be punctured in at least two ways. If a candidate, or group, were to decide that they would not follow all the dictates of the Tweed Directions’ organising system, and began to act as if they were really independent, the carefully crafted campaign (“the main game”) could begin to fray at the edges. A second way in which the professionally designed and run campaign could stumble was if the candidate or group struggled to achieve their role in presenting a credible “independent” campaign.

Wendy Marshall presented Tweed Directions with problems of the first kind: she began to act as if she really was an independent. Her boast was that she was “not influenced by any person, group, or political party”.

## *Vote Wendy Marshall - a true independent.*



PCYC Childcare Centre



RSPCA Shelter



Tweed River

*"I'm standing again as a true independent. I'm not influenced by any person, group or political party." - Cr. Wendy Marshall*

Wendy Marshall, a Councillor since 1999, dedicates herself to the community seven days a week. Her active community achievements and memberships combined with her down to earth personality and integrity are valued assets throughout the Tweed.

Wendy seeks re-election so she can continue the hard work and long hours required to deliver what the community believes in. Wendy's professional attitude and caring nature reflect her passion to serve her fellow residents.

### Her key concerns are:

- Better roads and traffic management.
- Disability and Aged Care facilities.
- Improved youth and childcare services.
- Animal welfare; founder and hon. life member of Friends of the Pound.
- Water and river quality.

### Wendy stands:

- Against extension of the quarry at Terranora.
- For a referendum introducing a Ward-based voting system.
- For quality open space for Banora Point.

*Wendy has proved to be an independent voice for our community.  
So help her continue supporting you.  
On March 27, vote Wendy Marshall's independent team  
above the line.*



Authorised by Wendy Marshall. 1/5 Cassia Crescent, Banora Point 2486

(Extract from Baudino Files)

Ms. Marshall was not alone amongst the candidates belonging to the nine groups that were part of the Tweed Directions team in proclaiming her independence. In fact the prescription of the campaign organisers made such a declaration mandatory. The evidence suggests that the difference between her and others was that she began to actually want to behave as an independent. This worried the organisers of the Tweed Directions' campaign.

Ms. Marshall apparently made “strident” criticisms of most of the other people who belonged to the organising group, including the consultants. She “seemed to want to do things on her own”. She would not follow the distribution of preferences designed by the organising group, and that was the major plank gluing the Tweed Directions' team together, and was the critical factor in the plan to ensure that at least six candidates belonging to the team were elected. She had even discussed preferences with the ALP, clearly one of the main opponents of the Tweed Directions' team. The great danger was that if Tweed Directions decided not to support her group, and did not provide her with funding, she “*could also be a liability in that she has attended some meetings and knows background on where we stand*”<sup>12</sup>. It was of critical importance to Tweed directions that the real structure and funding of the campaign be hidden from the electorate. Whatever the Tweed Directions organisers were afraid Ms. Marshall might reveal can only be a matter of conjecture. Reasonable hypotheses on this might run from a fear that she might reveal who was running the campaign through to fears that the level or source of outside funding might be indicated in some way.

**(Extract from Baudino Files)**

----- Original Message -----

**From:** Katrina Kerkow

**To:** 'Graham Staerk' ; 'Bob Baudino' ; 'jeff.egan@flagship-communications.com' ; 'idwall.richards@solo.com.au' ; 'blundies@bigpond.net.au'

**Cc:** 'Kimberley Hrastovec' ; 'jillrichards@solo.com.au'

**Sent:** Monday, February 16, 2004 10:55 PM

**Subject:** Tweed Shire Council & Wendy Marshall's Group

Questions have been raised regarding Wendy Marshall's group by 2 of our consultants, Bob Baudino and Jeff Egan as to whether it is appropriate and advisable for the group to continue to back Wendy Marshall's group. Some of the issues appear to be:-

1. Wendy Marshall's group appears to be poorly organised.
2. Wendy Marshall's group are unlikely to attract a large number of voters.
3. Wendy is very strident in her criticism of most of the other people in our group, including our consultants and seems to want to do things on her own. There is nothing too wrong with wanting to do things on her own, but it seems that she is proceeding with some angles that are not competent.
4. She expressed some question mark on distribution of preferences and made statements to the effect that she would only ask voters to vote 1 for her and not distribute any preferences. The

---

<sup>12</sup> Emphasis added

group cannot afford that to happen, otherwise votes will be lost to her and if she is not elected, they will be lost forever.

5. Wendy also made comments that she has had telephone calls from Neville Newell of the ALP requesting she gives her preferences to the ALP. There is a real concern that if the ALP has sufficient confidence to actually contact her and she is having discussions with them, then there are real issues there.

6. She did give her commitment the other day after explaining she would not receive any funding that she would change her position and go 1 to 6 and give her preferences the way that we required. However, there is a real risk.

If we decide not to support her group and don't give funding to her, she could also be a liability in that she has attended some meetings and knows background on where we stand.

I think it is better to give her limited support to keep her within our group. She has asked for \$12,000.00. Perhaps we can give her \$10,000.00 only and ask for a confirmation she will give preferences the way we require.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)

Direct Line: 07 5556 7401

(17.02.04)

Graham Staerk argued that it was “better to have Wendy inside the tent”. He argued that a number of conditions should be placed on her, and that her funding be drip-fed to her.

**(Extract from Baudino Files)**

----- Original Message -----

**From:** Graham Staerk

**To:** Katrina Kerkow

**Sent:** Wednesday, February 18, 2004 10:24 AM

**Subject:** Re: Tweed Shire Council & Wendy Marshall's Group

Paul,

As discussed yesterday, I agree that it better to have Wendy inside the tent etc...However, I think we should also make the following conditions of the funding:

- No further discussions with Labor.

- Signing of a confidentiality agreement re: knowledge of campaign tactics/research learned to date.

- WD to prepare her how to vote card to ensure the general preference strategy is adhered to.

- That the funds be drip fed to her for specific materials etc upon presentation of the budget and quotation. Upon doing so, Tweed Directions will provide the exact amounts for each.

Bob Baudino saw the danger that if Tweed Directions were to try and gag Ms. Marshall on the operations knowledge she already possessed, she may go to the media and reveal details. Details are not specified. Hypotheses must include the danger that the Tweed Directions campaign might be revealed to the community, or that the so-called independents' campaigns were managed and funded by Tweed Directions, and governed by rules established by Tweed Directions.

**(Extract from Baudino Files)**

-----Original Message-----

**From:** Bob Baudino [mailto:baudinob@pacific.net.au]

**Sent:** Wednesday, 18 February 2004 12:05 PM

**To:** 'Graham Staerk'

**Cc:** 'brinsmeadp@hickeylawyers.com.au'

**Subject:** RE: Tweed Shire Council & Wendy Marshall's Group

Graham: This is one of those things we could do without. I agree we drip feed her re funding – say \$5000 up front to cover nominations, introductory brochure, door knock cards etc. Further funding be subject to vetting of proposed use. Ok on no further contact with Labor (or any other outside group or individual) but have some concern about trying to gag her on the operations knowledge she already possesses. Any attempt to do this could be provocative and could trigger a reaction we do not need – details to media etc. Wendy has a defensive personality and operates on the basis attack is the best defence. In other words she will do whatever she wants to do no matter what, particularly if she thinks she is under threat. Yes, we must keep tight control of the How-to-Vote card.

*Bob Baudino*

Tweed Community Vision became a sub-set of Tweed Directions, although this fact was never made clear to the community. The funding sub-committee of Tweed Directions paid for the publication of the Tweed Community Vision newsletter, and in January 2004 began to organise the group to stand as an “independent” team in the election. In keeping with the subterfuge that each of the Tweed Directions' funded groups were independent of each other, and did not constitute a the limbs of the one political body, Tweed Community Vision was to desist from appearing as an advertisement for the balance team. Tweed Community Vision, however, was given the responsibility, as the publisher of a newsletter that was meant to appear as a factual and unbiased commentator on local affairs, of generally supporting the other “independent” groups belonging to the Balance camp.

**(Extract from Baudino Files)**

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]

**Sent:** Thursday, 15 January 2004 12:39 PM

**To:** 'baudinob@pacific.net.au'; 'GRAHAM STAERK

(graham@winningdirections.com.au)'; 'Kimberley Hrastovec'; 'Idwall Richards'; 'DAVID WESTON ALLEN & LOIS RUTH ALLEN (dr\_allen@powerup.com.au)'; 'DAVID WESTON ALLEN & LOIS RUTH ALLEN (wesallen46@bigpond.com.au)';

'rdb@tropicalfruitworld.com.au'; 'suthnm949@bigpond.com'; 'blundies@bigpond.net.au'

**Cc:** 'jillrichards@solo.com.au'; 'gsrobina@bigpond.com'; 'Sue-Ellyn McCubben'

**Subject:** Tweed Community Vision & Tweed Directions

After the last meeting, the funding sub-committee considered the way in which we should proceed with these associations and monthly journals. I understand it was everyone's general intention to proceed in the following manner:-

**Tweed Community Vision**

1. Dr Weston Allen should remain as President of Tweed Community Vision right up until the election.
2. Dr Allen should declare his candidature some time in early February. He should declare that Tweed Community Vision will run a group of candidates and he will run as the lead candidate.
3. As other candidates come forward, then they should be announced separately as candidates as part of the Tweed Community Vision group or team.
4. The newsletter should continue to be published monthly, which means that there are only 3 more additions at the beginning of February, the beginning of March and the end of March.
5. Dr Weston Allen can publish in the next edition his policies and can then write some further articles expanding on what his policies are.
6. Tweed Community Vision should not be seen as an advertisement for the balance team, however, it should honestly and factually point out that the balance teams provide a better vision for the Tweed than the green alliance.

...

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)

Direct Line: 07 5556 7401

(15.01.04)

Weston Allen, President of the Tweed Community Vision, duly announced his candidature in February, as directed by Tweed Directions, but then the plan hit a snag as evidenced by material in the Baudino files. Weston Allen apparently had limited understanding of how to run a campaign. In what appeared to be a note from "head office", Paul Brinsmead on February 27 2004 (a month before the elections) sent Mr.

Allen a nine-point instructional e-mail telling him what had to be done in his campaign, who was detailed from Tweed Directions to assist him, and when the money would be paid into his account. The content of the next newsletter was identified. The Tweed Community Vision newsletter, the main vehicle for getting over the messages of both the group itself and the Balance team, was put together, edited, and produced by Winning Directions, a company associated with Mr. Staerk. It is clear that Weston Allen's campaign was organised by Tweed Directions down to a fairly fine level of detail. Weston Allen was left to craft some policies in the same way that other Tweed Directions groups had done. As noted above, it appears that individual policy items were not of central concern to Tweed Directions as long as they represented a pro-business stance on various issues. Nonetheless, as the e-mail shows, even in the one area where groups were left to construct their own path (the shaping of a policy set), some level of coaching was deemed to be necessary.

**(Extract from Baudino Files)**

**Email to Weston Allen:**

Weston

I want to set out a few thoughts in regard to how you need to run your campaign. These are as follows:-

1. Idwall Richards has agreed to play a day to day role and assist you in any aspect of the campaign. I suggest you pass as many issues onto Idwall Richards to follow up or run around about as necessary.
2. Generally, once you have got information together, or when you want to organise a launch or when you need advertising, just pass it over to Winning Directions (Kimberley or Graham). In regard to the launch, I suggest you just advise them that you would like to do it within the next week and let them organise it, etc.
3. Just remember that Jeff Egan is there for you to contact him whenever you need to. He can work on any documents, you just give him the basic ideas.
4. I have asked for \$10,000.00 to be paid to your account and that should be paid this week.
5. I have had a look at some of your draft policies and I think they are looking great. I think you need to aim your campaign in 2 broad areas:-
  - (a) You should not forget that the last 3 newsletters have spoken about sensible planned development moving forward in a very responsible way. This should certainly remain as one of your cornerstone policies; and
  - (b) You should aim the balance of the policies along the health angle that you are pursuing and I think you should aim these very hard at the over 65 market. I think you need to prepare a brochure and a number of newsletters to be distributed to this electorate. I have asked Jeff Egan to come back and advise how he can obtain details of a mailing list or a distribution list for the over 65's, so that he can squarely target them.

6. You should make sure that you allocate some responsibilities to other people in your group, particularly your number 2 candidate. You should work out to which segment of the market he will appeal to. A letter should go out from him addressed to the electorate.

7. The next edition of Tweed Community Vision will basically be a re-print of your brochure. Your brochure will have a dot point summary of your key policies. I think it is then important that this newsletter also contains some more in-depth articles on each of your policies. For instance, you might have 2 articles addressing in more detail 2 of your policies. The next edition can then emphasise again your policies and have photos of all of your team members. It can then have further articles on more details of some of your other policies. Accordingly, you need to work on articles expanding on each of your key policy areas.

8. It is important that the next newsletter contains references to the website and refers people back to the earlier newsletters to look at the issues discussing and concerning development on the Tweed Coast. I don't think you need to address those issues too much more in any major detail, except for maybe re-emphasising it in a facts so far column. Generally, in relation to this newsletter, it will be produced by Winning Directions. All you need to provide is some draft material and they will put it all together, edit it and the like.

Contact details for each of the relevant parties if you don't already have them are as follows:-

Winning Directions:  
Ph: (07) 5535-3900  
Fax: (07) 5535-3911

Graham Staerk:  
Ph: 0419 712 833  
Email: [graham@directionsmedia.com.au](mailto:graham@directionsmedia.com.au)

Kimberley Hrastovec:  
Ph: 0423 577 899  
Email: [kimberley@directionsmedia.com.au](mailto:kimberley@directionsmedia.com.au)

Bob Baudino  
Ph: (07) 3398-3736  
Ph: 0414 509 076  
Email: [baudinob@pacific.net.au](mailto:baudinob@pacific.net.au)

Jeff Egan  
Ph: (02) 4739-0796  
Ph: 0425 340 044  
Fax: (02) 4739-0716  
Email: [jeff.egan@flagship-communications.com](mailto:jeff.egan@flagship-communications.com)

9. You need to arrange photos of your candidates. Please get Kimberley to arrange.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(26.02.04)

Gavin Lawrie was another group leader who appears to have relied heavily on the Tweed Directions personnel to vet his policy pronouncements and to construct the map of his week-by-week campaigning (Addendum 2.2.4.1). Mr. Lawrie had successfully run as a candidate for the 1999 elections with the Balance Team. His strong dependence on Tweed Directions to help formulate his campaign is surprising. It may have been because Mr. Lawrie was genuinely ill at ease with organising the many details that had to be in place to win a second term as a candidate. It might also indicate the level of control that Tweed Directions more generally had over their candidates. The level of dependency that Mr. Lawrie had with Tweed Directions is illustrated by the fact that when he sought to re-arrange the listed order of his group of candidates he felt it necessary to run it past the Tweed Directions campaign managers (Addendum 2.2.4.1).

Despite the apparently strong dependence of the Lawrie group on Tweed Directions, Mr. Lawrie was happy to present himself to the community as an independent.

In a media statement on February 13 2004 Mr. Lawrie wrote the following:

**(Extract from Baudino Files)**

"It's so important that independents run for Council, they are the voice of the community.

"I reject party politics in local Council. I have no issue with such parties, but if they were to enter into a local Council, I would find it devastating.

"A local Council must be run by its independents."

Cr Lawrie is available for interviews with the media, alongside a copy of his policies.

Ends

Further information:

Gavin Lawrie  
0427 939 850

Mr. Lawrie clearly saw independence to mean that a particular person or a particular group was not aligned with one of the main political parties. His alliance with Tweed Directions was not considered by him to dent his claim of independence. In one of his many e-mails (Baudino files) Paul Brinsmead states that Tweed Directions is a community group set up to be a participant in the political process, and particularly the

council election campaign. Mr. Staerk, one of the co-founders of Tweed Directions, was more blunt (T. 23/02/05 p.365-366) describing Tweed Directions as “an association, if you like, which proceeded to act as a de facto political organisation over time to organise, manage and run that specific election campaign in 2004”. As the preceding evidence demonstrates the Tweed Directions machine took control of the pro-business campaign: organising individuals into groups, funding those groups, managing the day-to-day campaign affairs of the groups, and casting a broad organisational net over the activities and directions of the allied groups. Tweed Directions was not a registered political party but it performed the same function in relation to the 2004 Tweed elections. Any denial of the practical role of Tweed Directions in the 2004 elections as a political organisation is simply a solecism. Those groups and individuals who were funded and directed by Tweed Directions were effectively linked into that political organisation.

*MR STAERK: Tweed Directions was a third party organisation, an association, if you like, which proceeded to act as a de facto political organisation over time to organise, manage and fund that specific election campaign in 2004, and it had other objectives on behalf of the business community and others moving forward. ...*

The groups and candidates professing to be independent were not. They were knowingly and willingly part of the Tweed Directions organisation. Indeed the majority of the candidates who stood for election would not have been a part of any campaign but for the fact that they were recruited by Tweed Directions.

The so-called nine independent groups organised by Tweed Directions wilfully misled the community by claiming to be independents. They hid their strong operational links to Tweed Directions, and to each other. They hid the fact that eight of the nine groups were almost wholly funded by Tweed Directions, and that the other group had received substantial funding from the parent group, Tweed Directions. They hid the fact that the general structure of most campaigns was organised by Tweed Directions.

In summary the nine groups that made up the Tweed Directions team of candidates in the 2004 election lied to the community about their true identity, and deliberately misled the community by proclaiming that they were independents. These claims appear to specifically contravene both the letter and the spirit of Section 109 of the Local Government (Elections) Regulation 1998 and Section 151A of the Parliamentary Electorates and Elections Act of 1912. Effectively the “independent” groups issued electoral advertisements, “how-to-vote” cards, pamphlets and other material designed to mislead the public and so improperly interfere with an elector in relation to the casting of a vote.

# TEAM MURRAY

**“Protect the  
Tweed’s unique  
character &  
lifestyle”**



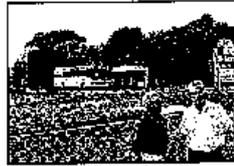
**John Murray - independent**

**“The Tweed is a special place & is deserving special care & attention. I am leading a team of strong community-minded independents that have worked for many years to help shape the Tweed to what it is today. Help secure the future by voting for a strong independent team!”**

**John Murray**

## **Vote 1 - John Murray**

**then Vote 2 -6 above the line for Independents**

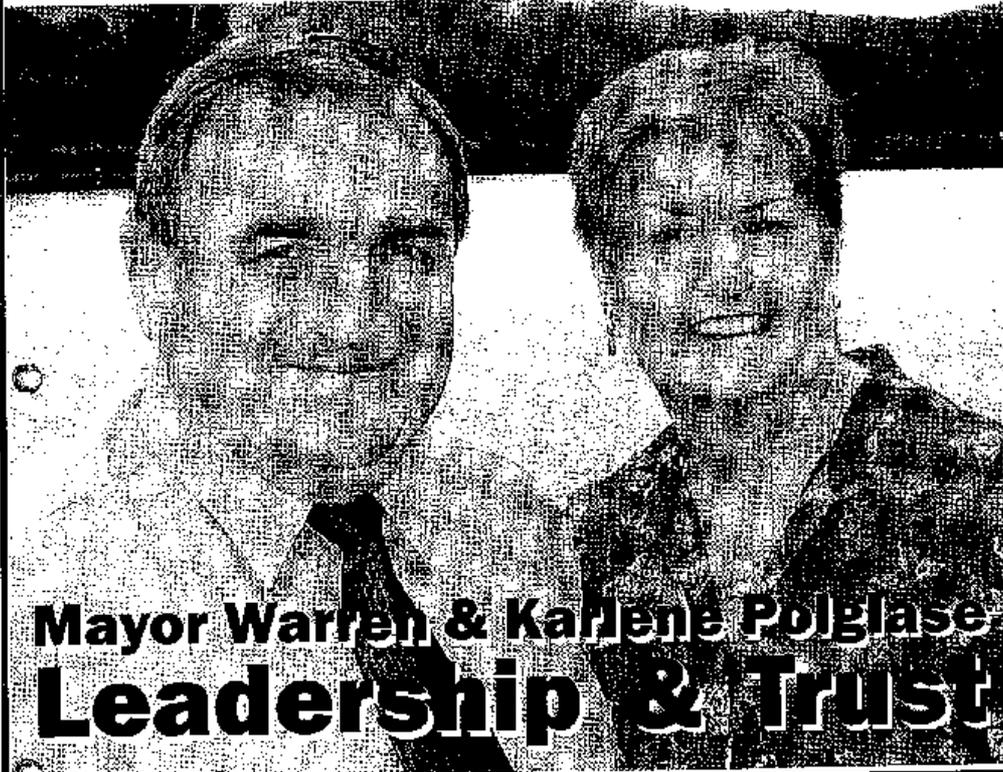


## **UNITING THE TWEED**

ADVERTISEMENT

# Team Polglase

Your independent locals



## Mayor Warren & Karlene Polglase Leadership & Trust

### Deputy Mayor endorses Polglase

"Warren Polglase is a competent, honest and moderate Councillor who will continue to invest our rates wisely on the services we need."



Councillor George Davidson  
Deputy Mayor  
Chairman, Cabarita Beach  
Bowls & Sports Club

### Polglase is the man: Davidson

TWBCD's retiring deputy mayor George Davidson has endorsed Mayor Warren Polglase's team as "the best choice" for voters on the Tweed Coast. Cr Davidson who is retiring to concentrate on his battle with cancer, currently in remission, yesterday announced his backing for the Cr Polglase's 'Group 7'.

"I have looked at the candidates carefully and I believe that Mayor Warren Polglase's team offers by far the best and safest choice for the Tweed Coast," he said.

"It is very important for the Tweed Coast that the new Council continue to deliver quality services in our part of the shire without the overdevelopment of the Gold Coast or the mismanagement of Byron."

Daily News, 15 March 2004

Authorised by Murray I. Cox, [www.vote4right.com.au](http://www.vote4right.com.au), 6 Dulgalgan Road, Dulgalgan

# *Lynne Beck*

## **"BEST" INDEPENDENT GROUP**

**YES** Listens to Ratepayers.

**YES** Helps the "Battlers."

**YES** Fights injustice.

**YES** Available to all,  
all the time.

**YES** Understands  
ratepayers problems.

**NO** Playing politics  
in council.

**NO** Secret deals, behind  
closed doors.

**NO** Large contracts  
let without being  
tendered for.



**YES TO HONESTY, YES TO INTEGRITY.**

**ON MARCH 27, VOTE  1 ABOVE THE LINE  
IN BOX  M FOR THE LYNNE BECK GROUP  
AND 2 TO 6 FOR OTHER INDEPENDENTS**

Authorised by Lynne Beck, Cloverdale, Tyalgum 2484

Compared to the 'no-change' option, our 'preferred' option is a win-win situation for the environment, the economy and all stakeholders. We care deeply about the Tweed, for both the environment and the people.

We, the F group, are prepared to fight for the rights and freedoms of residents and ratepayers, to work hard and smart to ensure a bright future for all.



## HOW TO VOTE

Vote  above the line  
in box

and 2 to 6 above the line  
for other independent groups.

KEEP RESPONDING ... WE'RE LISTENING

Address: Tweed Community Vision, PO Box 6517 Tweed Heads South, NSW 2486

Email: [wesallen40@bigpond.com.au](mailto:wesallen40@bigpond.com.au)

Artwork by Sarah MacL 178 Evans Street, Brisbane, QLD 4000. Photo by Peter Brock. Inland Arch.

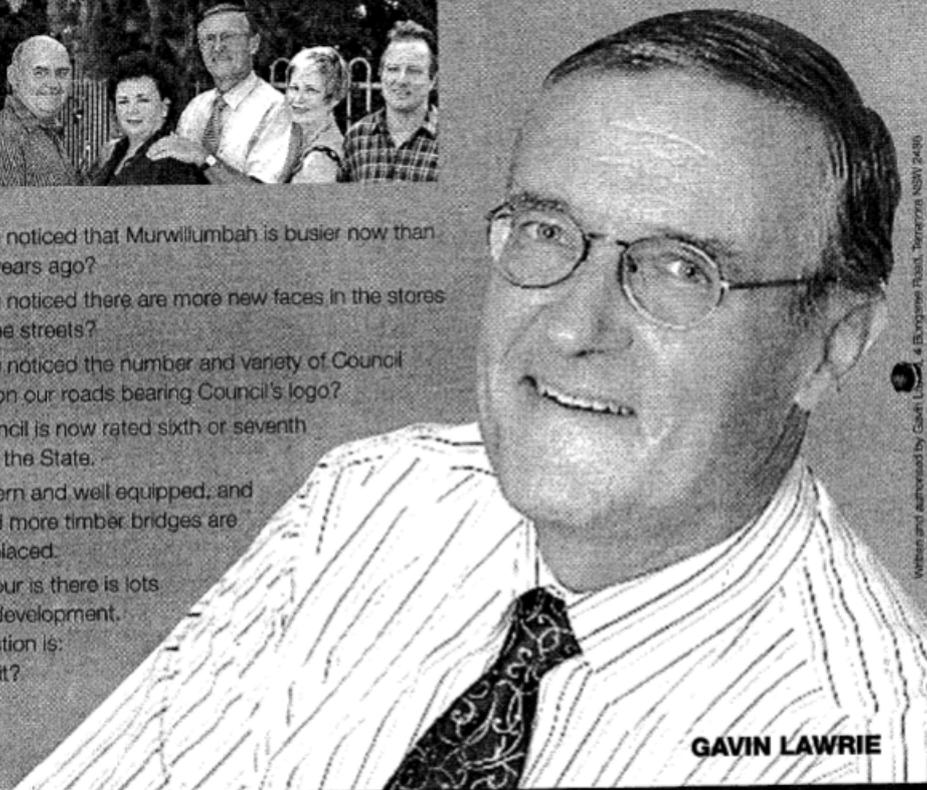
# GAVIN LAWRIE

TWEED COMMUNITY TEAM. MANAGING THE FUTURE.

|  | Previous Council |       | Current Council |       |
|--|------------------|-------|-----------------|-------|
|  | NSW Limit        | Tweed | NSW Limit       | Tweed |
| Council rate increases from 95-99 and from 99-03 | 9.7%             | 36.2% | 11.2%           | 11.2% |
|  | Previous Council |       | Current Council |       |
| Ratepayers' contribution to Council revenue      | +26%             |       | +9%             |       |
| Developers' contribution - %                     | -7%              |       | 31%             |       |
| Developers' contribution - \$                    | \$64.7m (4 yrs)  |       | \$91.2m (4 yrs) |       |
| Legal Costs - last year of each Council          | 11.67%           |       | 7.6%            |       |
| Unemployment Rate - Tweed Heads                  | 13.1%            |       | 8.3%            |       |
| - Murwillumbah                                   | 14.1%            |       | 9.5%            |       |



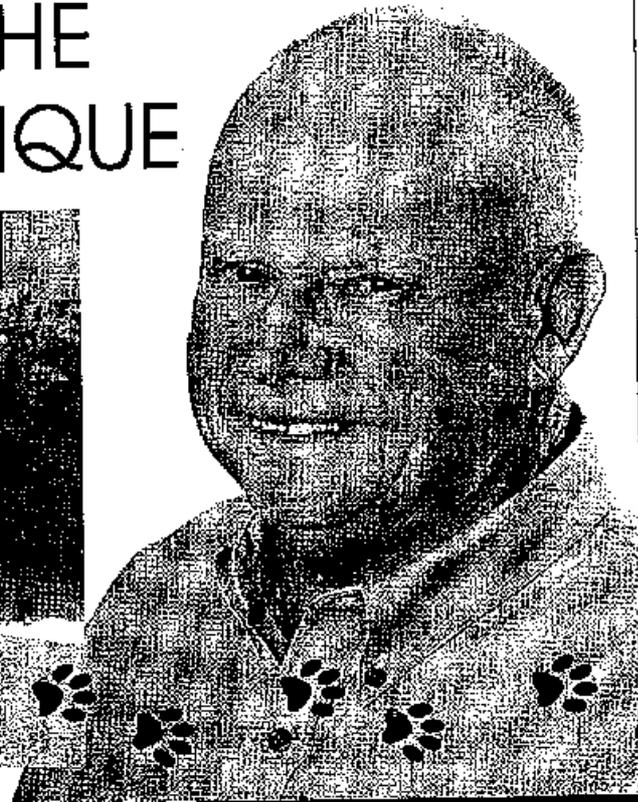
- Have you noticed that Murwillumbah is busier now than it was 4 years ago?
- Have you noticed there are more new faces in the stores and on the streets?
- Have you noticed the number and variety of Council vehicles on our roads bearing Council's logo?
- This Council is now rated sixth or seventh largest in the State.
- It is modern and well equipped; and more and more timber bridges are being replaced.
- The rumour is there is lots of over-development. The question is: where is it?



GAVIN LAWRIE

**ON MARCH 27, VOTE 1 ABOVE THE LINE IN BOX H AND 2 TO 6 ABOVE THE LINE FOR OTHER INDEPENDENT GROUPS.**

# KEEPING THE TWEED UNIQUE



## Phil Youngblutt's Independent Team of Community Voices

Phil Youngblutt is a proud supporter of the Friends of the Pound Association. He would like to see continued support for the group and increased funding and infrastructure from Council.

- It's time to reward the volunteers who spend endless hours in such demanding jobs!
- The Friends of the Pound have over 100 animals at any given time! It's left up to volunteers to house, clean and vaccinate them – they need our help!

- Since the Friends of the Pound began, over 1,000 dogs have been saved!

- Help promote responsible pet ownership, de-sexing and training for all animals!

**"Phil has proved to be the back bone  
for the Friends of the Pound – without  
him, our association wouldn't exist!"**

**Susan Heppel, Friends of the Pound President**

**ON MARCH 27 VOTE 1 ABOVE THE LINE IN BOX L,  
AND 2 TO 6 FOR OTHER INDEPENDENTS.**

Authorised by Col Brooks, Brooks Rd, Kyminboon, N. Wirralbah NSW 2184

47

# THE BRINSMEAD TEAM OF PROGRESSIVE INDEPENDENTS

## Bob Brinsmead's Achievements

As a key player in Council's majority of Independent Councillors, Bob Brinsmead was instrumental in:

- Attracting to the Tweed world-class developments providing extensive new roads and infrastructure, boardwalks, cycleways, parks, gardens, dune care, beach access, public amenities, dining culture, architecture, thereby re-making the image of the Tweed as a place of excellence rather than mediocrity.
- Making the Tweed a more investment-friendly place, creating new opportunity and reward for effort and raising business confidence and lowering unemployment.
- Keeping rates down to CPI increases only.
- Raising developer fees and charges 35% in the last 4 years.
- Raising spending on roads and bridges from \$11.9M to 18.1M.
- Increasing spending on footpaths, cycleways, parks, sportsgrounds.
- Making TS Council become one of the top 5 performers in New South Wales.
- Attracting world class development, setting new benchmarks for new development projects.



**Passionately for business, passionately for the environment,  
passionately committed to the future.**

**ON MARCH 27, VOTE 1 ABOVE THE LINE IN BOX Q  
FOR THE PROGRESSIVE INDEPENDENTS AND 2 TO 6  
FOR OTHER INDEPENDENT GROUPS.**

## **(Local Government (Elections) Regulation 1998)**

### **109 Printing etc false information**

- (1) A person must not do any of the following:
- (a) print, publish or distribute a “how to vote” card, electoral advertisement, notice, handbill, pamphlet, or card, containing a representation of a ballot-paper or a representation apparently intended to represent a ballot-paper, if the card, advertisement, notice, handbill or pamphlet includes directions intended or likely to mislead or improperly interfere with an elector in or in relation to the casting of his or her vote,
  - (b) print, publish or distribute a “how to vote” card, electoral advertisement, notice, handbill, pamphlet, or card, containing an untrue or incorrect statement intended or likely to mislead or improperly interfere with an elector in or in relation to the casting of his or her vote,
  - (c) print, publish or distribute a “how to vote” card, electoral advertisement, notice, handbill, pamphlet or card using:
    - (i) the name, an abbreviation or acronym of the name or a derivative of the name of a party respectively included in the Local Government Register of Parties (or a name or abbreviation resembling such a name, abbreviation, acronym or derivative) in a way that is intended or likely to mislead any elector, or
    - (ii) the word “Independent” and the name or an abbreviation or acronym of the name or a derivative of the name of a party respectively included in that Register in a way that suggests or indicates an affiliation with that party (unless the name of the party in that Register includes the word “Independent”).

Maximum penalty: 10 penalty units.

- (2) A person is not guilty of an offence against this clause merely by printing, publishing or distributing a “how to vote” card which contains instructions on how to vote for a particular candidate or candidates, so long as those instructions are not intended or likely to mislead an elector in or in relation to the casting of his or her vote.

### ***2.2.5 Implicit Contracts: Tweed Directions Candidates and Councillor Independence***

The Tweed Directions written submission to the Inquiry (**S.263, p. 11-12**) stated that the contributors of funds towards the election campaign had no knowledge of and no participation in the actual distribution and expenditure of the money. The submission further claimed that “those developers and businesses still do not know to this day what of their own funds were distributed to candidates or spent on a third party campaign, or used for other purposes by Tweed Directions”.

(S. 263, p. 11)

6. All contributions sought by Tweed Directions for the 2004 Council elections were sought by Tweed Directions from Tweed land owners, businesses and developers. These monies were pooled. The developers and businesses contributing monies were contributing these monies for the purposes of supporting the platform of growth, business development, opportunity, jobs and an economic future for the Tweed. The contributors had no knowledge of and no participation in the actual distribution and expenditure of these monies. Those developers and businesses still do not know to this day what of their own funds were distributed to candidates or spent on a third party campaign, or used for other purposes by Tweed Directions.

Tweed Directions was a de facto political organisation formed with the express purpose of placing a group of pro-business Councillors on Tweed Shire Council. The donors to Tweed Directions were told of the aims of Tweed Directions and asked to contribute funds. Mr. Blundell when appearing at the Public Hearings was asked to explain how the fund raising was conducted. He explained the process in the following terms (T. 23/2/05 p.394):

MS ANNIS-BROWN: *In terms of getting the money, if you like - - -*

MR PIERS-BLUNDELL: *Yes.*

MS ANNIS-BROWN: *- - - and collecting it, I'd just like to know how you went about getting that. Did you hold fundraisers, meetings, go out for dinner, doorknocking? How did you achieve that?*

MR PIERS-BLUNDELL: *No. Well, I put a lot in myself. I'm not great at asking people for money but I did ask some people for some funds, for some assistance and actually we tried to get everyone within the organisation to ask and it was a matter of really sitting down and thinking to yourself, who may be interested in contributing? It became obvious, of course, that disclosure was an extremely important issue. One of the - well, not one, probably the only condition that we put on anyone who was willing to contribute was that they had to be prepared to be disclosed, that we weren't going to try and do anything funny or silly not to disclose anyone, so everyone in the group really just thought of people that they might know or have had dealings with that they could approach and request funds.*

MS ANNIS-BROWN: *So there were no formal means of raising the money? It was just a matter of sitting down - - -*

MR PIERS-BLUNDELL: *No, it was a matter of - - -*

MS ANNIS-BROWN: *Who do we believe?*

MR PIERS-BLUNDELL: *That's right. And as individuals, I mean, individuals themselves could - even if they were at work or at their desk or whatever and thought of someone they could pick up the phone and say, you know, "There's a group wanting to support certain conservative – a conservative Council. We don't want to go back to where we were in the Tweed and would you be prepared to assist in funding?" Because that's what it takes, money.*

PROF DALY: *Did you or whoever was making the contact - did you ever suggest a sum or was that left up to the donors?*

MR PIERS-BLUNDELL: *Well, you know, some donors might say, "Oh, yes, I've got \$1000". And I would say, "Well, it would want to be 10 times that". You know, it's - - -*

It is clear that the process of asking for donations was relatively informal. Members of the Tweed Directions group asked business acquaintances and friends to contribute. The expectation was that each donor would supply a reasonably large amount of money. The donors were warned that in due course the donation would be disclosed. The vast majority of donations came from developers with past, current or future developments within Tweed Shire Council. The willingness to become a donor, and the willingness to donate large sums, indicates that the donors had faith in the Tweed Directions group to use the funds effectively. Tweed Directions was the de facto political group formed to look after the interests of business people. Since developers dominated the donations it is reasonable to assume that they had some expectation that their particular sector of business would be well looked after by a pro-business council. There were 35 donors to Tweed Directions, so it could not be expected that such a large group would play, or would want to play, an executive role in the organisation. The experience of developers with the performance of the 1999-2004 majority Councillors (the Balance Team) was clearly favourable: their willingness to provide large donations to try and guarantee the election of a council with similar attitudes is testament to that. The donors knew that the funds would be pooled and their use determined by the organisation. It is unlikely that donors would want to know whether their donation went to a particular candidate, or to the parallel campaign, or to other electoral purposes.

(S. 263, p. 11)

7. Likewise, none of the candidates supported by Tweed Directions in the 2004 elections had any knowledge of nor any participation in the collection of any of these funds. They did not know which developer or business organisation provided what funds. If they received financial support, so far as they were aware the financial support was provided by Tweed community business organisation, Tweed Directions.

The candidates who stood for election with Tweed Directions support understood that the funds that paid for their campaigns had been garnered by Tweed Directions (S. 263, p.11). Since these candidates had to pass some form of selection criteria to be selected by Tweed Directions it might be assumed that they were more interested in being added to

the team rather than being concerned about the source of the funds. Pro-business councillors in the 1999-2004 council had extolled the role that property development and tourism development had played in renewing the economic fortunes of the area. The Tweed Directions founder, Mr. Blundell, was a developer. The evidence of the Baudino files shows that most of the original members of Tweed Directions had an association with the development industry. In the selection process, and during the campaign, the candidates had contact with various members of the Tweed Directions group. It would be unlikely that most, if not all Tweed Directions candidates understood that the funds had essentially been provided by firms within the property/tourism industry.

(S. 263, p. 12)

8. The purpose of structuring the 2004 Council election campaign in the above way by the business community was to distance both contributors and business interests from the election candidates. There were no undertakings or commitments made by Tweed Directions to any contributor to its funds, and no candidates would have any future conflict of interest in respect to who donated what.

The purpose of trying to ensure that candidates and developers were kept at arms length from each other was to forestall any future allegations of conflicts of interest when Tweed Directions Councillors dealt with development applications or other matters put before council by any of the donors (S. 263, p. 12).

Superficially this argument seems plausible, but there are other factors that may need to be considered.

The pool of funds available to Tweed Directions was very large compared to the fund created for the 1999 Tweed election, or compared to coastal councils with similar characteristics to Tweed. The Baudino files clearly show that the nine so-called independent groups had regular contact with the Tweed Directions organising group, and that the members of each group would be likely to know the members of other groups having been broadly drawn from the original list of potential candidates considered by Tweed Directions. It appears likely that these candidates, selected for their pro-business sentiments and because their profiles within the community could win votes, belonged to similar social groups. The original contribution that Tweed Directions made to each of their nine selected groups was \$10,000. As the campaign progressed further funds were passed on to the groups. The final amount donated varied with each group, but on average it was approaching \$20,000 per group. A simple piece of arithmetic would suggest to the Tweed Directions candidates that a sum greater than the total expenditure of the 1999 Tweed Shire Council election was being given to them. The candidates would also be aware of the parallel campaign run by Tweed Directions and would realise that with an expensive media campaign, including television, the total amount of money in the Tweed Directions pool of funds must be significant. The monies were garnered from "Tweed land owners, businesses and developers" (S. 263 p.11). Without any inside knowledge of the details of Tweed Directions donation list, any person familiar with the

structure of the Tweed economy would realise that the very large pool of funds that had been donated must have included some substantial donations from developers. Without knowing the amounts, and without knowing which developers had contributed, candidates must have been aware that the substantial funds which they received were highly likely to have been sourced from groups within the property industry. It would be naïve to think that the candidates (or at least the small number of Tweed Directions candidates that had any realistic chance of being elected) would not understand that they were being funded out of the development industry.

If this supposition were true, it would open the door to another possibility: that Tweed Directions candidates who got elected would recognise an implicit obligation to assist the development industry in a general way, since that industry was the most likely source of the funds that had supported their campaign. The sense of such an obligation need not have been specific to any particular development or to any particular development project. The Balance Team in 1999 had proudly “laid out the welcome mat to developers”. Development in Mayor Beck’s Community Report 1999/2000 was to be the fundamental plank of the Shire’s future. This general strategy pervaded the operations of the council through to the 2004 elections. The expectation of similar attitudes of council being perpetuated into the new council was a strong factor in the formation of Tweed Directions. The candidates that accepted funds from Tweed Directions, and were part of the multi-focused campaign strategy that Tweed Directions devised<sup>13</sup>, accepted as well the implicit obligations that sprang from belonging to the pro-business group.

**(Tweed Shire Council Community Report 1999/2000, p. 6)**



By and large the Councillors who were elected with Tweed Directions support denied any knowledge of how the money was raised, who the contributors were, and any sense of obligation resulting. There was no sense of the then candidates even enquiring about where the money had come from or the expectations that might accompany their taking the money. In eight of the nine groups supported by Tweed Directions almost all the candidate’s funds came from Tweed Directions. It is difficult to believe that those candidates accepted the funds without having any sense of who the contributors might be. The fact that they didn’t inquire perhaps suggest that they had a reasonable understanding at least that the funds largely represented donations from the property industry. Councillor Beck (see below) described it as “the goose that laid the golden egg”.

<sup>13</sup> The creation of a number of “independent” groups that would run a diverse set of policy offerings, and a broad parallel campaign run by Tweed Directions that ran with a pro-development line and was used to attack their perceived opponents.

**(T. 16/2/05 p. 49-51)**

MAYOR POLGLASE: *I had involvement with a group called Tweed Directions who provided funds to assist in my campaign, yes.*

MR BROAD: *The gentleman I understand, or the director and secretary of that are Mr Blundell and Mr Stark; is that correct?*

MAYOR POLGLASE: *I believe so.*

MR BROAD: *Could you indicate to the inquiry the nature of your involvement?*

MAYOR POLGLASE: *Well, I was running for Council. There's a group of six councillors, and as in the past it's - it's a very expensive exercise for anybody to run for local government. They formed a group to provide funds. I approached them to - for support, and I was given that support.*

MR BROAD: *So did you make any commitments in approaching them to provide funds?*

MAYOR POLGLASE: *No, I made no commitments whatsoever.*

MR BROAD: *How many times did you meet with them, once or more?*

MAYOR POLGLASE: *Maybe three or four times.*

MR BROAD: *And did they ask any questions of you?*

MAYOR POLGLASE: *No, they didn't ask any questions of me at all as regards commitment.*

MR BROAD: *So did you stipulate any sum that you might seek to have from them?*

MAYOR POLGLASE: *No. The - I think the amount - my sum from them was about \$22,000 I got from them.*

MR BROAD: *And in your dealings with Tweed Directions, did you receive any indication from Mr Stark or Mr Blundell where those funds might be coming from?*

MAYOR POLGLASE: *No, I wasn't aware where those funds came from at all.*

MR BROAD: *No indication that any developer might have contributed any sum?*

MAYOR POLGLASE: *The first I was aware of where they received their funds from when I read the article in The Sun newspaper many months after the election.*

MR BROAD: *So you had no knowledge of who might be a contributor whatsoever?*

MAYOR POLGLASE: *I had no knowledge at all.*

MR BROAD: *You had no knowledge the amounts that any contributor might donate?*

MAYOR POLGLASE: *I had no knowledge of any amounts that was contributed to Tweed Directions.*

MR BROAD: *Right. Now, in respect of your general campaigning, did anyone indicate to you, "Oh yes, I've given some money to Tweed Directions"?*

MAYOR POLGLASE: *No.*

MR BROAD: *None whatsoever?*

MAYOR POLGLASE: *None whatsoever.*

MR BROAD: *So as at the date that you were elected, you had not the slightest knowledge of who might have contributed towards your electoral funding?*

MAYOR POLGLASE: *I had no knowledge whatsoever.*

MR BROAD: *Now, there had been concerns expressed that this funding may induce conflicts of interest on the part of yourself and other councillors; do you accept that or not?*

MAYOR POLGLASE: *My - personally I - I don't accept that at all. I've never been involved in that sort of thing in my local government career, which has been about 19 years.*

MR BROAD: *What did you understand this money is coming for?*

MAYOR POLGLASE: *Well, money was made available by Tweed Directions to support candidates who are looking at creating opportunities in the Tweed and were carrying forward from the previous Council.*

MR BROAD: *What do you mean by creating opportunities for Tweed?*

MAYOR POLGLASE: *Well, you're looking at growth on the Tweed, industrial estates, those sorts of things which are - are all part of the mix of - of growing the Tweed.*

MR BROAD: *Facilitating development.*

MAYOR POLGLASE: *Facilitating development, if you want it that way.*

MR BROAD: *Would you see yourself in a position where not knowing where the funds were coming from, you could be thinking "Gee, I wonder if that person was a contributor to my campaign"?*

MAYOR POLGLASE: *No, I've never thought that.*

**(T. 18/2/05 p. 245-247)**

PROF DALY: *... At the 1999 election the Electoral Office records show that you and someone else as candidates the cost was \$22,597.64 of which you and your partner candidate put in \$16,364.98. I - the gap between those two figures was made up from the Tweed Small Business Group support; was that right?*

CR BRINSMEAD: *That's correct.*

PROF DALY: *And that was largely organised, I understand, by Mr Bedser?*

CR BRINSMEAD: *Yes, it was.*

PROF DALY: *In the 2004 election it's recorded that Tweed Directions, another group that came into support candidates for that election, you received - your group received 16,000, but the candidates themselves put in \$41,248.59. That latter amount, which is quite considerable, over \$40,000, what - did that come out of your group's pockets or was it fund raising?*

CR BRINSMEAD: *It came from within my own family, Mr Commissioner.*

PROF DALY: *Right. So, essentially, it came from you?*

CR BRINSMEAD: *Yes.*

PROF DALY: *Yes. Let me go back to the 1999 case. What we've been asking other councillors who have helped us is whether or not when you received money from an outside group whether that then produces some obligation in relation to that group?*

CR BRINSMEAD: *Well, there's two parties here. First of all there's Tweed Directions and then from there there are the donors who contributed to Tweed Directions.*

PROF DALY: *Yes.*

CR BRINSMEAD: *So can we take that as a step at a time, first of all - - -*

PROF DALY: *Yes.*

CR BRINSMEAD: *- - - Tweed Directions and then we will deal with the donors?*

PROF DALY: *Yes.*

CR BRINSMEAD: *In my contact with Tweed Directions I wanted to ascertain right at the outset what their aims, what their objectives, what their philosophy was, was it something I could fit in with and so on.*

PROF DALY: *Did they come to you or did you go to them?*

CR BRINSMEAD: *I can't remember now, but we met with what we're talking about and I wrote down - it's not their words but I wrote down what I thought, and I have it before me - what I encapsulated what I thought they wanted to achieve so that was something that I had to consider and it went something like this: their aim was to retain a progressive council who have a track record of prudent management and business acumen. So not in so many words but with that gist of it they came to me and said they wanted to support candidates who fitted in - that fitted that criteria.*

*You were asked yesterday - and I listened about, you know, was there any stipulations there that passed from candidates - from Tweed Directions to candidates or from candidates to Tweed Directions and if I not wanting to contradict but add to what perhaps to fill in the picture, I would say that we agreed - I agreed - on the assurance from Tweed Directions that the whole arrangement of funding would be done in an open, honest, legal and transparent way. And, on their part, they asked candidates that they would open the bank account and keep the money separate in a separate account and also that they would, at the end of the day, do everything in an open and transparent and conforming to all the laws of the Electoral Funding Act.*

PROF DALY: *Did you know who was putting the money into the system?*

CR BRINSMEAD: *No, not at any stage. I didn't know until the - I first read it in one of the newspapers, I think it was the Tweed Sun, and I've since seen the figures done - I've read the submissions by Tweed Directions, so, yes, I am acquainted and that's now on public record. And that's what - that is in harmony of what Tweed Directions pledged that they would do. That they would - - -*

PROF DALY: *Yes. What you're talking about there is a mechanism - - -*

CR BRINSMEAD: *Yes.*

PROF DALY: *- - - whereby money was gathered and then transmitted to various people. What I was asking about is whether or not there was some obligation - implicit obligation - - -*

CR BRINSMEAD: *No, there was no - - -*

PROF DALY: *- - - that because people took that money.*

CR BRINSMEAD: *No, there was no implicit obligation...*

**(T. 17/2/05 p. 138-141)**

PROF DALY: *Thank you. Let me begin by going back to the period when you were mayor; was that immediately following the 1999 election?*

CR BECK: *That's right.*

PROF DALY: *Okay. In that election, the various candidates were supported by a group called Tweed Small Business Group, and a company called Domfor Proprietary Limited; you would recall that?*

CR BECK: *Yes.*

PROF DALY: *You stood in partnership in group T, I think it was, with a Wendy Marshall?*

CR BECK: *Yes.*

PROF DALY: *There was a total of, according to the electoral returns, a total of \$9821.86 expended on your campaign of which you and Ms Marshall contributed \$2889.20, and Domfor provided you with \$1678.91 and the Tweed Small Business Group provided you with \$4553.75 so that a very significant part of your campaign funds came from those sources; you would recall that?*

CR BECK: *Well, if you've got it in that, that's correct.*

PROF DALY: *Thank you. In the 2004 elections, you, according to the returns, you were given \$22,050 by Tweed Directions to assist you with your campaign; you recall that?*

CR BECK: *That is one - I keep reading different things in different papers, different amounts, but if it's in my returns, that's the amount, but you must remember, there were seven people in my team, so that's only \$3000 each that was expended, so not a great amount to - - -*

PROF DALY: *Yes, how many were elected in your team?*

CR BECK: *Pardon?*

PROF DALY: *How many people were elected from your team?*

CR BECK: *Just myself.*

PROF DALY: *So effectively, that money only promoted you into the council?*

CR BECK: *Well, we promoted seven, but - - -*

PROF DALY: *Sure, I understand that - - -*

PROF DALY: *- - - only one got in.*

PROF DALY: *- - - but I'm saying the end result was that you were - - -*

CR BECK: *The end result was one.*

PROF DALY: *Right. Do you - the issue yesterday - - -*

CR BECK: *Could you get those people out of my face, please; I can't hear for the click clicking. Thank you.*

PROF DALY: *Apologies for that, I didn't know they were there. Coming back to those points, back in 1999, part of your campaign was funded by the pool of money that was accumulated to assist a number of people who were standing for council. In 2004, all your campaign funds came from an outside source?*

CR BECK: *That's right.*

PROF DALY: *Do you think there's some kind of progression there where by 2004 all your campaign funds are coming from not yourself but from somebody outside; do you think that there's a progressive move towards dependency on that outside funding?*

CR BECK: *Well, if there hadn't been outside funding, I guess I'd have had to do it - fund it myself. The first time I stood, I think it cost just over \$700 which was funded mostly by myself so - but we worked - we were funded by this particular group and I saw no reason not to. The Electoral Act allows it, so I think everything was well above board.*

PROF DALY: *Yes, I'm not debating that. I'm asking you about that progression, that at one stage, to go back to your earlier days, you paid for everything - you paid for your own campaign. By 1999, you were paying a proportion, something under a third of the campaign funds; by 2004, you were paying nothing. Does that possibly suggest that there was some reason for that outside body to be putting money into your campaign; why were they doing it?*

CR BECK: *Well, I think you would have to ask the people who contributed because I can't tell you what their motives are.*

PROF DALY: *Why would you accept it, if you don't know what their motives are?*

CR BECK: *Well, that's an interesting question. It's an accepted way of not only electioneering for council, but also for state and federal. You have people who wish to*

*have you returned, and they contribute to that, so it's not something that's completely new to politics.*

*PROF DALY: Is it not logical to think that if a group of people who are willing to put substantial funds of money into a pool to assist candidates, they must be doing it for some purpose.*

*CR BECK: Well, I think probably the main purpose was they remember the good old days, the black days when nothing happened in this shire, and they were afraid that we would return to that time and that's why they would want to have a council in there that would support things happening in the shire, things like getting jobs for the young people, and getting up to date with what's happening - been happening in the Tweed.*

*PROF DALY: The people who put that money in, the mayor yesterday said he didn't know who they were before the election; are you in a similar position?*

*CR BECK: I know you'll find this hard to believe, but I don't ever find out the source of my - people who contribute to any - I keep right away from anything to do with money and campaign funds. I had a campaign director who handled all of my - filling out the forms and everything. When it was in the newspaper, I purposely didn't read it because I do not want to know, because I do not want to know who has contributed so that I don't feel obliged to them or I - and that has always been the way. I just do not get involved.*

*PROF DALY: The information about who supplied that money became available some months after the election, and you've just said you didn't read the newspaper reports of that, but it is public knowledge; you know that?*

*CR BECK: It certainly is.*

*PROF DALY: Now, if you look at the group that put forward that money, the major part of that money came from people who were operating and domiciled in Queensland, in Sydney, in Melbourne. Most of that money did not come from people in the Tweed.*

*CR BECK: Is that a fact?*

*PROF DALY: It is a fact.*

*CR BECK: Thank you.*

*PROF DALY: Now, you said the rationale for them to give that money would be because they didn't want to go back to the black days: that they wanted to provide employment and so forth for the youth of the area. Why would people in Southern Queensland or in Sydney or in Melbourne have such an altruistic view of the Tweed?*

*CR BECK: Well, as I said I don't know who these people so I can't tell you.*

PROF DALY: *That wasn't my question. My question was: because a lot of that money was sourced from outside of the area, why would one assume that they had - they were doing it because they had some kind of altruism towards the area? Do you not find that -*

**(T. 17/2/05 p. 146)**

MR BROAD: *All right. At any stage, was there any indication who might be providing the money - - -*

CR BECK: *No. We didn't - - -*

MR BROAD: *- - - to Tweed Directions?*

CR BECK: *- - - want to know that and - - -*

MR BROAD: *Did you - - -*

CR BECK: *And what is more they didn't want us to know so.*

MR BROAD: *It was just a pot of gold?*

CR BECK: *Or the goose that laid the golden egg.*

**(T. 17/2/05 p. 187-190)**

PROF DALY: *Yes, this is just some background. In 1999, you got funding assistance from a group that - Small Business Tweed group?*

CR LAWRIE: *That's correct.*

PROF DALY: *According to the electoral returns, your total expenditure on that election was \$10,662.16 and of that the - you, the candidate, and the other person who was also with you in standing, you put in \$3639.50. So there was about \$7000 that came from the pool that you just referred to. Were you part of the development of that pool; did you work with - I have seen reference in one of the submissions, I think that you - it was partly your idea to put that money together to get a different sort of candidate up at the elections. Is that right or not?*

CR LAWRIE: *I was part of a movement, Professor. There was a general ground-swell within the shire of unhappiness, unhappiness about the general listlessness of business. It was going nowhere. The investment reputation of the shire, I'll use the expression I'll use in my submission, was on the nose. That general ground-swell of discontent, I became aware of it as well. I'm a businessman.*

*It affected me too, and I was aware from people from various walks of life in business in this shire that they were equally unhappy with the stagnation, the economic stagnation of*

*this place, and I was, yes - I was approached. I was involved at an early stage in assisting the fielding of a group of candidates to endeavour to change the direction or the directionlessness of the shire.*

PROF DALY: *Thank you. In the 2004 election, again taking from the Electoral Commission material, you received \$17,200 from Tweed Directions to assist your candidacy.*

CR LAWRIE: *There was a refund.*

PROF DALY: *There was a refund?*

CR LAWRIE: *Yes, of 4 thousand, approximately.*

PROF DALY: *Yes. You received \$17,200?*

CR LAWRIE: *That's correct.*

PROF DALY: *That amount came in two lots: firstly a \$10,000 lot and then - - -*

CR LAWRIE: *Okay.*

PROF DALY: *- - - at a later time, the 7200.*

MR BROAD: *Can I interrupt? Can you speak a little bit louder, please.*

CR LAWRIE: *I'm sorry. Yes, certainly. Yes, that's correct. I just forget the figures, Professor, the break-down, but it was that amount.*

PROF DALY: *Now, I notice that a number of candidates who received money from Tweed Directions also received \$10,000, and then later received subsequent amounts of money. So does that suggest that those candidates who got \$10,000 and then subsequent amounts, but the \$10,000 to start with, was that a general amount that was given to candidates favoured by Tweed Directions as a starter.*

CR LAWRIE: *I have no idea.*

PROF DALY: *How did you get the money?*

CR LAWRIE: *I beg your pardon?*

PROF DALY: *How did you come by the money?*

CR LAWRIE: *The money was placed into a bank account.*

PROF DALY: *But they must have contacted you or - - -*

CR LAWRIE: *Yes.*

PROF DALY: *- - - or spoke to you.*

CR LAWRIE: *Oh, yes. I had to open a bank account specifically for an election fund, and funds were deposited to that account on two occasions.*

PROF DALY: *Yes.*

CR LAWRIE: *And I had opened the account with Westpac and I had got a cheque book printed and deposit book and so on, or the bank did.*

PROF DALY: *Did you nominate a sum or was that just given to you?*

CR LAWRIE: *Oh, no. No, I didn't. I did not nominate a sum.*

PROF DALY: *The second amount; did you ask for additional funds or did that just come?*

CR LAWRIE: *I - it came but I think during a conversation at some time, Professor, there was a lot happening in about February and March last year, I think I must have indicated that my advertising was starting to creep up. You see, I was - as a sole practitioner lawyer, I nearly went broke, because I was devoting so much time - I shouldn't tell that to my wife. I nearly went broke because I was devoting so much time to getting elected.*

*That happened in 1999 as well. It is more difficult to get elected than to be there, and even just regarding emails between me and Tweed Directions, I opened up a file which was about two inches thick of emails, just proofing photos, proofing letters, proofing this, proofing that. Now that was one file, sir. I've got a pile of files, six inches thick regarding that election and similarly in '99.*

PROF DALY: *So essentially, the \$17,200 was a bonus; you say that the 1999 elections really stretched you.*

CR LAWRIE: *Yes.*

PROF DALY: *But in fact - in actual monetary terms, you put in \$3639.50 and got around \$7000 from that other source.*

CR LAWRIE: *Yes.*

PROF DALY: *Come the 2004 elections, all that was removed; all those worries about how you'd get your campaign going and so forth, by this sum of money that just came to you.*

CR LAWRIE: *I thought you were leading to that; the answer is an absolute and definite no. As I said earlier on, sir, that was so time consuming that if I had charged my professional time, my telephone, my fax machine, my email, my printer, my secretary's time, I would have - you will note because you've got it there, my return to the New South Wales Electoral Office. I listed all of those items of expenditure and I said it's too difficult to cost. Now if I had costed that professionally, it would have been the same without doubt.*

PROF DALY: *Yes. The point I was asking is that that 17,200 was a huge material support for you to get elected.*

CR LAWRIE: *It assisted me. You earlier used the word "bonus", no, it assisted me. It certainly did.*

**(T. 17/2/05 p. 225)**

PROF DALY: *According to the electoral records you received \$23,700 from Tweed Directions. That came in three parcels: \$10,000; and then two subsequent parcels: 8700 and 2500. You, yourself, contributed \$10 to your campaign. Going back to the three parcels, it appears, when speaking to councillors who were candidates and funded by Tweed Directions, that this \$10,000 amount seems to be a standard sort of amount that's repeated in many instances. How did that come about? How did you get that \$10,000 from Tweed Directions?*

CR MURRAY: *The 10,000 was paid in by bank deposit into my bank account. It was set up specifically for the election.*

PROF DALY: *But they must have contacted you?*

CR MURRAY: *Yes, we had had discussions, yes.*

PROF DALY: *Who were the discussions with?*

CR MURRAY: *I had had - I had sat in on a couple of meetings before making a decision. But there were some candidates and there would have been Alan Blundell, most certainly. There were - Graham Stark was there and quite a lot of other people so - just drifting in and drifting out; no formal sort of base to the meeting, just very casual meetings. But I had been asked to stand and - yes.*

**(T. 17/2/05 p. 227-228)**

PROF DALY: *So just in summary, if I can sum up what we have just been talking about, you received a fairly substantial amount of money - I mean, we've just heard from a councillor who got elected with under \$3000 - so it was a substantial amount. You went to a number of meetings where I can only gather you were being assessed, in a sense, for*

*getting the money. And at those meetings there were people with skills in the media and advertising, I guess, and things.*

CR MURRAY: *Yes.*

PROF DALY: *Now, after all that how independent do you become?*

CR MURRAY: *Totally.*

PROF DALY: *Totally.*

CR MURRAY: *Totally independent in terms of - - -*

PROF DALY: *But you have been given a large sum of money, you've been selected - I think that was the term you said was okay - and you had been given this support in terms of campaign structure or whatever.*

CR MURRAY: *Mr Commissioner, it's my opinion that I put together one of the strongest teams for the last Council campaign. My number two was the current Citizen Of The Year for the Tweed; my number three, four, five and six were all strong community identities. They had been sort of heading up community groups for a number of years. We were a fairly well-known group; we were very strong but a very independent group as well.*

The denials of knowledge of the donors to their campaigns were made by all of the Councillors who received Tweed Directions funds. There is one case, however, where those Councillors were informed of the identity of one donor, Metricon. In January a development application from Metricon was presented to the council. Councillor Boyd drew the attention of the six Majority Councillors that Metricon had been a sponsor of Tweed Directions. Mr. Blundell was a developer well known to the council. His formation of the Tweed Directions group was announced to the media and broadly reported. Mr. Blundell was also a friend of some Councillors. On oath or affirmation each of the Tweed Directions supported Councillors proclaimed that they had *no* knowledge of who the donors were, at least at the time of their candidature. Each of them knew the identity of one donor (Metricon) when they took the oath at the Public Hearings.

Beyond receiving funds from Tweed Directions at the Public Hearings the recipient Councillors minimised their connections with Tweed Directions during the campaign. There was a similar playing down of the strength of their connections with other groups that had received funding from Tweed Directions. It is clear from evidence presented above that Tweed Directions had organised campaign strategy and operational meetings that were attended by Councillors. It is also clear that Paul Brinsmead, Bob Baudino and Jeff Egan supplied advice, instructions, and were responsible for helping organise aspects of the Councillors campaigns. The evidence also shows that Graeme Staerk was also responsible for assisting candidates with advertising and other promotional material. The Councillors, at the Public Hearings denied or minimised their association with Tweed

Directions and its operatives.

**(T. 17/3/05 p. 1572-1577)**

MR BROAD: *Never did a thing for you? Did anyone act as an intermediary between you and Tweed Directions?*

MAYOR POLGLASE: *No. I dealt with Tweed Directions directly.*

MR BROAD: *Who did you deal with?*

MAYOR POLGLASE: *Mr Alan Blundell.*

MR BROAD: *Mr Alan Blundell solely?*

MAYOR POLGLASE: *Oh, there would have been Mr Staerk I think was there. Yes, that's who I dealt with.*

MR BROAD: *Only those two?*

MAYOR POLGLASE: *Oh, Mr Richards may have been there on and off. I'm not aware.*

MR BROAD: *What about Mr Paul Brinsmead?*

MAYOR POLGLASE: *Paul Brinsmead could have been there for some meetings, yes.*

MR BROAD: *Did you ever deal directly with Mr Paul Brinsmead other than at meetings?*

MAYOR POLGLASE: *Not that I'm aware of.*

MR BROAD: *In respect of Tweed Directions, you have spoken about Mr Alan Blundell. I think you've spoken about Mr Staerk. I think you've mentioned Mr Paul Brinsmead. Did you have any dealings with Mr Frank Wilson?*

MAYOR POLGLASE: *At Tweed Directions?*

MR BROAD: *Yes.*

MAYOR POLGLASE: *No.*

MR BROAD: *None at all? What about Mr Derek Budd?*

MAYOR POLGLASE: *No.*

MR BROAD: *What about Dr Weston Allen?*

MAYOR POLGLASE: *Weston did attend some of those meetings I was at, yes.*

MR BROAD: *What about Mr Idwall Richards?*

MAYOR POLGLASE: *Idwall Richards did attend some of those meetings I was at, yes.*

MR BROAD: *What about Mr Neil Sutherland?*

MAYOR POLGLASE: *I can't recall attending a meeting where he was there.*

MR BROAD: *What about Mr Alan Powell?*

MAYOR POLGLASE: *No, not aware of that.*

MR BROAD: *Not at all? In your dealings with Tweed Directions, did you become aware that gentlemen such as Mr Powell, Mr Richards, Mr Wilson were involved?*

MAYOR POLGLASE: *With Tweed Directions?*

MR BROAD: *Yes.*

MAYOR POLGLASE: *I didn't know if they were all involved.*

MR BROAD: *You didn't?*

MAYOR POLGLASE: *No.*

MR BROAD: *See Tweed Directions substantially involved a clique of local directors, didn't it?*

MAYOR POLGLASE: *What was that?*

MR BROAD: *Tweed Directions involved a clique of local developers, didn't it?*

MAYOR POLGLASE: *I'm not aware whether they were all local developers.*

MR BROAD: *Well, Mr Paul Brinsmead is a local developer, isn't he?*

MAYOR POLGLASE: *He is.*

MR BROAD: *Mr Idwall Richards is a local developer, isn't he?*

MAYOR POLGLASE: *I'm not aware that he has done any development in Tweed Shire. I know he is - - -*

MR BROAD: *Isn't he a proponent of a redevelopment of a property including I think it's the Thai restaurant and former Italian restaurant at Kingscliff?*

MAYOR POLGLASE: *I'm not aware of that.*

MR BROAD: *Not aware of it? Okay. Mr Blundell - - -*

MAYOR POLGLASE: *He owns the property there.*

MR BROAD: *Sorry.*

MAYOR POLGLASE: *He owns the property there; I'm aware of that.*

MR BROAD: *I think there is a sign on the property that says, yes, it's going to be the subject of a redevelopment.*

MAYOR POLGLASE: *That's only appeared in the last few months.*

MR BROAD: *Has it? I think you will find also the Italian restaurant that was operating in there has since moved out to allow the redevelopment.*

MAYOR POLGLASE: *I wouldn't know.*

MR BROAD: *Oh, well, I can suggest that to you. Mr Alan Blundell as we have heard is a local developer.*

MAYOR POLGLASE: *Yes, he is.*

MR BROAD: *Mr Alan Powell is a local developer, isn't he? Usher Powell Developments?*

MAYOR POLGLASE: *Usher Powell - Usher Power are, yes.*

MR BROAD: *And Mr Frank Wilson represents a major company, the Barclay Brothers - - -*

MAYOR POLGLASE: *That's correct.*

MR BROAD: *- - - who are seeking to become a very large developer in this area?*

MAYOR POLGLASE: *That's correct.*

MR BROAD: *You weren't of the view then that Tweed Directions really contained quite a clique of developers?*

MAYOR POLGLASE: *Look, I just believe they were people that - we've gone through the process of saying that they are developers in the Tweed. You suggest they were a clique of developers. That's an opinion you're entitled to. I believe that they were all there in the interests of the Tweed. But they were developers. I'm not denying that.*

MR BROAD: *Now, other than your meetings with representatives of Tweed Directions, did you receive material from them from time to time?*

MAYOR POLGLASE: *If we did, it was very very little material we received.*

MR BROAD: *Very little?*

MAYOR POLGLASE: *Very little.*

MR BROAD: *Didn't have campaign strategies?*

MAYOR POLGLASE: *We did all our own campaigning ourselves.*

MR BROAD: *No suggestion of how you should conduct a campaign?*

MAYOR POLGLASE: *At those meetings I attending to, strategies were discussed.*

MR BROAD: *Yes. Did you ever receive any material from them?*

MAYOR POLGLASE: *Oh, I might have but it would be very little.*

MR BROAD: *Well, can you do a bit better than that, please?*

MAYOR POLGLASE: *Well, what sort of material?*

MR BROAD: *Well, perhaps I could attempt to clear that matter up. If you give me a minute, I'll attempt to find some of the documents. Perhaps if I can ..... some of this?*

MAYOR POLGLASE: *Sure.*

MR BROAD: *Did you ever receive this document? Have a look at that document. It's directed to all lead candidates. It's from Bob Baudino. It's dated 11 February 2004.*

MAYOR POLGLASE: *I believed I - yes, that's the election timetable of there. I remember receiving that.*

MR BROAD: *There's another document here, quite a lengthy document dated 9 January 2004. Do you recall receiving that?*

MAYOR POLGLASE: *I recall the timetable on there for sure.*

MR BROAD: *There's a document dated 9 January 2004, again addressed to all candidates from Bob Baudino. Do you recall receiving that?*

MAYOR POLGLASE: *Well, that's the information that we received - that came out of the meetings we had and they were documented and forwarded out to us.*

MR BROAD: *Yes. Do you recall receiving any other documents?*

MAYOR POLGLASE: *Well, I recall probably receiving those two but as regards a lot of others, I would say very limited.*

MR BROAD: *Very limited.*

MAYOR POLGLASE: *Yes.*

MR BROAD: *I've just picked two of them out at random. Were you giving instructions on how to vote and process work?*

MAYOR POLGLASE: *Yes, we were.*

MR BROAD: *Were you given any reports on the grouping of candidates?*

MAYOR POLGLASE: *In what manner?*

MR BROAD: *I'll show you a document.*

MAYOR POLGLASE: *We may have or may not have I can't be aware of that one.*

MR BROAD: *If you look at that letter, it's dated 30 January 2004. I suggest that you received that.*

MAYOR POLGLASE: *Yes, probably did.*

MR BROAD: *I see, thank you. Given what I've just put to you, would you agree that your involvement with Tweed Directions was substantially more than just attending a couple of meetings?*

MAYOR POLGLASE: *No, I would not.*

**(T. 17/2/05 p. 143-145)**

CR BECK: *Well, it was a joint effort and that's - we always worked together.*

MR BROAD: *The joint effort? Did that involve any other persons?*

CR BECK: *No. Mostly just my husband and I.*

MR BROAD: *Yes. And any other one? You said "mostly".*

CR BECK: *Well, the other candidates. We had regular meetings with the other six on our team and kept them up to date with what was happening.*

MR BROAD: *What about other candidates outside your team?*

CR BECK: *Yes, we kept in touch with the - all of the others in that wider group.*

MR BROAD: *That's the Group A, the George Davidson group?*

CR BECK: *Yes.*

MR BROAD: *The Group D, the Geoff Mowan group?*

CR BECK: *Yes.*

MR BROAD: *The Group F, the Bob - - -*

CR BECK: *Are you talking about this election or the one before?*

MR BROAD: *The 2004 election.*

PROF DALY: *No, this is - - -*

CR BECK: *I think you've got the wrong one.*

MR BROAD: *I'm sorry. The other candidates - - -*

CR BECK: *But it would have been the same for both anyway.*

MR BROAD: *Yes, but you kept in contact with each other?*

CR BECK: *Yes.*

MR BROAD: *Did you have regular meetings?*

CR BECK: *Probably fairly regularly.*

MR BROAD: *Over what sort of period?*

CR BECK: *Well, I can't really remember.*

MR BROAD: *Roughly?*

CR BECK: *I suppose about the last month before the election.*

MR BROAD: *When did your campaigning commence?*

CR BECK: *When you're in council your campaigning never finishes. From the day after the election you're out there shaking hands, meeting people, doing things so you don't just all of a sudden say, "I'm campaigning". If you want to be elected next time, you campaign from day one right through.*

MR BROAD: *Now, we have heard about Tweed Directions providing funding.*

CR BECK: *Yes.*

MR BROAD: *Were you involved in any meeting with any representative of Tweed Directions?*

CR BECK: *Yes, we did occasionally meet.*

MR BROAD: *Right. And did that involve you and your husband?*

CR BECK: *Yes.*

MR BROAD: *Did the other candidates standing in your group?*

CR BECK: *I think most of them occasionally got together and obviously we had to get together to work out details.*

MR BROAD: *And the other candidates standing under separate groups?*

CR BECK: *Mostly it was only the leader of the group.*

MR BROAD: *So you had meetings with who from Tweed Directions?*

CR BECK: *Mr Allan Blundell.*

MR BROAD: *Okay. How regular were those meetings?*

CR BECK: *Oh, probably might be weekly but it wasn't for that long so it wouldn't have been many - that many meetings.*

MR BROAD: *And do I take it that Mayor Polglase attended those meetings too?*

CR BECK: *On occasions he did.*

MR BROAD: *And who else would be there in respect of Tweed Directions? Would they have strategists there?*

CR BECK: *Well, Mr Stark was there. He was from Tweed Directions but that was about it.*

MR BROAD: *And at those meetings, did you discuss the format of the electoral material that you would be publishing?*

CR BECK: *We - well, most of us did our own - our own - we acted on our own. We didn't all go as peas in the pod. We were separate. Had our own ideas on how to go.*

**(T. 17/2/05 p. 191-192)**

PROF DALY: *So your meetings - you said you met Mr Blundell and Mr Stark; what were they for? Were they for strategy or just how much money you needed or - what role did they play?*

CR LAWRIE: *To - it was more a matter of information giving of what they thought was happening. No one knows, Commissioner, how an election is going until it is all over, and it was - I was being, I suppose they would say I was being kept informed, but being kept informed from the perspective of Gavin Lawrie.*

PROF DALY: *Okay. I'll leave that there. Mr Broad, do you - - -*

MR BROAD: *Oh, a couple of questions that follow on, Councillor Lawrie. In your meetings with Mr Stark or Mr Blundell, did you ever inquire where the money was coming from?*

CR LAWRIE: *No.*

MR BROAD: *And why - - -*

CR LAWRIE: *No, I didn't, and - - -*

MR BROAD: *Can I ask - - -*

CR LAWRIE: *I beg pardon?*

MR BROAD: *Can I ask, having answered that, why you didn't inquire?*

CR LAWRIE: *You can ask. I didn't want to know. In the same way, I see Mr Cornfield over there chuckling, but in the same way that, as a lawyer, I do not ask the client, "did you murder your wife", because the instruction is, "I did not". So - no, sir.*

MR BROAD: *But you weren't acting for murderers, were you?*

CR LAWRIE: *No, I wasn't. No, that's a good point; I wasn't.*

MR BROAD: *It's a slightly different world, isn't it, because as a solicitor in a murder case, if you asked your client that question, and your client said yes, you would be hopelessly compromised.*

CR LAWRIE: *Correct.*

MR BROAD: *Is it the same analogy, that you didn't want to be compromised?*

CR LAWRIE: *Yes. We did not ask, and I perceived, there's this word, that I would not be told.*

### 2.2.6 Paul Brinsmead's Role in the Tweed Directions campaign

Paul Brinsmead is a solicitor with a Queensland-based firm called Hickey Lawyers. He is also a developer: one of two principals of Resort Corporation Pty Ltd (commonly known as Resort Corp), a company with major developments on the Tweed Coast. He is also the son of Councillor Bob Brinsmead. The other principal of Resort Corp, Peter Madrers, is the son-in-law of Councillor Brinsmead.

At the Public Hearings Mr. Brinsmead was asked about his role with Tweed Directions. He appeared to minimise that role by describing himself as a sounding board to the group, and that he also assisted Tweed Directions in raising funds. **(T. 23/2/05 p.430).**

MR BRINSMEAD: *Tweed Directions soon - well, reasonably soon after it was formed approached me on a number of things, as they did a number of people. As I understand it, there were 20-30 people providing input to Tweed Directions in terms of things within their experience, some commercial advice, knowledge. And they approached me and asked me to be a sounding board I suppose, to bounce things off. Which I was only too pleased to do.*

*And secondly, they asked for assistance in raising funds for the objects of their association. Now, I did have a long history as I have explained, as a lawyer. And acting for a lot of high end businesses and developers. And I was prepared to assist in fundraising.*

In contrast to Mr. Blundell and Mr. Staerk, who were vague about their approach to developers and indicated a fairly low key approach, Mr. Brinsmead expressed a good deal of passion about the raising of funds for the Tweed Directions cause **(T. 23/2/05 p.431)**. His fervour suggested that he might be willing to be more than a sounding board for the group.

**(T. 23/2/05 p. 431-432)**

MR BROAD: *And in approaching developers, what was your pitch?*

MR BRINSMEAD: *I fundamentally spoke about - I fundamentally spoke about my experience on the Tweed, my background and experience, my passion and love for this*

*area that I wanted to see better. What I spoke about was - I suppose it was a strong frustration, an anger that I had in respect of an area that I cared deeply about when I saw under administrations of so-called green councils. An ugly urban expansion, where there was a council that had failed to concentrate on - a council that had failed to concentrate on planning, because they didn't believe in planning.*

*They had failed to concentrate on development of infrastructure. And change is inevitable in life. Because change is inevitable in life, things change. And if you don't grasp and say, "Let's plan for it and let's make it as good as it can be", you get the ugly urban sprawl that was happening. I also spoke about the fact that I'd been through many board rooms in this country, many many board rooms. I mean, as I said, I'm a child of the Tweed, and it was fundamentally - I found it very difficult to sit in those board rooms and hear people make very derogatory comments about an area that I cared about.*

*The western suburbs of the Gold Coast, the impoverished area, the area that had unemployment of 20 per cent, the area with the ugly urban sprawl with the little brick boxes. So we spoke about that. And it was the fact that we've had four years - finally, we've had four years where, okay, it wasn't perfect. Nothing is perfect. But at last the Tweed - at last the Tweed is starting to achieve something in terms of getting its little moment of time in the sun. So it was about the risk, it was about the risk.*

*Fundamentally, I spoke to them about the risk that if all of us who care and are passionate about the Tweed are not prepared to stand up and make a contribution and help out, we're going to go the Byron Bay road. We're going to go - we're going to go in a direction where we have a council where they do talk about things like population caps. And what happens? Only the rich can afford it. What happens? You get debt-ridden councils.*

*What do you have in terms of unemployment? You have unemployment in double digit figures.*

*It was speaking about a fear, a fear of what happens if we lose the direction. We're just getting into a - we're just starting to get into a position where this area is as good as it should be.*

Mr. Brinsmead was asked about the motivation of the developers who donated funds, and whether or not they feared that they would lose opportunities if a pro-development council was not elected. He argued that his discussions with donors centred around fear: fear that the Shire may go down “the Byron Bay road” and that would produce bad quality outcomes. Reluctantly, he did agree that “there may well be a loss of opportunity”. (S. 23/2/05 p.432-433).

*MR BRINSMEAD: I mean fundamentally, this area - fundamentally this area is situated right beside the fastest growing region, the fastest growing city in Australia. It's situated right beside the sixth largest national airport. I mean, this area should have been - this area should have been an absolute - an absolute economic driver. But it*

*wasn't. And it was just starting to get there. So it was that discussion, and sharing those thoughts with them. And the driving force of anyone that I had spoken to that put money in, was a driving force that we fear the Byron Bay road. It was a fear of the alternative.*

MR BROAD: *The loss of opportunity.*

MR BRINSMEAD: *Loss of opportunity?*

MR BROAD: *Yes.*

MR BRINSMEAD: *No, it wasn't a fear of loss of opportunity. It was a fear of the change in direction.*

MR BROAD: *Wouldn't that result in a loss of opportunity?*

MR BRINSMEAD: *You'd have to ask them, we didn't talk about that.*

MR BROAD: *But you stop short of saying that?*

MR BRINSMEAD: *Sorry?*

MR BROAD: *You stop short of saying that?*

MR BRINSMEAD: *There was never a discussion about opportunity. It's the fear of what this place might be. And the fear - the fear of the Byron Bay road.*

MR BROAD: *Which was ceilings on population, the closing off of development. Is that the sort of thing you were talking about?*

MR BRINSMEAD: *It's a situation where it's absolutely no to everything. It's the situation as I explained to you before, when you say no to everything it happens anyway. But you don't get good quality things, you get bad quality things.*

MR BROAD: *But it also results in the loss of opportunity.*

MR BRINSMEAD: *There may well be a loss of opportunity, yes.*

Mr. Brinsmead was questioned further on his role and the closeness of his association with Tweed Directions. His response suggested that his role might be a little larger than just a sounding board, but he still suggested that it was fairly minor and somewhat ad hoc (T. 23/2/05 p. 434).

MR BROAD: *Were you kept generally aware of where Tweed Directions was going?*

MR BRINSMEAD: *Well, I provided commercial input, and as I said, a sounding board. So at various stages, I mean, I attended a number of meetings. I had numerous*

*discussions with Graham Staerk and Alan Blundell and others, where they would say to me, "Hey, we're thinking of going this direction or that direction", and I would give my opinion. Whether it had been in a meeting when I had been asked to go and have a talk to them, or on the telephone.*

MR BROAD: *Were you provided material by them?*

MR BRINSMEAD: *I probably was.*

The Baudino files suggested a much deeper involvement with Tweed Directions by Mr. Brinsmead. Various documents suggest that Mr. Brinsmead played a central role at the Tweed Directions campaign meetings. He produced agendas, organised meeting structures, deferred meetings, and when the meetings became daily, in the weeks leading up to the elections, they were held in his office (in Southport, Queensland). He chaired the group meetings at a very early stage, even before Tweed Directions was instituted. He was centrally active in designing the early campaign structure and the roles that Mr. Baudino and Mr. Egan were to play.

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]

**Sent:** Thursday, 15 January 2004 10:54 AM

**To:** 'baudinob@pacific.net.au'

**Subject:** Monday Meetings

As some Councillors are now attending these meetings, I think it is appropriate that all of the number 1 candidates that we are supporting are invited to attend, as well as the current balance team councillors.

I think it might be appropriate that the meeting is divided into 3 sections:-

1. Meeting commencing at 7.30am Qld time (8.30am NSW time) for 1 hour to review issues that are best discussed without the Councillors there. I believe that most issues, however, should be discussed in front of them, except for perhaps funding.
2. A meeting commencing at 8.30am Qld time (9.30am NSW time) with all present discussing all remainder issues, other than the sub-committee issues.
3. A meeting commencing at the end of those meetings by the sub-committees. These sub-committees are the funding sub-committee and the editorial sub-committee.

If there are not enough issues to talk about in the first hour, the sub-committees can discuss their issues in the first hour.

However, I'm not sure whether the meeting 1 hour before is necessary, on the basis that there are very few issues, other than funding, that need to be kept away from the Councillors.

Please consider and perhaps we can talk about it at the next meeting.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)

Direct Line: 07 5556 7401

{15.01.04}

To All member of the Support Group

From: Bob Baudino

Paul has requested Monday's meeting be deferred as we have to meet the deadline for the How to Vote cards registration. It will not be held Monday. Please don't forget the Chamber of Commerce breakfast for Tuesday (South Tweed Bowls Club.) This is for the release of the Midwood report – a very important document for the campaign.... With regards Bob Baudino.

**From:** Kimberley Hrastovec [kimberley@directionsmedia.com.au]

**Sent:** Thursday, 12 February 2004 2:54 PM

**To:** 'Graham Staerk'; 'Abbey Trueman'; 'Bob Baudino'

**Cc:** 'Melissa Rowley'

**Subject:** Daily Meetings to commence 8.03.04

Please note that the strategy meetings will commence on the 8<sup>th</sup> March, 2004 at 8:30am.

The meetings will be daily until the end of March and will be held at Paul Brinsmead's office – Corporate Centre, Bundall.

The attendees will be:

Paul Brinsmead  
Graham Staerk  
Bob Baudino  
Abbey Trueman  
Kimberley Hrastovec.

Kimberley

Kimberley Hrastovec

Public Relations Consultant

DIRECTIONS MEDIA

T 07 5535 3900

F 07 5535 3911

M 0423 577 899

E kimberley@winningdirections.com.au

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]  
**Sent:** Wednesday, 12 November 2003 4:46 PM  
**To:** 'jillrichards@solo.com.au'; 'blundies@bigpond.net.au'; 'radio97@bigpond.net.au';  
'graham@winningdirections.com.au'; 'Kimberley Hrastovec'; 'dcdecg@norex.com.au'; 'RD & VE  
(BOB & VAL) BRINSMEAD (rdb@tropicalfruitworld.com.au)'; 'Wes Allen';  
'gsrobina@bigpond.com'; 'baudinob@pacific.net.au'; 'POWELL DEVELOPMENTS PTY LTD  
USHER (alanp@usherpowell.com.au)'; 'dr\_allen@powerup.com.au'  
**Subject:** Agenda - Monday, 17 November, 2003  
Dear All

**Enclosed** is the agenda for the next meeting.

Please also note that I will not be able to attend this meeting, as I am in Sydney for the Rugby Semi-Finals and will not be back until Monday night.

I also won't be able to attend the following Monday's meeting. Can someone else please take over the role of Chairman of the meeting?

Please note that Jeff Egan will be attending the meeting. I have advised Jeff Egan of his reviewed role in light of Bob Baudino coming on board. Please see the email attached that I have forwarded to Jeff Egan.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(12.11.03)

Mr. Baudino was appointed as Campaign Director to attend to practical matters associated with the campaign. Mr. Egan was brought into the group to map out the broad lines of the campaign. The evidence of the Baudino files suggests that Mr. Brinsmead had a role where he facilitated their work, and provided critical direction of their work. In his e-mails of November 12 2003 it is clear that Jeff Egan had been originally detailed "to meet with and manage on a day to day basis each of the individual campaigns". Mr. Baudino was assigned that task. In the general strategy of the campaign, apparently designed by Mr. Brinsmead, the control over individual group campaigns by the Tweed Directions group was envisaged from the start.

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]

**Sent:** Friday, 13 February 2004 12:08 PM

**To:** 'Bob Baudino'; 'Graham Staerk'

**Cc:** 'Kimberley Hrastovec'

**Subject:** Tweed Elections - Jeff Egan

Dear Sirs

**Enclosed** is an email I have forwarded to Jeff Egan. He has agreed to come up. I am arranging:-

1. Accommodation.
2. A car.
3. A computer.

Please let me know if there are any further matters that Jeff Egan should be assisting in.

Can you please specifically communicate with each of the lead candidates and advise that Jeff Egan will be contacting them and will be coming up to review over where they are at. Make sure they make themselves available, because he has limited time during that period.

It may also be worth you attending the meetings, if you are available, with Jeff Egan and each of the lead candidates.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)

Direct Line: 07 5556 7401

(13.02.04)

**Email to Jeff Egan:**

I refer to my conversation with you on Thursday, 12 February, 2004.

**Enclosed** is a list of each of the lead candidates with their contact details.

I note your advice that you will be coming up on Sunday and you will be leaving on Tuesday morning.

I am arranging accommodation at Paradiso at Kingscliff on both Sunday and Monday night. The address of Paradiso at Kingscliff is 78-80 Marine Parade, Kingscliff. I will send you a further email with the unit number and how you book in, etc.

Can you please make sure that you get appointments with each of the lead candidates for the period while you are here. If you cannot meet with all of them, you will need to make sure you have met with the balance by the end of the week, so you might need to return.

The things you need to cover with each of these candidates are:-

1. Review where they are at with production of their campaign brochure. Please provide input on its design, its contents, the messages it is selling, etc. Be aware that Winning Directions can actually do the layouts and print it and they can be present if you require it, or if you need to brief them later. Please contact Kimberley at Winning Directions and her details are:-

Ph: (07) 5535-3900

Ph: 0423 577 899

Fax: (07) 5535-3911

Email: [kimberley@directionsmedia.com.au](mailto:kimberley@directionsmedia.com.au)

It would also be of help if you brought some examples of brochures to hand to each of the candidates.

2. Assist the candidates in preparation of their How To Vote Cards. Please again bring some examples of this. I appreciate that you can't finally design the How To Vote Cards until nominations close and that the order on the ballot is actually drawn. However, at least they can commence working on design and layout, the messages that go on it, whether there are photos on it, etc.

Please note that in relation to the How To Vote Cards, we have clearly agreed in relation to the following:-

(a) We will be recommending that all voters vote 1 to 6 above the line; and

(b) We will also have a further wording on the How To Vote Card that if a voter chooses to vote below the line, then we recommend that they vote 1 to 12 below the line.

3. Please note that in relation to production of any campaign material, we intend to emphasise the following points:-

- that our groups are independent groups, not parties
- that our groups are led by experienced people, but with teams of predominately fresh new faces with new ideas and enthusiasm
- that the message we deal with in the Tweed Coast is mainly neutralising the over development issue
- the issue we mainly deal with in Tweed Heads, Banora Point, etc. is roads, jobs, opportunity and a future
- the issue mainly in the rural areas is also roads, but also specific rural issues
- some of the campaign also needs to be targeted at the over 65's and families

4. Please review where the groups are at in relation to registration and official enrolment. Please review the forms with them. Make sure they have completed them correctly. Make sure also that they have 2 nominations for each candidate. Emphasise that each candidate, as well as each of the nominators must be on the roll.

Can you assist in obtaining a copy of the roll? Would there be something that you could do to check whether the people are actually on the roll?

5. Also assist candidates in preparation to commence work on signage for the purposes of the campaign. Maybe bring some examples of signage and assist in the messages.

6. Review overall the campaign strategy of each of the candidate groups, the message is out, etc. Consider any other issues that might be relevant.

I also note that you indicated that you will need the following:-

1. A computer and printer. I will clarify with Bob Brinsmead where this is at.

2. You indicated that you may need a vehicle for the period. Again, I will communicate with the group and find out where we can get access to a vehicle for this period.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(13.02.04)

**From:** Bob Baudino [baudinob@pacific.net.au]

**Sent:** Wednesday, 11 February 2004 3:05 PM

**To:** 'Paul Brinsmead'

**Subject:** RE: Elections

Paul: My email has gone to all lead candidates except John Murray. I have been trying to contact you to see what is the position there. As it went out before I received your email I am now sending a second email following receipt of your email and again am not sending to John until I receive some direction on this. I have conflicting information on whether he is running or not. I have also removed the line "the group is fresh and new" as it could be very strong ammunition to our Opponents and destroy the strength of any brochures. With a good attack from the other side they would have to be junked.

If I was on the other side I would immediately turn our own cartoons against us as (and this is said with great respect for they are my friends) I cannot present Bob, Warren, Lynne, among others, as fresh and new. They have to be sold as safe and experienced – good hands at the helm. My meeting with candidates last Monday showed that the full implications of the decision that all lead candidates were running their own campaigns had not got through. Phil Youngluff, although fully briefed, was sitting back waiting for us to run his campaign. This was echoed (again) by Wendy. Another problem was no one was prepared to do anything until they saw some funding. Phil was particularly vocal about this claiming he was promised funding on a weekly basis and was still waiting. I am attaching the latest email. I will give them today to digest all of this and ring all of them tomorrow. In the meantime I would like some direction on John Murray. I think the move to get Jeff up to help on printing

Layout and presentation is a good idea. I had already asked him to consider helping Phil who is terrified of running a campaign, something he has never done. Wendy also needs help. Lynne, Warren and Bob are old hands while Weston has strong support. I have made arrangements to get a copy of the present Electoral Roll and, as you will see, have asked all lead candidates for their lists. My undertaking to the Support Group to base on ground for the last month stands. That is when the real action takes place. I have and will continue to maintain contact with the lead candidates and anyone else they want me to meet. I have deliberately stayed out of the advertising printing area to this time because of your close ties and confidence in Winning Directions, who, as far as I can see, are doing a good job. Remember, under the terms we are working to Group Leaders have to be handled carefully. Too much push is going to produce a lot of resistance in some quarters.... Regards Bob Baudino

**Att Paul Brinsmead**

**From Bob Baudino**

**12 February 2004**

**(For Paul Brinsmead only.)**

**Paul:**

**I have had meetings today at the Tweed and in Murwillumbah with Gavin Lawrie, John Murray, Wendy Marshall, Bob Brinsmead and the Returning Officer, Len Sperryboom. I also spoke on the mobile with Warren Polglase.**

4 December 2003

Att: Paul Brinsmead

From: Bob Baudino

Paul: I am sorry I will be absent from next Monday's meeting (8/12/03). However, I have been critically evaluating the requirements of the election process in NSW. I am listing my areas of concern and, if you agree, please raise them at the meeting.

- **Postal voting:** This is a priority matter ranking in importance with completing candidate lists, number of groups, and rounding up the non-residential owners. We need to work on a data base so we are ready to go. Postal voting opens on Friday 27 Feb. 2004 and closes for applications on 22 March 2004. Return of postal votes closes on 29 March 2004.
- **Groups:** Murray Lees (speaking for the Becks) at last weeks voting system presentation, pushed the proposition we run only three groups on the basis our support will be concentrated and would result in two being elected from each of the three groups. Bob Brinsmead can elaborate on this. While I personally think it dangerous to put all your eggs in a small basket this needs discussion. Also, Lynne was arguing that she could run as a single independent with the "others" on the right hand side of the ballot paper and allocate here preferences to our lead candidates. Again, needs discussing but has a lot of downside particularly as this time you can expect over 90percent voting 1 above the line. This leaves a very small pie and an even thinner slice for Lynne from which to get herself elected let alone anyone else.
- **Candidates:** Each Candidate must have two (2) nominees, both enrolled. They can only nominate one candidate for each election. The advice is that it is wise to have more than two nominators to allow for contingencies that could see a candidate eliminated through someone not qualifying.
- **Identification:** A group comprised only on independent candidates can have the word independent printed adjacent to each candidate's name. Note: The critical word is "adjacent" and there is no mention of "underneath." Also, if a registered party group includes a candidate who wants to have the word independent next to his name the group cannot have any identification of the square above the line.
- **Method of voting:** "Groups can no longer lodge group voting tickets." This needs clarification.
- **Election deposit:** Each candidate's deposit is \$125. However, the deposit to be paid for a group of more than five candidates is calculated as five time the deposit of one candidate divided by the number of candidates e.g. in a group of eight each persons deposit would be \$78.12 ---  $\$125 \times 5$  divided by eight. Do we pay this deposit? If so each candidate must lodge his/her nomination with a cash or bank

cheque deposit. If a candidate in a group is elected or the group gets more than 4 percent of the vote all members of the group get their deposits back.

- **How to Vote Material:** All material to be handed out on polling day must be registered with the Electoral Commissioner. If not it will be an offence to hand it out. This material must be received by the Electoral Commissioner during the period from nomination day to the end of the eighth day after that day.
- **Information Sheet:** Candidates must provide an information sheet with their nomination stating their policies. The Return Officer will be able to provide a standard form.
- **Returning Officer:** We need to make contact and see if we can get information on:
  - postal voting
  - pre-poll voting
  - declared institution voting
  - names not on roll
  - names marked off roll
  - mobile booths (if any)

Points to be considered..... Bob Baudino

Paul:

This may reach you twice as I have had no confirmation the first effort went anywhere.

For your information:

- (a) Sue Furlong and Rose Kenny want a meeting after the Christmas break. Alan is in Bali. I have been in touch with Weston and he will give the meeting the details. Also, I note Bill Stainlay and Tom Senti are still on our lists of possible candidates. It was my impression at the last meeting that the strong consensus was that we were not interested in either of them. For myself, as I said, I know nothing about them as I was given the names by Bill Bedser and merely passed them on.
- (b) I have a call into Tony Radanovic re radio. However, before we can advance this someone has to provide a ball-park figure for the advertising campaign. You incur penalties immediately you start booking advertising and these are bills that are locked in. Also, it is normal procedure in any campaign (where an advertising/pr group is involved) the advertising group provides a proposed advertising campaign covering all media involved. This gives us a ball-park cost figure which we may reduce or increase after all factors are considered. I request Winning Directions be asked to do this. It is then up to the campaign organizer to fine tune that campaign in relation to weighting, impact and costs. As for heavy bookings by any other party I have yet to be involved in a campaign where a media outlet has refused advertising. It is normal procedure for any media outlet to attempt to "cash in" on a campaign through pressure as this gives them funding before other media outlets can take some of it. The downside is that if you commit to one outlet you may be doing so at the cost of impact through a more important media outlet in a more critical area. I suggest you ask Winning Directions for a draft advertising campaign program across all media involved. Having said that, I am a fan of radio advertising in this type of campaign, particularly in drive time periods. The campaign organizer and strategy group are totally responsible for content and final approval for any advertising. However, it is the advertising agency's role to present advertising drafts and ideas. The same applies to all involved.
- (c) Slogan: The slogan in this instance has to incorporate simplicity (in its message), clarity (for visual presentation) and educate. The requirement is the same as last time – to get people thinking about voting above or below the line. Election trends leave no doubt there is powerful move to voters taking the easy way out and voting "1" above the line – over 90 percent this time. Trying to educate people to vote below the line is a recipe for disaster. "The Power of One" worked well. While tempted to flirt with it again it is not practical. But it does set the guidelines. I propose we consider:  
"One for all."
- (d)
- (e)

*Bob Baudino*

-----Original Message-----

**From:** Katrina Kerkow [mailto:KerkowK@hickeylawyers.com.au] **On Behalf Of** Paul Brinsmead  
**Sent:** Wednesday, 11 February 2004 2:11 PM  
**To:** 'Bob Baudino'  
**Subject:** RE: Elections

Dear Sir

I have received your email today setting out directions to candidates. That email contains some much needed and very clear information.

However, I think that you do need to be more hands on with each of these lead candidates. I think you actually need to set a date when you can go through with each lead candidate the application forms, check that they are completed correctly, check to make sure that everyone listed in their group is listed on the roll and check to make sure that every person nominating them are also registered on the roll. You should also go through the monies required to lodge their registrations and any other issues.

I don't think it is enough simply to send an email. We need to be holding their hands a lot more. That is why we are going to get Jeff Egan to come up and hold their hands on production of some of their documentation.

The campaign leaders are fine in terms of the actual campaigning, but some of the actual designing and documentary stuff they need hands on help. Are you in a position to be able to provide this?

Also, can you please confirm that you have sent this email to each of the lead candidates and that you will also make contact and appointments with each of the lead candidates, which are:-

1. Warren Polglase;
2. Lynne Beck;
3. Bob Brinsmead;
4. Phil Youngblutt;

**Email to Jeff Egan:**

Dear Jeff

Thank you for your email of 31 October and your task allocation.

One of the supporters and contributors to the election have brought to the table as a full-time Campaign Director/Manager, Mr Bob Baudino. Bob Baudino has connections with the Liberal party and has managed quite extensively past campaigns, including some of Malcolm Frasers and others. He also managed the last election campaign for Council.

The Committee was of the view that we need someone based on the ground who can meet weekly and sometimes daily with all of the group leaders. We also need someone manning a campaign office.

The Committee have appointed Bob Baudino as the Campaign Director to attend to practical matters associated with the campaign. He will be provided with a campaign office and a PA.

His role essentially will be meeting with the heads of each group and making sure they are comfortable, answering queries and communicating requirements of the group to the Committee. He will, in fact, be the liaison as between each of the groups.

This means that some of the roles we originally required you to undertake will no longer be relevant and you

may be required to undertake some slightly different roles.

The Committee is of the view that some of the groups have a reluctance to meet with someone "outside" and accordingly, Bob Baudino better fits the role of someone they see as inside and someone they are comfortable with. Accordingly, we do not really need you to meet with and manage on a day to day basis each of the individual campaigns. Your role will be more of working directly with Bob Baudino and providing all of the back-up expert, technical and research advice to Bob Baudino as appropriate. If you are needed to meet with any of the groups, Bob Baudino will advise you.

Accordingly, I have attached your task allocation with lines through those matters which we believe you will no longer be required to undertake, except as required by Bob Baudino. I have also added some additional tasks at the end, some of which you are aware of.

We would be grateful if you would be able to attend the next meeting at 8.30am NSW time (7.30am Qld time) at the same address. You can then meet Bob Baudino at that meeting.

Can you also be in a position to report at that meeting on the following:-

1. A breakdown of population in each of the areas.
2. A breakdown of voting trends at the last election on an area by area basis.
3. Advice on a time period by which property owners must apply to be on the role and advice that you will urgently collect the information and prepare the appropriate letters.

**Enclosed** for your assistance is a copy of the Agenda for the next meeting. This also has attached to it a list of where some of the groups are at, together with a list of possible other candidates.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(12.11.03)

Also from Mr. Brinsmead's e-mail (Baudino files) of November 12 it is apparent that he was playing a central role in building the candidates list from which candidates would be selected to stand for council. The same e-mail shows that he was involved in structuring how the Tweed Directions groups were to be constructed.

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]  
**Sent:** Wednesday, 12 November 2003 4:46 PM  
**To:** 'jilfrichards@solo.com.au'; 'blundies@bigpond.net.au'; 'radio97@bigpond.net.au';  
'graham@winningdirections.com.au'; 'Kimberley Hrastovec'; 'deedeg@norex.com.au'; 'RD & VE  
(BOB & VAL) BRINSMEAD (rdb@tropicalfruitworld.com.au)'; 'Wes Allen';  
'gsrobina@bigpond.com'; 'baudinob@pacific.net.au'; 'POWELL DEVELOPMENTS PTY LTD  
USHER (alanp@usherpowell.com.au)'; 'dr\_allen@powerup.com.au'  
**Subject:** Agenda - Monday, 17 November, 2003  
Dear All

**Enclosed** is the agenda for the next meeting.

In particular, please review the proforma example of groups. I have added as possible candidates to Doctor Weston Allen's list, Peta Smith and Sue Furlong. Please see comments regarding these.

I have also attached the candidates list updated with quite a few names. It is very important now that people on that list are approached by the person's name appearing beside their name and those persons report back.

Please also note that I will not be able to attend this meeting, as I am in Sydney for the Rugby Semi-Finals and will not be back until Monday night.

I also won't be able to attend the following Monday's meeting. Can someone else please take over the role of Chairman of the meeting?

Please note that Jeff Egan will be attending the meeting. I have advised Jeff Egan of his reviewed role in light of Bob Baudino coming on board. Please see the email attached that I have forwarded to Jeff Egan.

Regards

Paul Brinsmead .

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(12.11.03)

From an early stage in the campaign Mr. Brinsmead was envisaging that what became the parallel campaign should be aggressive and be used as an attack dog, as the excerpt from his e-mail of 15 January 2004 shows.

The Brinsmead strategy was to separate the campaign into two elements. The groups would enunciate their own policy priorities, and campaign in a positive fashion around those themes. The parallel campaign would provide support to all of the Tweed Directions groups through something of a media blitz focused on the more expensive parts of the media (television, multi page spreads in newspapers etc). The parallel campaign would also be a negative campaign, attacking the perceived weaknesses and faults of their opponents. The negative campaign need not be run wholly by Tweed Directions. Third party groups, with no apparent connection to Tweed Directions, would play a part.

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]  
**Sent:** Thursday, 15 January 2004 12:39 PM  
**To:** 'baudinob@pacific.net.au'; 'GRAHAM STAERK (graham@winningdirections.com.au)'; 'Kimberley Ilrastovec'; 'Idwall Richards'; 'DAVID WESTON ALLEN & LOIS RUTH ALLEN (dr\_allen@powerup.com.au)'; 'DAVID WESTON ALLEN & LOIS RUTH ALLEN (wesallen46@bigpond.com.au)'; 'rdb@tropicalfruitworld.com.au'; 'suthnm949@bigpond.com'; 'blundies@bigpond.net.au'  
**Cc:** 'jillrichards@solo.com.au'; 'gsrobina@bigpond.com'; 'Sue-Ellyn McCubben'  
**Subject:** Tweed Community Vision & Tweed Directions  
After the last meeting, the funding sub-committee considered the way in which we should proceed with these associations and monthly journals. I understand it was everyone's general intention to proceed in the following manner:-

.....

4. The articles in Tweed Directions should be aggressive and openly and appropriately endorse the balance Council, where the balance Council deserves to have its achievements recognised. It also should be used as the attack dog.

Please consider this strategy and if anyone has any comments or problem with it, please **urgently** give some feedback.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(15.01.04)

The aggressive campaign also included wilful deception of the public. Tweed Directions commissioned a Gold Coast quantity surveyor who wrote reports on the state of the development market in South East Queensland to write a report that surveyed the market in the Tweed, and the things that were needed to keep the market vibrant (see Annexure B of the Tweed Directions declaration to the NSW Electoral Funding Authority). When the report arrived Mr. Baudino and Mr. Brinsmead connived to have a ‘third party’ (Chamber of Commerce) launch of the report so that it might be perceived as an independent report. They did not want the report associated with Tweed Directions, and they did not want their individual candidates and groups promoting it. They did, however, see the report as a powerful tool that provided information to the candidates. They saw the report as a means of putting into the general media views on the success of the Tweed under the Balance Team administration from an “independent” commentator.

Att: Paul  
From Bob Baudino

20 February 2004

re: The Midwood report.

Paul:

This is a good report that gives us an enormous ammunition stockpile.

I make the following observations and suggestions:

1. We will devalue this report and its contents if any of our candidates or the support group release and promote it. It would certainly be seen as something produced for our benefit. Media will be looking for the link. We can certainly maximize use of it after it is released by a third party. It is then public property.
2. We have the perfect launch vehicle – the Chambers of Commerce. I suggest these groups organize a major function to launch it to their members and the public. It would be a great start to the main campaign. Therefore, we should aim for that launch in the first week of March. The spokesman for the Chambers has to accept responsibility for “commissioning” the report. Midwood has to agree. The reason? The Chambers decided on this to provide voters with professional unbiased input on the exact economic standing of the Tweed in relation to future investment and community benefit in the belief this would result in well-based political debate from all parties and candidates during the Tweed Shire Council election campaign. Midwood was selected because of his unchallenged reputation, professionalism and, most importantly, long involvement in and knowledge of economic growth in the region.
3. Initially, there must be heavy weighting on establishing (particularly with media) Midwood’s high credentials. The cover note does this well.
4. This report lives throughout the campaign. The challenge for us is to ensure maximum benefit - sell sell sell until you are sick of it. Our preparations for this should include:
  - Publication of the report of a spiral bound booklet for:
    - candidates
    - public distribution
    - media(This publication should not be over the top but should look important. Suggest size 10mm X 16mm with white on blue hard cover.)
  - Media should be given copies at the official launch of the Report.

- On-going strategy should include a conscious effort to include aspects (points) of the report in all campaign activities and media statements. It is a positive document that is in accord with our Candidates positive campaign.
- Major media, SMH, Financial Review, Courier Mail, Bulletin, and Equity and Investment magazines should be sent copies at the same time or next day of official release. Where relevant (specific segments) radio and TV can be included.
- There are also political implications and Larry Anthony should be asked to Mention, if not table, this report in Federal Parliament. It is something he Can do in an adjournment debate. Also, any NSW Senator can do the same.
- If not too late, Tweed Business Forum's newsletter should be held for distribution at the same time as the official launch so Media does not feel it has been gazumped and turns hostile. Maybe the next business breakfast for Tweed Heads Chambers of Commerce is the launch venue? Can we be ready for that, and can we get all Chambers there?

Finally:

I again stress it is very, very important that the launch of this Report is third hand. Otherwise it is devalued from day one. It is ours to do with it what we want after that. The booklet should be produced by the Chambers of Commerce with their identification on it.

I would like to see after "*...and the momentum gathered pace.*" The addition: "*With it came jobs. Unemployment was beaten.*"

I believe jobs, and more promised, is a powerful campaign plus.

Bob Baudino

Midwood Tweed Report.txt  
From: Katrina Kerkow [KerkowK@hickeylawyers.com.au] on behalf of Paul Brinsmead [BrinsmeadP@hickeylawyers.com.au]  
Sent: Thursday, 19 February 2004 11:42 AM  
To: 'Graham Staerk'; 'rdb@tropicalfruitworld.com.au'; 'idwall.richards@solo.com.au'; 'blundies@bigpond.net.au'; 'Bob Baudino'; 'jeff.egan@flagship-communications.com'; 'suthnm949@bigpond.com'; 'DAVID WESTON ALLEN & LOIS RUTH ALLEN (dr\_allen@powerup.com.au)'; 'DAVID WESTON ALLEN & LOIS RUTH ALLEN (wesallen46@bigpond.com.au)'; 'jmurray@budgettravel.com.au'  
Cc: 'nicole@directionsmedia.com.au'; 'Kimberley Hrastovec'; 'jillrichards@solo.com.au'; 'gsrobina@bigpond.com'  
Subject: FW: Midwood Tweed Report

I have now received the Alan Midwood report on the Tweed. I now attach this to the email.

Graham and Kimberley/Nicole, can you please now incorporate this report and its findings into the Tweed Business Forum's new newsletter? There is some great material incorporated within it.

We also need to consider ways in which we can circulate this report. I think we also need to proceed as follows:-

1. We need to do a detailed press release and this press release should be put out as soon as possible detailing the findings of this report.
2. I understand Alan Midwood is speaking at the next business breakfast for Tweed Heads Chamber of Commerce. We need to make sure that all of the appropriate media are present to cover it and time the appropriate PR release to fit in with that.
3. We need to make sure we circulate this report to all of the council candidates and groups that we are supporting, so that they can all read it and understand it and it should certainly bolster their enthusiasm.
4. We should also consider in what other areas we can circulate it.

We need to keep repeating the findings of this report from now until the elections.

Regards

Paul Brinsmead

Direct Email: brinsmeadp@hickeylawyers.com.au  
Direct Line: 07 5556 7401

(19.02.04)

**From:** Gavin Lawrie & Associates [gavinlawrie@better.net.au]  
**Sent:** Friday, 12 March 2004 10:44 AM  
**To:** Kimberley Hrastovec  
**Cc:** Bob Baudino; Jeff Egan  
**Subject:** LOCAL GOVERNMENT ELECTIONS  
 Dear Kimberley/Nicole,

Herewith some text for the D/N Saturday 13 March next, and for future issues of that paper and Tweed Sun:-

The Midwood Tweed Investment Report February 2004 records the following statistics from Council's records.

|  | <u>Previous Council</u> |       | <u>Current Council</u> |       |
|--|-------------------------|-------|------------------------|-------|
|  | NSW Limit               | Tweed | NSW Limit              | Tweed |
| (a) Council rate increases from 95-99 and from 99-03 | 9.7%                    | 36.2% | 11.2%                  | 11.2% |
|  | <u>Previous Council</u> |       | <u>Current Council</u> |       |
| (b) Ratepayers' contribution to Council revenue      | +26%                    |       | +9%                    |       |
| (c) Developers' contribution - %                     | -7%                     |       | +31%                   |       |
| (d) Developers' contribution - \$                    | \$ 64.7m (4 yrs)        |       | \$ 91.2m (4 yrs)       |       |
| (e) Legal Costs – last year of each Council          | 11.67%                  |       | 7.6%                   |       |
| (f) Unemployment Rate –                              |                         |       |                        |       |
| -Tweed Heads   | 13.1%                   |       | 8.3%                   |       |
| - Murwillumbah                                       | 14.4%                   |       | 9.5%                   |       |

Regards,  
 Gavin

In mid January 2004 the Tweed Heads Chamber of Commerce, the Kingscliff and Tweed Coast Chamber of Commerce, and the Murwillumbah Chamber of Commerce joined together to create the Tweed Business Council. This was one of the parties that fitted in with the Brinsmead strategy. Paul Brinsmead advised his colleagues in Tweed Directions of its formation. He also determined that this new body was one “we should take account of and actively encourage and manage” (Baudino files). The spokesperson for the new body was quickly on board with the election campaign, designing advertisements to promote the qualifications of the Tweed Directions candidates. Their first copy of

“messenger”, a newsletter (Baudino files) intended to promote the Tweed Directions team, was headed “WHY INDEPENDENTS MUST BE ELECTED ON 27<sup>TH</sup> MARCH, 2004” reinforcing the falsehood that the elements of the Tweed Directions team were genuinely independent. The press release extolled the Alan Midwood report, commissioned and paid for by Tweed Directions. In the “messenger” the Tweed Business Council repeated a line that was run frequently by Tweed Directions and its supporters: that the Balance Team Councillors had raised the council from being ranked last (176<sup>th</sup>) to 5<sup>th</sup> position. The newsletter did not identify the criteria on which the ranking was based, and did not identify the body that ranked the councils. In fact, the placing of Tweed Shire Council at fifth position in the state was done by a journalist in the Telegraph newspaper, based on limited information. This fifth ranking became mythologised by those seeking to promote the council, including the General Manager (T. 16/02/05 p.102-103).

DR GRIFFIN: *Mr Commissioner, could I just take the opportunity to perhaps clear a point on the last question you made of the Mayor and that was in regard of the fifth best performing council in the State?*

PROF DALY: *Yes.*

DR GRIFFIN: *That doesn't have its roots in the Department of Local Government statistical data that was put out. It was actually an analysis done I think about two years back by the Daily Telegraph newspaper when they compared the annual reporting from all the councils in the State and they ranked the Tweed Shire as number 5 and it has taken a bit of a life since then and I must say that I've used it on many occasion.*

PROF DALY: *But the source is the Daily Telegraph - - -*

DR GRIFFIN: *Yes.*

PROF DALY: *- - - not the Department of Local Government?*

DR GRIFFIN: *No.*

The Tweed Business Council was allocated a number of tasks for the Tweed Directions campaign, as the Tweed Shire Council Benchmark Poll Summary<sup>14</sup> revealed. It was to undertake its own third party campaigning, produce newsletters, and conduct a press and advertising campaign “selling the achievements of the balance council and engaging in negative advertising attacking the greens, Max Boyd and Labour (sic) Party”. Nowhere in the declarations to the Electoral Funding Authority for the 2004 election is the quantity of funds, the source of funds, or the expenditure of this group provided.

---

<sup>14</sup> Commissioned by Tweed Directions group.

### Section C

5. The support group will also arrange for some third party campaigning. The third party campaigning will be undertaken separately from any of the candidates and groups. The advantage of keeping a separate third party campaigner is that any negative campaigning can be kept away from the candidates who will be selling a positive message. The third party campaign is as follows:-

- (a) Tweed Community Vision has been established as an incorporated association. It has in the vicinity of 60 to 80 Tweed Based members. This group has been formed for the purposes of getting the facts out into the Tweed community, rather than the misinformation that is spread by the Extreme Greens. It sells its message by way of:-
- A monthly and in some cases, bi-monthly newsletter distributed to every resident of the Tweed;
  - By way of press releases;
  - Advertising;
  - Radio
  - Door knocking.

Tweed Community Vision will, in fact, run as a group of candidates. It presents itself as the new responsible voice of reason in the Tweed community situated politically in the middle ground between the right and the left.

- (b) The 3 Chambers of Commerce on the Tweed, the Tweed Head's Chamber of Commerce, the Murwillumbah Chamber of Commerce and the Tweed Coast Chamber of Commerce have agreed to combine to form a body called the Tweed Business Council. The Tweed Business Council will undertake its own third party campaigning. Its mediums will be:-
- It is also distributing a monthly and in some cases, bi-monthly newsletter. This newsletter will be fundamentally used to back the achievements and the record of the Balance council and to sell their ongoing vision for the Tweed. This newsletter will also aggressively deconstruct and attack the Labour party and Max Boyd and the Extreme Greens;
  - It will undertake an extensive PR press release campaign;
  - It will extensively advertise as part of a campaign selling the achievements of the Balance council and engaging in negative advertisements attacking the Greens, Max Boyd and the Labour Party.

Paul Brinsmead led and encouraged his team to find points of attack on their "opposition". The "opposition" seems to have been defined in terms of any candidate who was not part of the Tweed Directions team. The Inquiry found no evidence of that the nine groups that then formed this "opposition" had a centrally directed campaign similar to the Tweed Directions campaign. Neither was there evidence that the group structure of the "opposition" was developed collaboratively; that the candidates in each of the "opposition" groups were selected from the one pool; or that the candidates were funded from the one source. The negative campaign against the "opposition" was framed in two ways. There was a general attack on the entire "opposition" branding each and

every one of them by the same tag (see 2.2.7), and a direct attack on individuals who were targeted as being likely to win a place on the council. The Baudino files contained examples of how the personal attacks were developed.

**(Extracts from Baudino Files)**

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]  
**Sent:** Friday, 27 February 2004 5:01 PM  
**To:** 'Graham Staerk'  
**Cc:** 'Kimberley Hrastovec'; Bob Baudino; Jeff Egan; 'jegan@bmcc.nsw.gov.au'  
**Subject:** Steve Dale  
Graham

**Enclosed** is some information I have obtained regarding Steve Dale.

The information is not as strong as I would have liked. I also have not been provided with any of the documents proving what happened. However, I think that there is enough in there to certainly flush Steve Dale out and to cause him some difficulties. Please let me know what you think and give me a phone call to discuss how we proceed with this.

There are 3 other parties, including Surf Life Saving NSW, who I am speaking to to obtain further information and fill in some of the gaps.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(27.02.04)

**From:** John Murray [jmurray@budgettravel.com.au]  
**Sent:** Friday, 12 March 2004 3:35 PM  
**To:** Bob Baudino  
**Subject:** Council 2004  
Hi Bob

I said earlier that residents must be reminded of the stance B. Luff has taken in the past on the following

- 1 west Tweed mega brothels supported
- 2 tee pee village at chillingham supported
- 3 opposed road side memorials where Tweed locals had been killed
- 4 been chucked out of Council for bad behaviour twice

John

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]  
**Sent:** Friday, 12 March 2004 8:39 AM  
**To:** 'Graham Staerk'  
**Cc:** 'Kimberley Hrastovec'; 'nicole@directionsmedia.com.au'; 'JEFF EGAN (jeff.egan@flagship-communications.com)'; 'Bob Baudino'  
**Subject:** Max Boyd  
Graham

I am told by Bob Robertson that Max Boyd's group and all of the other opposition groups have arranged for their printing to be carried out by Barking Toad, whereas the real printer is someone on the Gold Coast.

I also refer you to the false statements in Max Boyd's brochure.

Graham, can you please make sure you facilitate and arrange the following:-

1. We need a bundle of letters to go to the Letters to the Editor of the 2 major newspapers complaining about the misleading statements of Max Boyd and the fact that he is a cheat. These cheats relate to:-

- (a) His illegal signage.
- (b) His incorrect and misleading statements.
- (c) His incorrectly stating the true printer when it was his true intention to hide that the printer was someone on the Gold Coast.

2. Can you please arrange for detailed press releases and make sure they are a front page story.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)  
Direct Line: 07 5556 7401

(11.03.04)

**Nicholas Karlos**

---

PO Box 925  
TWEED HEADS NSW 2485

24 May 2005

Returning Officer  
Tweed Shire Council

**Facsimile: 02 6670 2728**

**No. of pages: 11**

Dear Sir

RE: TWEED SHIRE COUNCIL ELECTIONS – 27 MARCH, 2004

I am a candidate in the upcoming Tweed Shire Council Election listed at Group Q.

I **enclose** the following:-

1. Copy of the campaign brochure of the Max Boyd Group.
2. Copy of an email from Kevin McCready dated 19 February, 2004.
3. The Max Boyd How to Vote Card.

I draw to your attention the paragraph in the middle of the brochure of the Max Boyd group where Max Broyd states “I am absolutely, unconnected with, uncontrolled by and unrelated to any political party”.

I hereby formally object and demand that you take action under the provisions of the Parliamentary Electorates and Elections Act of 1912 and the Local Government (Elections) Regulations of 1998 in respect of this statement. I demand that you:-

1. Bring action against Max Boyd in respect of an electoral offence; and
2. Demand that the offending brochure and any other material Max Boyd has that may make this statement is immediately withdrawn and is not distributed any further.

I make the following points in support of my objection:-

3. Section 109 of the Local Government (Elections) Regulation 1998 and Section 151A of the Parliamentary Electorates and Elections Act of 1912 specifically provide that:-
  - (a) It is an offence if a person “prints, publishes or distributes any how to vote card, electoral advertisement, notice, hand bill, pamphlet or card containing any untrue or incorrect statement intended or likely to mislead or improperly interfere with any elector in or in relation to the casting of his or her vote”; or
  - (b) The penalty is to incorporate 10 penalty units or imprisonment for a period not exceeding 6 months.

4. The Max Boyd group is a registered party and Max Boyd's the founding member of that political party and on that basis, it is clearly an untrue statement. It is clearly intended to induce a voter to vote for the Max Boyd group on the basis that they are independent and not a registered political party. This clearly is intended to mislead a voter. Max Boyd wants the benefit of being part of a political party, but wants to convince voters to vote for him as if he were an independent. He can't have it both ways.
5. I point out that in relation to the how to vote card, Max Boyd has recommended the distribution of preferences to 4 other political parties, namely the Labor party, Our Sustainable Future, the Greens and the Resident group. This further evidences Max Boyd's connection not only with his own party, but with other registered political parties.
6. I refer to an enclosed email from the campaign organizer of an alliance of political parties and some independents of which the Max Boyd group is part of the "coalition". This letter further evidences Max Boyd's connection with and relationship to the other 4 political parties.

Please confirm immediately that you will take appropriate action.

Yours faithfully

**Nicholas Karlos**

Encs.

Document2

Paul Brinsmead's role as a central organiser of the Tweed Directions campaign (probably the central organiser) began at a very early stage (before the group was formally put in place) and ran through to the very end, the recount of votes after the election. The Baudino files contain a 20 page document in the form of a letter to the Mayor from Paul Brinsmead outlining the legal background to a recount and instructing the Mayor on what processes and resources should be in place. The recount was critical for the Tweed Directions team. If they were to lose, the majority in the council would pass to the "opposition". The combined effort to put the right structure together for the recount illustrated that the Tweed Directions candidates were certainly a team. Part of the 20 page Brinsmead document is reproduced. It is noted that the negative politics promoted by Mr. Brinsmead continued to the end ("We need to get to the press the issues associated with Rose Wright and get these out and printed to raise some doubts about her creditworthiness as a council candidate"). It is also noted that Mr. Brinsmead accused the

Electoral Commissioner of potential bias, and argued that “we need to get quite aggressive and legal at that stage and point out the legal obligations”.

*(Extracts from Baudino Files)*

**Paul Brinsmead**

---

C/- PO Box 5559  
Gold Coast Mail Centre 9726

Phone: (07) 5556 7401  
Facsimile: (07) 5574 1130  
Mobile: 0417 0777 28

24 May 2005

Mayor Warren Polglase  
PO Box 364  
BANORA POINT 2486

**Facsimile: (07) 5590-7850**

**No. of pages: 20**

Dear Sir

RE: TWEED SHIRE COUNCIL ELECTIONS

I have examined in detail the provisions of the Local Government Act and the Regulations regarding the law on conduct of elections, counting and re-counts.

I now **enclose** a summary as follows:-

**Method of Voting and Valid and Informal Votes**

I have **enclosed** Section 308B and 308C of the Local Government Act and Section 76 of the Local Government Regulations. These Sections regulate what is a formal and informal vote.

I also **enclose** sections of the Parliamentary Electorates and Elections Act, including Section 103, Section 122 and Section 129F.

The local Returning Officer will also have a document headed “the Presiding Officer’s Information Handbook” which we should obtain as this also contains a detailed summary of formal and informal votes.

I will arrange for a copy of that document to be available.

## Method of Counting Votes

I **enclose** a copy of Schedule 2 of the Local Government Regulations. This schedule sets out in detail the manner in which the counting of votes under a proportional system (like we have in the Tweed) is to take place.

I suggest everyone should have a thorough read and understanding of the schedule. I make the following comments:-

7. The schedule indicates that each and every vote of an elector must be counted. Nowhere in this schedule can I see any indication that allows the Electoral Commissioner to count preferences by way of sampling, except in relation to votes for a candidate exceeding the quota.
8. The section clearly indicates that preferences are to be distributed in accordance with the preferences of the elector.
9. The manner in which votes have been counted to this point, I believe, breach points 1 and 2 above. They breach them because:-
  - (a) Preferences have been counted by way of sampling for candidates above the quota and candidates dropping out. The schedule does not specifically authorise this and if on any re-count the result is reversed, I believe there are grounds for a legal challenge; and
  - (b) I understand that each of the counts have been carried out on the basis that the lowest candidate drops out and their votes calculated at that point are allocated in the manner indicated as appropriate by the sample. This means that candidates dropping out will have their votes transferred as if all these votes were their own as well as votes that they may have collected by way of preferences from other candidates that have since dropped out as if all these votes were their own. If this is what has occurred, this is again in breach of the schedule because the schedule clearly requires preferences to be distributed in accordance with the preferences required by the elector. To satisfy the requirements of the elector, you would need to isolate the votes that a candidate that has dropped out has received by way of preferences and go back to the original voting cards to see how an elector wanted those votes to be passed on. That would be an extremely complicated process to follow, but it is, in fact, what is required in the schedule.

## **Re-counting of Votes**

This is regulated by the Local Government Regulations. The position is as follows:-

1. At any time before the declaration of the poll, a candidate may request a re-count to the Electoral Commission and the Electoral Commissioner may direct the Returning Officer to re-count the ballot papers.
2. A request must:-
  - be in writing;
  - be signed by the candidate;
  - set out the reasons for the request;
  - be lodged with the Returning Officer within 24 hours after written notification of the result of the count as being delivered or sent to the candidates.
3. The Returning Officer must carry out the re-count if:-
  - (a) A candidate provides a request as above and pays to the Returning Officer a deposit to cover the cost of the re-count.
  - (b) The Electoral Commissioner directs a re-count; or
  - (c) The Returning Officer believes it is necessary.
4. Any deposit paid for a re-count is not to be given back to the candidate unless the result changes.
5. There is no right to a further re-count.
6. A re-count is a re-count of the whole of the “ballot papers used in the ward or area for which the candidate was nominated”. Accordingly, it is not a re-count of that candidate’s votes only, but it is a re-count of the whole election.

7. A re-count is to be re-counted in accordance with schedule 2 above.

### **What are the Rights to Object and Take Legal Action?**

There appears generally 3 areas of objection.

1. An appeal could be lodged to the Administrative Appeals Tribunal or an ADJR review on the basis that the Returning Officer or the Electoral Commissioner fail to properly exercise their functions. It would be an application for an order that they must carry out their functions in accordance with the requirements of the Act. This would be generally on the basis that they must:-
  - (a) Properly count every vote and every preference; and
  - (b) Count preferences as required by the electors, not simply pass on preferences and then pass them on in accordance with the requirements of the last candidate to drop out.
2. Section 329 of the Local Government Act provides that any person may apply to the Administrative Decisions Tribunal for an order that a person be dismissed from civic office. The Tribunal may order the dismissal of the person from civic office if:-
  - (a) “There has been an irregularity in the manner in which the person has been elected or appointed to that office”; or
  - (b) If the person is disqualified from holding civic office.

An irregularity includes the counting of an informal vote when it should have been formal, or the failure to count a formal vote that was wrongly classified as informal that could have resulted in a change.

I would also suggest that if votes had not been properly been counted, that this would also be an irregularity. Accordingly, an application might be made under this Section to dismiss Rose Wright if she got up, on the basis of an irregularity. Irregularities could include:-

- (c) The failure to knock out the 200 informal votes that we are objecting to;
- (d) The failure to count all votes and preferences; or
- (e) The failure to properly allocate preferences.

An application under this Section must be commenced within 3 months after the date of the person's election or appointment to office.

3. Part 6 (Section 154A onwards of the Parliamentary Electorates and Elections Act 1912) sets up a Court of disputed returns.

This section of the Act provides that the validity of an election may be disputed by a petition to the Supreme Court. This application can be brought by a candidate of the election or any person qualified to vote. The powers of the Court on such an application include the right to declare a person elected as not duly elected, to declare an election void, to dismiss or uphold the petition, to award costs and to compel the attendance of witnesses and the production of documents.

### **The Electoral Commissioner's Nominated Procedure for the Re-Count**

We have now had it clarified directly by the Electoral Commissioner that a re-count has been requested by Rose Wright and this will proceed in the following manner:-

1. The Tweed Returning Officer has retained all ballot papers that recorded a 1 vote above the line for a group. These ballot papers were never forwarded to Sydney. These ballot papers will be re-counted on the Tweed on the afternoon of Tuesday, 13 April.
2. The balance of the ballot papers, including ballot papers that recorded a numbering of more than 1 above the line or any ballot papers with numbering below the line or informal ballot papers were forwarded to Sydney. A recounting of first preference votes below the line will take place on the afternoon of Wednesday, 14 April, 2004 in Sydney.

3. The ballot papers will be counted in Sydney by re-entering every ballot paper back into the computer.
4. The Electoral Commissioner has advised that if there is not a significant difference on the first preference votes after the above procedure, he will not proceed to re-allocate preferences. If there is a substantial difference, then he will proceed to re-allocate preferences. I would suggest that if there is a difference of more than 8 votes, then it is likely that he will re-distribute preferences.
5. Jeff Egan's Liberal party scrutineers have marked approximately 200 ballot papers as ones to which they may formally object and seek rulings on. Jeff Egan is waiting for clarification whether these need to be objected to and a ruling requested as part of the re-count or whether that is left and an objection is only taken to them if the Commissioner decides to re-allocate preferences. It is extremely important that Jeff Egan gets clarification on how to proceed with these objections, because we would not want to be in a position where we fail to object as part of the re-count, a decision is then made to go to preferences and we are told it is too late to object.

I have noticed in the Act reference to the fact that once a vote has been set aside, there is no right to object to it. It might be a better and safer position to make sure that we object to the 200 votes as part of the re-count and if we are strongly of the opinion that any of the votes are informal, that our case is rejected, that we store that issue up as one upon which we might be able to legally appeal.

## **Recommendation**

I strongly recommend as follows:-

1. That we have at least 10 scrutineers available Monday afternoon to oversee the count on the Tweed. I don't believe it is necessary that Jeff Egan comes up for that re-count as he should be in Sydney for the re-count the following day and it is important that we have experienced scrutineers.

- We need to get together a list of the 10 best scrutineers and provide them with copies of the relevant provisions of the Act enclosed with this letter, so that they are familiar with what is a formal and informal vote and understand the system.
2. We need to make sure that Jeff Egan is in control, together with his senior Liberal party scrutineers of the re-count in Sydney. I suggest that it would also be important that 2 or 3 of our best scrutineers from the Tweed are also sent to Sydney to assist. Please consider who might be available.
  3. At this stage, we should go softly on the Commissioner and not get him off-side in any way. The Commissioner will obviously be coming under a fair deal of pressure from Sydney Labor. If the Commissioner decides to re-allocate preferences, I think we need to get quite aggressive and legal at that stage and point out the legal obligations.
  4. We need to get to the press the issues associated with Rose Wright and get these out and printed to raise some doubts about her worthiness as a Council candidate.

Regards

Paul Brinsmead

c.c. Mr Graham Staerk - graham@directionsmedia.com.au  
c.c. Don Beck - (02) 6679-3204  
c.c. Jeff Egan - jeff.egan@flagship-communications.com  
c.c. Bill Bedser - bbedser@norex.com.au  
c.c. Bob Baudino - baudinob@pacific.net.au

Encs.

Document1

The considerable evidence discussed above points to Mr. Brinsmead being the central strategist of the Tweed Directions campaign. He had much to fight for. One of Resort Corp developments in the Tweed, at Cabarita, had become a central focus of disputation between the council and the community. Another of the Resort Corp developments, at Kingscliff, had attracted a good deal of community criticism. His father was one of the

Tweed Directions' team's most experienced Councillors, and a most vocal promoter of the Balance Team's pro-development stance. Mr. Brinsmead had every right to feel that his commercial interests may have been affected if the Tweed Development team did not win a majority at the election. He had every right to support and fight hard for the team. He did so, however, without revealing to the community the role he was playing. This stance was understandable from his position. The public opposition to some of his developments was so great that he would have considered that if the community knew of his level of direct involvement it might have had a negative effect on the outcome. It was unsatisfactory and wrong of Mr. Brinsmead to bring this dissembling behaviour to the Inquiry.

#### ***4.2.7 Tweed Community Vision, Negative Campaigning, and Exercises in Deception***

Tweed Community Vision pre-dated the formation of Tweed Directions. The evidence put to the Inquiry is vague on the actual date when Tweed Community Vision (TCV) was formed (**T. Dr. Allen 18/3/05 p. 1750**) but the fact of its formation ahead of Tweed Directions was confirmed by Dr. Allen, TCV's leader. Twelve members are listed as the first members of TCV (Baudino files). The Objects of Association are within the Baudino files. The objects of the group are summed up in its slogan: "a community vision based on fact". The Inquiry received three copies of the TCV publication *The Fact and the Fiction* (Addendum 2.2.7.1), which were produced in November, December and January 2003-2004. It is not clear whether further issues were produced. The publication was a high quality production, replete with statistics and commentary that was designed to show the virtues and accomplishments of the balance team council, and to refute claims such as that the area was being over-developed and the environment was being damaged. By early January TCV was focusing on electoral matters producing statements such as the following (Baudino files):

##### **(Extract from Baudino Files)**

6 January 2004

GENERIC STATEMENT:

DRAFT 1.

### **TWEED COMMUNITY VISION**

Tweed Community Vision acknowledges the enormous benefits the Balance Team of Independents within the Tweed Shire Council delivered to all sectors of Tweed communities.

Their achievements are on record and no matter how hard they try, those opposing the Balance Team independents cannot bury or blur that record.

Tweed Community Vision has published those facts. It did so to highlight the lies, innuendo and myths being perpetrated by some Councilors and fanatics who want to take the Tweed back to the Boyd days of stagnation and record unemployment.

One of the myths promoted is that the Balance Team of Independents operated as a group using its majority on all issues. The Tweed Shire Council's record of voting destroys this claim. In the interests of truth Tweed Community Vision will be publishing that voting record.

It clearly shows each Balance Team Independent was a true independent in all activities, whether voting in council or working within the community. There is no evidence to support unsubstantiated claims they were subject to outside influence or direction. In fact their voting records show they voted against fellow Balance Team Independents on many issues.

But they achieved much. Tweed Shire today is one of the most desirable and progressive areas of NSW and Australia. The individual contribution of Balance Team Independents has guided this area through the greatest era of change in its history.

Balance Team Independents achieved this with undisputed massive enhancement of the Tweeds great lifestyle. It is difficult to identify other Councilors who could have handled this challenge so efficiently.

The result is controlled growth and development that has lifted the Tweed out of the unemployment swamp which successive Boyd Councils were content to leave it wallow.

Today your children and grand-children no longer have to leave the Tweed to find jobs. Growth has kept rates down while rates in other shires have gone ballistic. Business and local industry is flourishing and that means even more jobs Tourism means an even stronger local economy through direct benefits to service industries.

And its all been done without any rezoning by the out-going council Growth has been carefully monitored and rigidly held to Council requirements. The Balance Team of Independents ensured there was no chance of a repeat of the Gold Coast disaster in this area.

Tweed Community Vision applauds the accomplishments of the Balance Team Independents in the out-going Council.

It is in the interests of all Tweed residents that groups of the Balance Team of Independents be returned in the 27 March Tweed Shire Council election.

Tweed Community Vision, and its supporters, believes there is nothing more important facing this area in the near future.

Tweed Community Vision therefore announces it is forming a Support Group to help Balance Team Independents in this campaign. That support has no strings attached and will be available on request from each and every Balance Team Independent candidate, if they feel it is required.

As the election campaign developed, TCV was issuing material that went beyond extolling the achievements of the Balance Group from 1999 to 2004, to attack the other groups that would challenge the Balance Group in the 2004 election. It introduced the concept of an Extreme Green Alliance. In one of the statements produced by TCV (Baudino files) the flavour of the attack is provided: “The motives of the Extreme Green Alliance and Steve Dale’s Labour (sic) Party, who is part of this extreme radical green alliance, are unfortunately, ego and desire to obtain political power to impose their extreme radical ideological views on everyone else.” The plan to use TCV as an attack weapon in the campaign revolved around pronouncements such as these.

**(Extract from Baudino Files)**

**TWEED NOW ONE OF THE BEST PERFORMING COUNCILS  
IN NEW SOUTH WALES?**

It is our intention as a community group to carefully look at the real facts and to come to conclusions, on Tweed issues, based on fact.

We have carefully considered the performance of the current Council and Councillors over the last 4 years since the last election.

The existing Council has 2 strongly ideologically opposed groups or factions.

The majority group or faction comprises the Mayors and Deputy Mayors over this period, Warren Polglase, Lynne Beck, George Davidson and Bob Brinsmead. It also comprises Phil Youngblutt, Gavin Lawrie and Wendy Marshall. This group was elected at the last Council election as the “Balance Group”. The Balance Group was elected on a platform to bring responsible financial management, to bring the highest quality business and development opportunities to the Tweed, to create opportunity, growth, employment and wealth for the Tweed.

The other group or fraction comprises 4 Councillors, Max Boyd, Henry James, Bronwynne Luff and Barbara Carroll “the Extreme Green Alliance”. These Councillors have stood in opposition to nearly every major business and development opportunity, have had a record of irresponsible and inexperienced financial and business management and have wanted to return the Tweed to a backward subsistence regional economy relying on its dying agricultural and other rural industries.

Our investigations have shown that the Balance Group have over the last 4 years achieved an impressive and unprecedented level of responsible financial and social management and they have left the Tweed at a record level of opportunity, growth and employment. All of this has been achieved in circumstances where nearly every major achievement and initiative of this Council has been opposed and complained about by the Extreme Green Alliance who have used everything within their power to turn off the economic sunshine that the Balance Group has been able to achieve. The actions of the Extreme Green Alliance and particularly, Max Boyd, have included the inappropriate manipulation of Council staff, the dissemination within the Council and the community of misleading and self-serving facts and statements to create public hysteria, personal and vitriolic attacks on Balance Group Councillors and inappropriate lobbying and directions to the State Government to intervene to assist them in pursuing their own extreme radical agenda.

Some of the achievements of the Balance Group under the stewardship of the previous Mayor, Lynne Beck and the current Mayor, Warren Polglase have included:-

- Bringing to the Tweed, after careful analysis and final approval, some of the highest quality development projects ever seen in Australia. Two of these projects have included Casuarina and Salt, now recognised internationally as setting new standards for beachfront residential and resort projects. Both of these projects were also approved by the NSW Labour State Government.
- The development projects that have been secured and approved have brought an unprecedented level of new infrastructure and services to all Tweed residents. They have brought new roads, new water and sewerage infrastructure, greater public access to beaches, they have created many kilometres of cycle ways and walkways and they have created out of many areas of environmental wasteland new beautifully landscaped parks and upgraded foreshores and dunal reserves.
- They have put in place a regime to collect contributions and cash from developers and business to a level never achieved before by the Tweed Shire Council. So successful has the Balance Group been in collecting contributions from developers, that many Councils in New South Wales have actively set out to study and follow Tweed’s example on how to extract such contributions.
- The Balance Group have presided over a booming local economy with new opportunities being created every day. Unemployment has been reduced as it was

during the Max Boyd Council from high double digit figures to close to the national average.

- The majority group have both in theory and practice recognised both the cultural and environmental uniqueness of the Tweed. 87% of the Tweed coastline has been protected and set aside for the Tweed people forever and will never be developed. They have approved a diversity of projects catering for different socio and economic needs. They have not rezoned any land so as to allow any further development. They have simply made sure that land that was available and zoned for development was developed to the highest standards and of the highest quality and for the benefit of all of the Shire.
- The Tweed Shire Council was under the previous Max Boyd administration listed last of all of the New South Wales Local Governments in terms of financial performance and responsible management. The Tweed Shire Council within 4 years has moved from the last position to be 5<sup>th</sup> on that list.
- The Council has overseen, in partnership with the State Government, the development of new road and other infrastructure. The new national highway was opened during the period of this Council. The Balance Group is also working actively on plans to alleviate traffic in South Tweed in circumstances where the traffic planning mess had been put in place under the previous Max Boyd Council. The Council is also working on plans for Tugun and Sexton's Hill in conjunction with the State Government.
- The Balance Group have instigated a new planning vision by way of a new strategic plan for the whole of the Tweed. The Mayor, Warren Polglase, has been active in meeting community groups and putting in place a new strategic plan for the intention of more definitively and stringently defining development rules and standards. This will ultimately create more certainty and will lead to less controversy and conflict in relation to development projects in the community.
- The Balance Group have placed greater planning requirements on developers of green field sites by requiring those developers to properly master plan their sites before any development application can be lodged. This shows great vision and is revolutionary in New South Wales.
- All the achievements of the Balance Group have happened without the necessity to raise rates above the CPI each year.

Many of the achievements of the Balance Group may to some residents be new and enlightening information. There has during the period of this current Council been from some quarters extreme and stringent criticism, accusations and outright pessimism. Unfortunately, there are some groups and individuals closely connected with the Extreme Green Alliance, including groups like Steve Dale's Tweed Monitor who have been actively and openly engaging in and producing claims and accusations that are only

meant to mislead and deceive the community. The motives of the Extreme Green Alliance and Steve Dale's local Labour party, who is part of this extreme radical green alliance, are unfortunately, ego and the desire to obtain political power to impose their extreme ideological views on everyone else. The Tweed has had under the Balance Group its 5 minutes of economic sunshine. The Extreme Green Alliance and Steve Dale's local Labour would like to turn off the lights for yours and your children's future. We, at Tweed Community Vision ask that you certainly consider your vote in the March Council election.

In an endeavour to point out some of the claims and the real truth, we have included within this edition a column outlining claims made by the Extreme Green Alliance and their supporters, including Steve Dale's local Labour party, and our explanation of the real facts and the real truth.

The primary attack weapon in the media was the parallel campaign organised by Tweed Directions itself. The election advertisements promoted the theme of Extreme Green, targeting the six "opposition" groups that Tweed Directions considered most likely to win places on the council.

Tweed Directions envisaged itself as a de facto political organisation. It could not be a registered political party because its membership was too small. There is little doubt that it could have organised the numbers to register as a party. The attendance at the Tweed Fight Back forum on January 18 2005 signifies that. Tweed Directions preferred to operate as a small closely-knit body. Its membership was never revealed to the public. Its sources of finance were never revealed before and during the election campaign. Its central role in selecting candidates, forming groups, funding those groups, and charting the broad structure of the twin campaigns (groups' and Tweed Directions') was never revealed. The community knew of the existence of Tweed Directions, through media reports and through its parallel campaign, but virtually nothing about its structure and funding. Its broad strategy of fielding a number of groups that posed as genuine independents, whilst Tweed Directions, ran a parallel campaign that provided a negative edge to the overall campaign, would have fallen apart had Tweed Directions' controlling interests in the groups' campaigns been known.

Although Tweed Directions was, in its own estimation, a de facto political organisation, it chose to attack its opponents in terms of their bringing party politics into the election. Its claims were extraordinary: "Meaning an end to free will and independence. An end to merit-based decisions. Meaning the start of block-voting, factionalism and ideology over common sense". The negative campaign took the general criticisms of the Balance Team and applied them to its opponents.

# Don't come to the party!

**On Saturday March 27, political parties will contest our Tweed Shire elections for the first time.**

**Meaning an end to free will and independence. An end to merit-based decisions. Meaning the start of block-voting, factionalism and Ideology over common sense.**

**The extreme parties are:**

- **Max Boyd - EXTREME**  
**Max Boyd Group**
- **Bronwynne Luff - EXTREME**  
**Residents & Ratepayers Group**
- **Henry James - EXTREME**  
**Greens**
- **Steve Dale's - EXTREME**  
**Local Labor version**
- **Barry Longland - EXTREME**  
**Tweed Villages Alliance**
- **Rose Wright - EXTREME**  
**Our Sustainable Future**

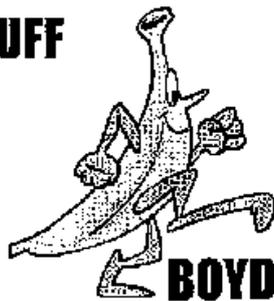
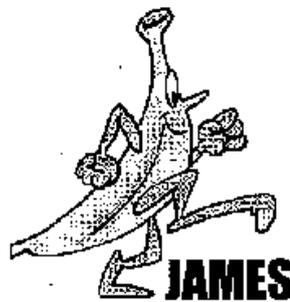
**These parties have formed an "extreme green alliance" that would shut down our economy, cost jobs and affordable homes and drive rates high.**

**Don't vote for the ~~Extreme Green Alliance~~.**  
**On Saturday March 27 don't let the**  
**Tweed go back to the dark ages.**

Authorised by Alan Blundell, Suite 1-3, Corporate House, 8 Corporation Circuit, Tweed Heads South

40004

# Is the Tweed ripe for the ~~EXTREME GREEN~~ bananas?



We all know growth is inevitable and must be planned for, not ignored.  
The "Extreme green alliance" of political parties believe we should  
**Build Absolutely Nothing Anywhere Near Anyone.**  
If that's managing growth, they've gone Bananas!

**We ap'peel' to you not to vote for the  
~~Extreme Green Alliance.~~  
On Saturday March 27, DON'T LET THE TWEED  
RETURN TO THE DARK AGES**

Authorised by Alan Blundell, Suite 1-3, Corporate House, 8 Corporation Circuit, Tweed Heads South

01002

The negativity of the Tweed Directions' campaign and their attacks on individuals put some of their supporters off. Brian Ray, the developer with the largest existing portfolio of developments in the Tweed, declared at the Public Hearings (T. 24/2/05 p. 513) that he had made a donation to the Tweed Directions group, and had then asked for his contribution to be returned. He did so because "in my view, the advertising and the approach .....was one that was derogatory of individuals". Mr. Ray attempted to get Tweed Directions to adopt a positive and constructive advertising campaign. They would not, and he had his money returned.

**(T. 24/2/05 p. 513-514)**

PROF DALY: *Thank you for that. I'd move on to another topic. You would be well aware of a group called "Tweed Directions" and their activities in the 2004 election.*

MR RAY: *Yes, sir.*

PROF DALY: *According to the records of the electoral office, you were not a contributor to Tweed Directions. Were you approached to be a contributor?*

MR RAY: *Yes, I was and, in fact, I did contribute. I contributed for the same reasons that I contribute to the political parties at state and federal level. I think that, in a democratic society, one needs to use their influence to see outcomes, which they believe can happen. In the case of those elections, I did approach all the councillors to ask if I could give them assistance, because, in my view, it was a well balanced Council. I would have liked to have seen them all return. In the case of a number of them, they indicated to me that they didn't want any assistance. They thought that me being active in developing the Shire, it was improper for them to take such contributions. Tweed Directions, however, made me aware that they were representing a group and I had respect for that group and I offered to contribute. I, in fact, did contribute.*

*I then asked for my contribution to be returned, because, in my view, the advertising and the approach was being taken by - the organisation running the campaign was one which was derogatory of individuals, and I thought that that was very unhelpful to what we should be trying to do in this place, where I thought we should be, really, trying to sell some of the objectives I've just talked to you about; the need to grow our economy without affecting the beautiful, pristine nature of the place. So I told them that. There wasn't any agreement between the people that were running that and myself on a change of direction, so they paid me my money back.*

Negative campaigning has become a fact of life in elections at different levels of government and in many countries around the world. The problem with the Tweed Directions campaign was that it had wilfully held back its own structure, funding and purpose from the community, and had deceived the electorate by presenting the candidates it had fielded as genuine independents. Whilst running a campaign structure based on deception, it had compounded its mendacity through attacks on individuals with labels that were simply false in many instances.

The use of the TCV newsletter as an attack weapon was contemplated some time before the election campaign really got going. In the Baudino files an e-mail dated November 13 2003 was sent to a group of potential contributors. The e-mail was sent from Graham Staerk's office and contained an attachment with "rough" outlines for TCV newsletters. There was also a reminder that contributions were due to be sent to that office by the next Monday. The organisation and production of the TCV newsletter was a responsibility of Winning Directions, Graham Staerk's organisation. The Inquiry obtained no evidence as to how the newsletter was at that point funded. In the strategy document shown in 2.2.6 TCV is shown alongside Tweed Business Council as a third party to the campaign. The Inquiry found no records of its source of funds or its expenditure in the declarations to the Electoral Funding Authority.

**(Extract from Baudino Files)**

**From:** Kimberley Hrastovec [kimberley@winningdirections.com.au]

**Sent:** Thursday, 13 November 2003 9:59 AM

**To:** jillrichards@solo.com.au; blundies@bigpond.net.au;  
radio97@bigpond.net.au; deedeg@norex.com.au; 'RD & VE (BOB & VAL)  
BRINSMEAD'; 'Wes Allen'; gsrobina@bigpond.com; baudinob@pacific.net.au;  
'POWELL DEVELOPMENTS PTY LTD USHER'; dr\_allen@powerup.com.au

**Subject:** Newsletter schedule

Gentlemen,

Please see attached a rough outline for the Tweed Community Vision newsletters.

A reminder that relevant contributions are due by this Monday;

SEPP71 – (Re-zoning development approval process) In relation to projects bring approved by State government. ie – Salt and Casuarina  
Contributor: *Neil Sutherland*

Phoney Greens – Green movement focussed on anti-development, 'they are ruining the enviro'  
Contributor: *Bob Brinsmead*

Profile – Vice – President  
Contributor: *Mike Allen*

"Preservation & Conservation" - Beneficial impacts of Salt and Casuarina  
Contributor: *Bob Brinsmead*

'The Doc's pulse' – report from Weston  
Contributor: *Weston Allen*

Quote to be used: “Nothing in life is to be feared – it is only to be understood.” – anon

*If anyone has some images available that may be of assistance, it would be greatly appreciated if they could be forwarded on to me asap. Also some ‘feature’ contributions will be required for the forthcoming issues so if you have a group or committee that would be willing to make a contribution, please let me know.*

You will note I have tried to allow for the Christmas break, hence, getting contributions to be me in early December for the January issue!

Regards,

Kimberley

Kimberley Hrastovec  
Public Relations Consultant  
**WINNING DIRECTIONS**

**T 07 5535 3900**

**F 07 5535 3911**

**M 0423 577 899**

**E kimberley@winningdirections.com.au**

One of the contributors listed to provide input to the November issue of the TCV newsletter was Councillor Brinsmead. His theme was to be Phoney Environmentalists. The Baudino files contain a copy of his article. Councillor Brinsmead argued that “the whole stance of this arrogant and dictatorial enviro-Taliban is determined by their anti-growth agenda”. The article appears not to have been published, at least not in the November issue of “The Facts and the Future”. Neither were any of the other articles listed in the Staerk office e-mail of November 13 2003. The interest of the Inquiry in the article is the way it indicates the extreme language used by the more feisty members of the Balance Team: arrogant and dictatorial enviro-Taliban pushes the attack on the Balance Team’s opponents to the limit.

In his testimony at the Public Hearings Dr. Allen suggested that at its peak the membership of TCV reached around 40-45 people (**T. 18/3/05, p. 1750-1751**). The TCV Association was in the process of being deregistered in March 2005. Dr. Allen’s explanation was that when he decided to stand as a candidate the interest of others in TCV diminished. The deregistration showed that TCV had served its purpose.

MR BROAD: *Is that group still operating today?*

DR ALLEN: *Not actively, no.*

MR BROAD: *It produced a number of newsletters and one of those newsletters commented that the membership was growing. At the time it was active what levels did the membership grow to?*

DR ALLEN: *The membership was in the vicinity of 30 or 40. I think it reached a peak of around 40, 45.*

MR BROAD: *When did that group cease to become active? Was it something that occurred after the elections or more recently?*

DR ALLEN: *Tweed Community Vision really, I guess, became fairly personal to me when I decided that I would stand for the Council elections. So some of the interest from others diminished at that time but it continued for some months after the election and only just recently in fact, it's been deregistered.*

MR BROAD: *Deregistered? Was it an association incorporated under the - - -*

DR ALLEN: *Correct.*

MR BROAD: *- - - Associations?*

DR ALLEN: *Yes. In fact, it's in the process of being deregistered. It hasn't yet been registered.*

MR BROAD: *Do I take it, it's served it's purpose.*

DR ALLEN: *Yes, you could say that.*

Dr. Allen (**T. 18/3/05 P. 1752**) stated that none of the members of TCV were from Tweed Directions. In particular he was asked if Alan Blundell and Graham Staerk were part of TCV. He denied any connection between the two chief officers of Tweed Directions with TCV.

DR ALLEN: *... None of the members of the Tweed Community Vision were from Tweed Directions.*

MR BROAD: *None of them were associated with Tweed Directions? None of the members of Tweed Community Vision were associated with Tweed Directions.*

DR ALLEN: *Were active members of the Tweed - or executive members of Tweed Directions.*

MR BROAD: *Who were the executive members of Tweed Directions, to your knowledge?*

DR ALLEN: *I couldn't give you that information. I know that, well, at least it appeared that Alan Blundell and Graham Staerk were involved. Apart from that I couldn't say.*

MR BROAD: *Did you attend any meetings with Tweed Directions?*

DR ALLEN: *No, not at all.*

In the Baudino files the first members of TCV were listed. The first name on the list is Alan Blundell, and Graham Staerk is also on the list.

Dr. Allen was asked (T. 18/3/05 p. 1752) whether Paul Brinsmead was a member of TCV. He replied that he was not. Mr. Brinsmead is on the list of first members of TCV.

MR BROAD: *Was Mr Paul Brinsmead a member of your group?*

DR ALLEN: *He was not a member of Tweed Community Vision. I couldn't tell you on the other.*

**TWEED COMMUNITY VISION  
LIST OF FIRST MEMBERS**

| Full Name and Address  | Phone/Fax/Email  |
|--|--|
| Alan Blundell<br>Piers Property Group Pty Ltd<br>PO Box 3007<br>TWEED HEADS SOUTH NSW 2486 | Ph: 07 5523 1472<br>Fax: 07 5523 1379<br>Email: <a href="mailto:blundies@bigpond.net.au">blundies@bigpond.net.au</a>                                       |
| Paul Wesley Brinsmead<br>PO Box 5559<br>GCMC QLD 9726                                      | Ph: 07 5556 7401<br>Fax: 07 5574 1130<br>Email: <a href="mailto:brinsmeadp@hickeylawyers.com.au">brinsmeadp@hickeylawyers.com.au</a>                       |
| Derek Budd<br>Budd & Piper<br>Solicitors<br>PO Box 203<br>TWEED HEADS NSW 2485             | Ph: 07 5536 2144<br>Fax: 07 5536 5323<br>Email: <a href="mailto:dawson@buddpiper.com.au">dawson@buddpiper.com.au</a>                                       |
| Neil Sutherland<br>Gilbert & Sutherland<br>PO Box 4115<br>ROBINA TOWN CENTRE QLD 4230      | Ph: 07 5578 9944<br>Fax: 07 5578 9945<br>Mobile: 0418 760 919<br>Email: <a href="mailto:gsrobina@bigpond.com">gsrobina@bigpond.com</a>                     |
| Idwall Richards<br>Solo Resource Recovery<br>PO Box 1427<br>KINGSCLIFF NSW 2487            | Ph: 02 6674 1688<br>Fax: 07 5599 3599<br>Mobile: 0408 196 888<br>Email: <a href="mailto:jillrichards@solo.com.au">jillrichards@solo.com.au</a>             |
| Graham Staerk<br>Winning Directions<br>PO Box 131<br>BURLEIGH HEADS QLD 4220               | Ph: 07 5535 3900<br>Fax: 07 5535 3911<br>Email: <a href="mailto:graham@winningdirections.com.au">graham@winningdirections.com.au</a> send email's c.c. to: |

| Full Name and Address   | Phone/Fax/Email  |
|---|--|
|   | <a href="mailto:kimberley@winningdirections.com.au">kimberley@winningdirections.com.au</a>   |
| Tony Radanovic<br>Radio 97AM & 104.1FM<br>PO Box 97<br>COOLANGATTA QLD 4225 | Ph: 07 5524 4497<br>Fax: 07 5524 8419<br>Mobile: 0418 241 903<br>Email: radio97@bigpond.net.au   |
| John Murray<br>19 Sequoia Court<br>BANORA POINT NSW 2486                    | Ph: 07 5523 4833<br>Fax: 07 5523 4833<br>Mobile: 0410 481 747<br>Email: <a href="mailto:jmurray@budgettravel.com.au">jmurray@budgettravel.com.au</a> |
| David Weston Allen (Wes)<br>278 Cudgen Road<br>DURANBAH NSW 2487            | Ph: 07 3249 5333<br>Fax: 07 3393 4999<br>Mobile: 0407 995 234  |
| Mike Allen<br>16 Bione Avenue<br>BANORA POINT NSW 2486                      | Ph: 07 5524 1712 (w)<br>Mobile: 0419 710 081<br>Email: <a href="mailto:mwallen@ceinternet.com.au">mwallen@ceinternet.com.au</a>                      |
| Nicholas Karlos<br>PO Box 925<br>TWEED HEADS NSW 2485                       | Ph: (07) 5536 6510 (h)<br>Mobile: 0408 366 510<br>Email: sdavies@raygroup.com.au   |

309622\_1.DOC

Dr. Allen (**T. 18/3/05 p. 1752-1755**) was asked about his relationship with Paul Brinsmead. He indicated that it was a casual relationship between relatives, with Paul Brinsmead offering personal advice to Dr. Allen. He denied that Paul Brinsmead had indicated when Dr. Allen should announce his candidature, whereas material in the Baudino files (2.2.6) shows clearly that Paul Brinsmead did decide on when Dr. Allen should announce his candidature. Dr. Allen claimed that when he received directions from Tweed Directions as to how his campaign was to be run the advice had come from Jeff Egan. It is clear that Jeff Egan interacted with all of the Tweed Directions candidates, but the evidence also shows that Paul Brinsmead was responsible for giving Dr. Allen a nine point plan on how he should run his campaign (2.2.6). When presented with a copy of Paul Brinsmead's e-mail outlining the nine point plan for Dr. Allen, he agreed that he did receive advice of that nature. He demanded to know "what's the issue you're making about it".

*MR BROAD: Was he providing any direction to your group?*

*DR ALLEN: Of course being my wife's cousin, I would talk with Paul and discuss things with Paul. He would give me some input. That was the extent of it.*

*MR BROAD: To your recollection did he give Tweed Community Vision any direction as to the way it should go about it's business.*

*DR ALLEN: Did he give Tweed Community Vision?*

*MR BROAD: Mm.*

*DR ALLEN: He would have given me some personal advice, some opinions but no directives, no.*

*MR BROAD: Did he give you any indication of when you should declare your candidacy for elections?*

*DR ALLEN: I was not influenced by Paul Brinsmead - - -*

*MR BROAD: No, no. I didn't ask you that question. I asked you if he gave you any direction in respect to when you should announce your candidacy.*

*DR ALLEN: Of when I should announce it? No, I didn't get that directive from him.*

*MR BROAD: Now, do you recall him giving you any directions as to how your campaign for election should be run?*

*DR ALLEN: No. It was Jeff Egan who gave me the advice on that.*

*MR BROAD: Did he circularise any advice from Paul Brinsmead to you?*

*DR ALLEN: Did Jeff Egan?*

*MR BROAD: Yes.*

*DR ALLEN: I may have received some - - -*

*MR BROAD: You've got no recollection.*

*DR ALLEN: I have recollection of seeing some information that was from Paul Brinsmead but not in the way of a directive.*

*MR BROAD: There are two emails which the inquiry has. One of them reads as follows:*

*Weston, I want to set out a few thoughts in regard to how you need to run your campaign. These are as follows: (1) Idwall Richards has agreed to play a day to day role and assist you in any aspect of the campaign. I suggest you pass as many issues on to Idwall Richards to follow up or run around about as necessary.*

*The email also goes on, amongst other things, it says in paragraph four:*

*I have asked for \$10,000 to be paid to your account and that should be paid this week.*

*Paragraph five of the email reads as follows:*

*I have had a look at some of your draft policies and I think they're looking great. I think you need to aim your campaign in two broad areas. The first one, you should not forget that the last three newsletters have spoken about sensible plan development moving forward in a very responsible way. This should certainly remain as one of your cornerstone policies; and (b) you should aim the balance of the policies along the health angle that you are pursuing and I think that you should aim these very hard at the over 65 market. I think you need to prepare a brochure and a number of newsletters to be distributed to this electorate. I have asked Jeff Egan to come back and advise how he can obtain details of a mailing list or distribution list for the over 65 so that he can squarely target them.*

*Do you recall receiving that sort of advice from Mr Brinsmead?*

*DR ALLEN: I remember receiving that sort of email, yes.*

*MR BROAD: You don't say that was advice on how to run your campaign?*

*DR ALLEN: It's advice. It's advice; it's not a directive. It's not an order.*

*MR BROAD: No, it's advice on how to run your campaign, isn't it?*

*DR ALLEN: It's advice but so what. What's the issue you're making about it.*

*MR BROAD: No, no. I won't debate issues with you. Now, in any way was Tweed Community Vision incorporated as an arm of Tweed Directions to do its bidding?*

*DR ALLEN: No, I'm not sure of this, but I would think it would be correct to say that Tweed Community Vision actually preceded Tweed Directions.*

*MR BROAD: Did it become an arm of the Tweed Directions campaign?*

*DR ALLEN: What do you mean by an arm?*

*MR BROAD: Was it utilised as part of the Tweed Directions campaign to elect a group of candidates?*

*DR ALLEN: Not directly, no. I was the one who - - -*

*MR BROAD: Was it in part, directly used by the Tweed Directions group to further it's campaign?*

*DR ALLEN: I'm not sure what you're driving at there really.*

*MR BROAD: I'll try again. Did Tweed Community Vision come to any arrangement with Tweed Directions that it would handle all negative responses, and would fire a few shots of its own?*

*DR ALLEN: Really?*

*MR BROAD: No, no. I'm asking you if that occurred.*

*DR ALLEN: That did not occur.*

The issue that Dr. Allen did not want to address is that the evidence that TCV and Tweed Directions were linked in a functional way is compelling. Before Dr. Allen turned TCV into a group as part of the Tweed Directions team of candidates, TCV had very direct links through joint memberships of the two organisations, and the fact that the key people in the Tweed Directions organisation were also foundation members of TCV. It would appear that prior to Tweed Direction crystallising into the principal vehicle to mount an electoral campaign, forming a de facto political group with a broad umbrella over other groups, TCV were playing an inter-linked role with Tweed Directions in promoting the pro-business cause in relation to the council. After TCV became a supposedly independent group contesting the election, the more general links between the two bodies shifted into one where TCV received funds and support for layout and publication. On Dr. Allen's evidence the relationship was meant to be at arms length.

**(T. 18/3/05 p. 1751-1752)**

*MR BROAD: You indicated that you were a candidate for the 2004 Council elections. The actual group as I understand it which was headed by you had some alignment to the Tweed Directions group. Can you indicate the extent of the alignment of your group to Tweed Directions?*

*DR ALLEN: It was purely a funding relationship.*

*MR BROAD: Did anyone from Tweed Directions give you anything more than funding? Did they give you direction, policy statements, anything like that?*

*DR ALLEN: I had some help from Jeff Egan in terms of policy statements and preparation of issue number four in Tweed Community Vision. I had help from Winning Directions which had a connection with Tweed Directions in terms of layout and publication but in terms of the actual material that was essentially my own and included the help of some other members in Tweed Community Vision. None of the members of the Tweed Community Vision were from Tweed Directions.*

TCV is a particular example of the connections between Tweed Directions and other groups linked in the effort to return a pro-business council in the Tweed. Another group

that was formed to assist the cause was the Kingscliff and Tweed Coast Business Association. Mr. McIntosh, who prepared a written submission to the Inquiry on behalf of the group, also appeared at the Public Hearings (T. 23/2/05). Mr. McIntosh supplied a number of names of those associated with his organisation.

**(T. 23/2/05 p. 413-415)**

MR BROAD: *And, can you give me an indication of who the officer holders are?*

MR McINTOSH: *Who are the officer holders, yes. We have Idwall Richards who's our Secretary. I am the President. Les Roughead is a limousine owner. He is the Vice President and the Treasurer is John Coleman, publican of the Grand Pacific Hotel at Kingscliff.*

MR BROAD: *Now, there's a suggestion that your membership includes Mr Blundell.*

MR McINTOSH: *I believe he is a member.*

MR BROAD: *Right, Mr P. Brinsmead, I assume Paul Brinsmead?*

MR McINTOSH: *Mr?*

MR BROAD: *Paul Brinsmead?*

MR McINTOSH: *Possibly, yes. I mean, I can't verify that I know every particular member but I assume he may be a member but I can't ever recall him. Maybe he attended one meeting, I'm not sure.*

MR BROAD: *Mr A. Powell?*

MR McINTOSH: *Yes, Alan Powell. I don't know whether Alan's – Alan comes from Kingscliff. I don't recall him. Then, again, he's probably been to one or two meetings but not - wouldn't say that many.*

MR BROAD: *Mr P. Usher?*

MR McINTOSH: *Wouldn't think so. I don't recall that name. I've heard of Usher and Powell but I've certainly never met Mr Usher.*

MR BROAD: *Right. Mr P. Madras?*

MR McINTOSH: *No. I know - I'm aware of Resort Corp. Their name's often been in the paper but Mr Madras, to my knowledge - - -*

MR BROAD: *Mr J. Murray?*

MR McINTOSH: *J. Murray, John Murray.*

MR BROAD: *I assume that's John Murray.*

MR McINTOSH: *Yes, he's a councillor.*

MR BROAD: *The Mayor, Mr Polglase?*

MR McINTOSH: *Not to my knowledge.*

MR BROAD: *Mr B. Bell?*

MR McINTOSH: *Not to my knowledge. You're asking me whether these are members of our Association?*

MR BROAD: *Mm.*

MR McINTOSH: *Yes. No, not to my knowledge.*

MR BROAD: *Right. Mr Brian Ray?*

MR McINTOSH: *Maybe the Ray Group but I've never met Mr Ray and, as far as I'm aware, I don't recall any of his group attending our meetings. Oh, there may have been a fellow by the name of McLean if I remember rightly. McLean might have attended.*

The same names seem to appear amongst the various groups: Idwall Richards, Les Roughead, Paul Brinsmead, Alan Powell, John Murray. The foundation members of TCV also feature in a number of the submissions and are mentioned in various roles. Besides those already mentioned these names include Derek Budd, Neil Sutherland, Tony Radanovic, Mike Allen, Nicholas Karlos. Some were linked in operational roles, and others stood for the Tweed Directions team at the election. The evidence suggests that the Tweed area business community is closely aligned and people intersect with each other in various ways. It also suggests that Tweed Directions, in relation to the election, provided the focus around which pro-business forces could work together. The notion that “Chinese walls” could be erected between these groups, and that there was not a general understanding of what the structure of the campaign strategy and components were, is not credible. There were links between the different business groups and the candidates for election, including the incumbents. It would be very difficult for such a closely connected group of people not to know the financial role that Tweed Directions played, and the general source of their funds. The evidence prompts the conclusion that Tweed Directions was at the centre of a “club” of interlocked business people and groups, and that “club” determined the direction of the electoral campaign and its relationship to the broader community. It is difficult to escape the conclusion that the so-called “independent” groups, that were funded, selected, and directed in so many ways by Tweed Directions, knew that the structure represented a kind of charade, a subterfuge intended to induce uncommitted, and unknowing, voters to elect pro-business candidates.

#### 4.2.8 From Deceit to Conflicts of Interest

The level of negativity and personal attacks in the Tweed Directions' campaign was not applauded by all of the candidates, but they had no say in how Tweed Directions ran their campaign. In the structure that Tweed Directions had established the individual candidates were essentially puppets of the system; it might have been described as "puppetry in motion". They received a good deal of support for their own campaigns and were enjoined to run positive campaigns. Tweed Directions ran the "attack" campaign to which the candidates had no input. In his appearance at the Public Hearings Councillor Lawrie complained about this (T. 17/2/05 P. 190).

PROF DALY: *Tweed Directions spent something in the order of \$163,000 in general media work associated with that election as aside from individual candidates. That would be another very substantial support to you, wouldn't it? They were essentially arguing against those that you were opposing in the election.*

CR LAWRIE: *Well, I don't know how much Tweed Directions spent apart from what I've read in the paper, but I can say to you, sir, that some of the advertising when I saw it, I cringed, because my photo was in it, and my name was attached to it, and I didn't have a single second of input into it. Some of it was of assistance, some of it - I'm sure it was, some of it I'm sure was a bucket of cold water.*

According to a newspaper report (Daily News 29/3/04) the manager of Councillor Polglase's campaign admitted that there had been "lies of the worst kind" in the ads supporting his candidate. The Tweed Sun (28/4/04) reported that Councillors Bell and Murray had tried to distance themselves from the lies, but only after and not during the campaign (S. 369, p.3). In his evidence at the Public Hearings Councillor Murray acknowledged the strength of the attacks that Tweed Directions made on the "opposition" candidates.

(T. 17/2/05 p. 229)

PROF DALY: *But would you agree that some of the material that was put out in this other campaign, as it were, directly attacked people and some of the attacks were quite strong?*

CR MURRAY: *I would go along with that, yes.*

The primary attacks made by Tweed Directions were centred on other candidates. The distortion involved in using terms such as Extreme Greens, and left wing rabble-rousers was illustrated by the evidence of a former Councillor Bronwynne Luff. Ms. Luff had been a Councillor from 1995 to 2004. She stood for election again in the 2004 election. Ms. Luff is a solicitor and a member of the Liberal Party. It is difficult to see how a person that was endorsed by the State Executive of the Liberal Party could be painted as

an extremist. Her evidence suggests that she was anything but an extremist. (T. 24/2/05 p.470-471).

PROF DALY: *Were you in the minority group in that period, 1999 to 2004? Or was there such a thing as a minority group?*

MS LUFF: *Well, I wasn't one of the balance councillors, which was a group of councillors who were the elected candidates amongst a whole stable of candidates that had been recruited by Bill Bedser, and others. And there were seven such elected candidates, who on many occasions voted in a majority on resolutions. But there were occasions where two of them voted with the non-balance councillors. Sometimes there were resolutions that were 9-1, but a lot of decisions were unanimous.*

*But on particularly interesting matters, shall we say there were some matters where you could almost predict what the outcome would be. And there were many particular decisions where the balance councillors voted in a way that was something that I was strongly opposed to.*

PROF DALY: *Explain what you mean by interesting matters? Are they - what were they pertaining to?*

MS LUFF: *Well, while it's commonly said that councillors like myself are anti development, and Councillor Youngblutt just spoke in those terms, I deny that and say that one of the essential differences between the balance candidates and people like myself is that what I wanted to see in council was principle decision making, where the rules or the guidelines that council has are given some respect in the exercise of the discretion in decision making.*

*And that goes to things like approval of development applications, rezoning applications, decisions about whether to prosecute on illegal clearing, illegal filling of land, demolition of structures, and the like. And before I was elected to council, I was concerned about a number of things that appeared to be happening which weren't in the interests of the community generally, and the ratepayers generally, but seemed to benefit particular individuals. And sometimes in a way which was going to leave a legacy of problems or deficiencies or burdens for the ratepayers generally.*

PROF DALY: *Were you a member of a political party?*

MS LUFF: *Yes. In the 1995 and '99 elections I was endorsed as a Liberal candidate by State Executive.*

PROF DALY: *And am I right in understanding that the philosophy of the Liberal Party is to support business and development - to give individuals the opportunity to engage in business and so forth? Is that right?*

MS LUFF: *Yes, the Liberal Party has reviewed its guiding principles in the last five or six years. And like most organisations there's a range of people within the Liberal Party. And at times I've left - I've thought about leaving the Liberal Party because there are people whose values and priorities I disagree with. But there are also people who are small 'l' liberal. And while there is an ethos of allowing development and allowing entrepreneurial activity, I would say there are many people still in the Liberal Party who don't think it should be completely unfettered.*

*Or even worse than unfettered, that it should be unprincipled. By which I mean where you have a set of rules which are applied for some but not to others. So I don't think any of the councillors that I commonly voted with on those big decisions, or who voted the same as I did on some of those decisions I referred to, were anti development. And that goes for the Greens councillor as well, in that apart from being aware of the Land Environment Court being in back of things so that they could at some expense to council, give an approval. So it would have been a vexatious and silly thing to have not approved things.*

*Apart from that, generally I had the principle that if people owned land that was zoned in an appropriate way, if it stacked up on planning grounds I supported it. But the difference between people like myself and Councillor Youngblutt and Brinsmead and others is that if there were conditions like section 94 contributions or planning standards, heights of buildings, things that needed to be done so that there wouldn't be re-mediation problems in the future, or buffer zones and things like that that would ensure some kind of quality of life for adjoining land owners, I insisted on those things. And I sometimes voted against things.*

Another candidate, Ms. Hoskisson, gave evidence at the Public Hearings where she expressed her anger at being labelled as extreme green, when she was the President of the Tweed Valley Branch of the Liberal Party. The “attack” part of the Tweed Directions campaign distorted the truth by painting all of their opponents with the same brush. The campaigners knew that their “opposition” was made up of a mixed range of candidates who stood for election for a broad range of reasons. De facto they became an “opposition” because their spill of preferences naturally ran across the nine groups who were not part of the Tweed Directions group; a cornerstone of the Tweed Directions strategy was to ensure a certain flow of preferences that linked their “independent” groups.

**(T. 25/2/05 p. 580)**

PROF DALY: *...He (sic. Mr Ray) said that he initially gave money to the Tweed Directions group, and then withdrew it because he didn't like the way in which they were attacking individuals who were standing in other groups. You were a candidate, what was your opinion of the advertising and media use that the Tweed Directions campaign of its own? We talked with Mr Staerk the other day, and there were essentially apparently two things; money given to candidates who ran their own campaign, and then a fairly large sum of money given - run by Tweed Directions itself about the election. I*

*want to come back to Mr Ray's comment yesterday that he withdrew his money because of the nature of that campaign. Have you got any comments, as a candidate?*

*MS HOSKISSON: Well, the team in which I ran was painted as extreme green. I found that particularly offensive, as I am president of the Tweed Valley Branch of the Liberal Party. And I would consider myself anything but extreme green. The campaign overall was - it was very clever, it was professionally run. They had Geoff Egan from a Canberra lobby group up. They had Bob Baudino, who has been a spin doctor for the Liberal Party for 30-odd years, assisting in their campaign. And of course, Mr Staerk with his expertise. It was a professional, no holds barred, win at all costs campaign. Take no prisoners.*

Ms. Hoskisson was President of the Tweed District Residents and Ratepayers Association. A number of people who provided written submissions to the Inquiry were members of that or other community organisations. Although not candidates for the election these people were often included as part of the Extreme Green/left-wing rabble rousers because they had been part of a group that disagreed with the policies or practices of the Balance Group in the 1999-2004 council. The second report, of the Inquiry, will discuss the ways in which members of the community were treated when they dissented from certain actions of the Balance Team. Here the focus is simply on the way that the Tweed Directions campaign cast a blanket generally over those who opposed actions of the Balance Team, casting them together with candidates they described as Extreme Green and left-wing.

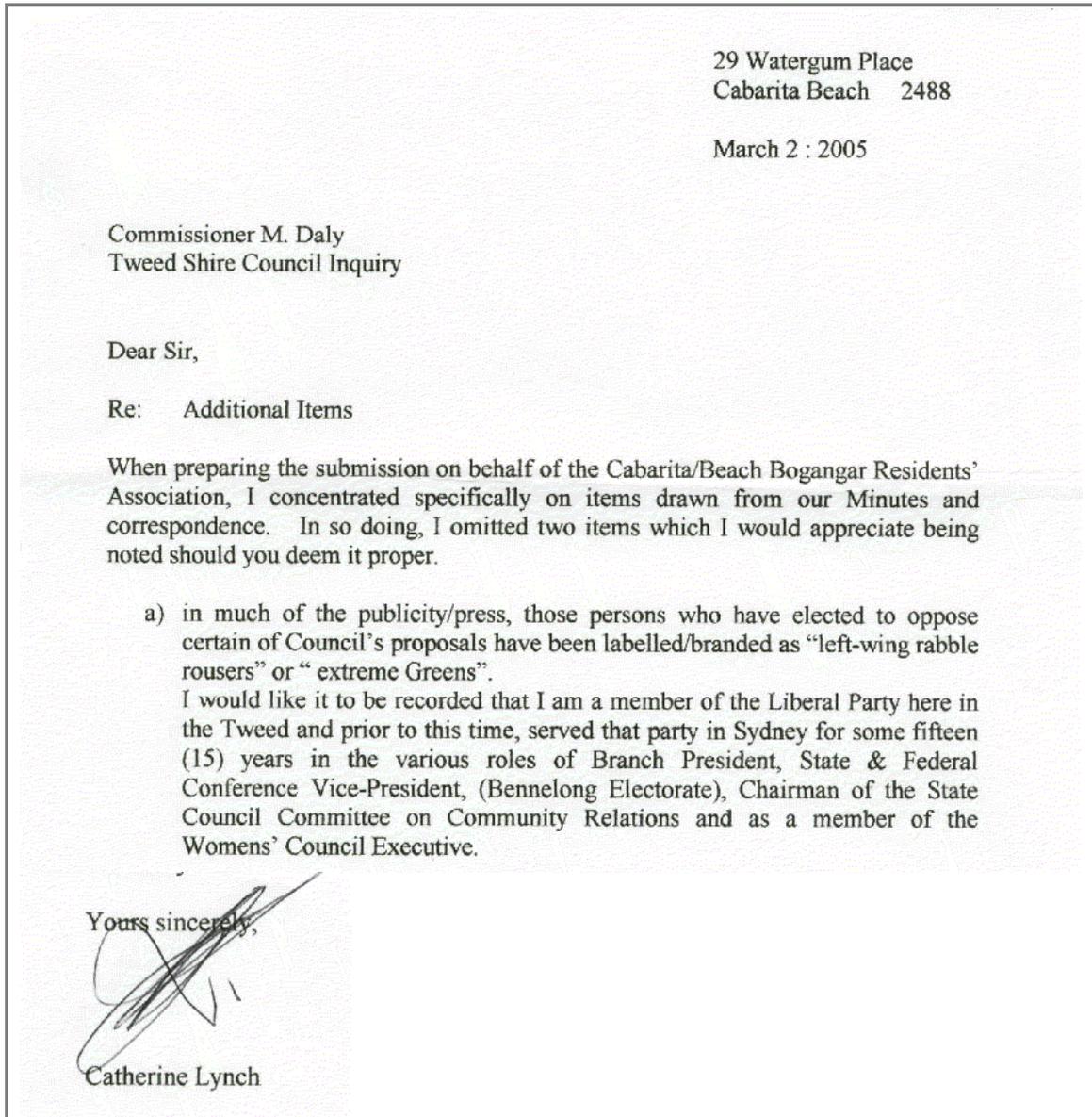
A very good example of that came from the evidence of Catherine Lynch. Ms. Lynch is the Secretary of the Cabarita Beach/Bogangar Residents Association. She explained to the Inquiry that it was not a political body. She, the secretary, was a member of the Liberal Party, whilst the President is a member of the Labor Party. The entire membership is made up of local residents, and that membership numbers 103 people. Their concerns were largely about the loss of their village ambience, a concern of many people in many areas of the State. They objected to certain plans and processes related to developments in their village. The Inquiry is not going to comment on those issues here. The only point to make is that they represented legitimate community concerns that grew into one of the major points of conflict with the council. For their pains the community groups were lumped into the category of Extreme Greens and left-wing rabble rousers.

**(T. 2/3/05 p. 687)**

*MS ANNIS-BROWN: In terms of the make-up of the Association, what sort of people are members, if you like, local residents - - -*

*MS LYNCH: Yes. The entire membership are local residents. It is not a political body. To demonstrate this, the current president is involved with the Labor Party. I, as secretary, am an active member of the Liberal Party. We do not pursue a political outcome.*

Ms. Lynch's background indicates that she is anything but a left-wing rabble rouser or an Extreme Green. Her roles with the Liberal Party included being a branch President, State & Federal Conference Vice-president, Chair of the State Council Committee on Community Relations, and serving as a member of the Women's Council Executive. Her last working position before retirement was as Executive Officer of the Ryde Business Forum in Sydney. Attacking a woman with such outstanding credentials and years of service in the Liberal Party, and in business, displays just how extreme the Tweed Directions campaign was.



In fact the level of venom in, and the extreme nature of, the Tweed Directions campaign is illustrated by one other piece of information that Ms. Lynch forwarded to the Inquiry.

At her appearance at the Public Hearings she was questioned about it (T. 2/3/05 p.696-697).

PROF DALY: *In the 2004 election - to shift on to another topic - I have seen some of the material related to that election where the opponents of the candidates who were being supported by the Tweed Directions Group were labelled left-wing rebel rousers and extreme greens and so forth. Presumably because you were in conflict with the council over Cabarita issues did you think you were being labelled in that way?*

MS LYNCH: *Yes, I take strong exception to that. I am a member of the Liberal Party here on the Tweed and I have served the Liberal Party for some 15 years in Sydney as a Branch President and State and Federal Conference Vice President, Chairman of the State Council Committee on community relations and as a member of the Womens' Executive. So I did take offence at this labelling and sort of being included in a rabble rousing group.*

PROF DALY: *When you moved to the North Coast, did you receive a letter hand written by the Prime Minister, John Howard dated 7/8/99?*

MS LYNCH: *Yes, I received that letter prior to my move. It was presented merely to demonstrate my involvement with the Liberal Party in New South Wales.*

PROF DALY: *Did that letter include this statement:*

*You have been an energetic positive participant in so many issues in your community over the years.*

MS LYNCH: *Yes, it did, Mr Commissioner.*

PROF DALY: *Did John Howard regard you as a left wing rabble rouser.*

MS LYNCH: *I wouldn't have thought so from these comments.*

The hand-written letter from the Prime Minister follows.



KIRKCALDY HOUSE  
KIRKCALDY, FIFE, SCOTLAND

7. VIII. 99

Dear Cath,  
I hear you are  
moving out of Homeburg &  
to Colinton Road - on the foot  
north coast.  
You have been an  
energetic positive force in  
so many cases in your community.  
For success and trouble.  
Personally, thank you  
for all the support given so  
generously, over the years.  
Josette joins me in  
wishing you good luck for  
the future.  
Sincerely  
John Howard

The Tweed Directions campaign may, or may not, be regarded as good campaigning, but it did help to retain control of the council by pro-business Councillors. It inevitably, however, left a legacy. It greatly antagonised divisions that already existed in the community, and embittered a range of people against the council. It made it difficult for the new council to fulfil its Charter, as laid down in Section 8 of the Act.

---

## Chapter 3 What is a council's charter?

**Introduction.** The charter contained in this Chapter comprises a set of principles that are to guide a council in the carrying out of its functions. A council may add other principles not inconsistent with those in the Chapter.

### 8 The council's charter

(1) A council has the following charter:

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- to exercise community leadership
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- to promote and to provide and plan for the needs of children
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible
- to facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants
- to keep the local community and the State government (and through it, the wider community) informed about its activities
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected

- 
- to be a responsible employer.
- (2) A council, in the exercise of its functions, must pursue its charter but nothing in the charter or this section gives rise to, or can be taken into account in, any civil cause of action.

In particular the charter enjoins the council “to ensure that, in the exercise of its regulatory functions, it consistently and without bias, particularly where an activity of the council is affected”. The Tweed Directions campaign divided the community in such a way that a large section of the community (around half from the election results) were in danger of feeling ostracised from the council.

Another legacy of the Tweed Directions campaign is that it placed the councillors who were part of the Tweed Directions team in a potentially compromised position as they went about their duties. Since each of those elected representatives had received funding from Tweed Directions, in most cases virtually all of their funding from that source, and that fact would inevitably be revealed after the election, it was a fair assumption that those Councillors would be regarded as serving the interests of those who supplied the funds. The source of the funding, hidden during the elections, was also going to be revealed to the public. The fact that the funds were overwhelmingly supplied by just one sector, developers, suggested that these Councillors were in danger of facing significant conflicts of interest. Such would certainly arise if one of the donors put a development application or some other matter before the council. It may arise in general because many of those councillors claimed that they did not know who their donors were, even after the source of funds had been publicly released. In the latter case the potential for conflict of interest is enlarged. The Councillors, whose position on the council was effectively bought by the donors, might be in a compromised position when any major development was tabled because they would realise that there was a chance that that developer may have assisted them to get elected. The fact that there is only a limited number of developers operating in the Tweed magnifies that chance. The claim of not knowing precisely who funded them actually increases the problem of potential conflicts of interest rather than reducing or removing them.

The community is alive to the problems of conflicts of interest. In Submission 313 a lucid explanation of the problems was given.

## **A SUBMISSION TO THE COMMISSION OF INQUIRY INTO TWEED SHIRE COUNCIL 2005**

### **Preamble**

We note that the terms of reference for the inquiry give emphasis to the issue of conflict of interest.

Conflict of interest arising from electoral donations is probably the class of conflict that arises most often in planning decisions, and often in relation to development applications of a significant nature. The aim of current administrative arrangements is limited to requiring disclosure when instances of this class of conflict of interest arise. Unfortunately, the arrangements do not achieve even this limited outcome with any degree of success.

We make the following submissions on this class of conflict of interest.

### **Introduction and summary**

- Conflict of interest arising from electoral donations is a systemic problem for local government throughout NSW.
- Tweed Shire Council is probably the most notorious current example of the problem.
- The problem has long existed but has increased greatly as result of accelerating increases in election donations and more highly organised application of the donations.
- The amount of electoral donations invested by parts of the development industry (and therefore the size of the problem) is likely to continue to increase.
- In areas of rapid urban growth or redevelopment, the conflicts of interest that arise from electoral donations have significant consequences for planning outcomes. The resultant adverse planning consequences have reached unacceptable proportions in Tweed Shire and probably elsewhere in NSW.
- Apart from the material adverse consequences for planning outcomes, the perception of conflict of interest erodes confidence in the planning system and government. In Tweed Shire and perhaps elsewhere the perception that planning decisions are tainted by conflicts of interest is high and unacceptable.

The fact that the Councillors had accepted so much money from developers magnifies the task that was given the Inquiry by both the first and third of the Terms of Reference. The appropriateness of the relationships between elected representatives and proponents of development in the council area must be questioned, whether or not the councillors actually had direct meetings and interaction with them. The problem is the more general likelihood of conflicts of interests.

*The Inquiry will have particular regard to:*

*1. Whether the elected representatives have adequately, appropriately and reasonably carried out their responsibilities in the best interests of all ratepayers and residents, in an environment free from conflicts of interest.*

...

*3. The appropriateness of the relationship between elected representatives and proponents of development in the council area.*

The general difficulty of conflicts of interest was again well spelt out in Submission 313.

There are many types of conflict of interest that arise in many different ways. We have witnessed most of them in Tweed Shire in recent years.

In too many cases the conflict of interest has not been dealt with appropriately.

Electoral donations are the source of conflict of interest that is most often poorly dealt with. This is of particular concern because the conflicts of interest often arise in relation to quite significant planning decisions yet there are great gaps in the administrative arrangements requiring disclosure.

Though Tweed Shire Council is probably the most notorious current example of this class of conflict of interest, it is a systemic problem for local government throughout NSW.

Administrative arrangements governing conflict of interest are inadequate not only because they fail to require adequate disclosure of the real source of electoral donations but also because they do not require decision-makers to disclose at every occasion that a conflict of interest arises as a result of electoral donations.

Whether the prescriptions in the Act and in the Model Code of Conduct for treating conflicts of interest are adequate or not, there remains a moral duty on Councillors to avoid conflicts of interest. The first step in this is understanding just what constitutes a conflict of interest. The mayor was questioned about this at the Public Hearings. He struggled to provide a definition of conflict of interest, and he also struggled to give an example of what a conflict of interest might be. He seemed to believe it was something that was confined to whether or not a Councillor took part in certain debates in the Council chambers.

**(T. 16/2/05 p. 55-56)**

MS ANNIS-BROWN: *Okay, Mayor Polglase, I would just like to deal with the issues of conflicts of interest now with you, if I may, and just to start with basically an open question to you, and that is: what is your understanding of a conflict of interest?*

MAYOR POLGLASE: *I don't - - -*

MS ANNIS-BROWN: *What is your understanding of a conflict of interest?*

MAYOR POLGLASE: *Oh the conflict of interest is that if you consider that you have some interest in a particular issue, well therefore you should give consideration of whether you should be involved in that debate or mainly in the determination process of that particular issue.*

MS ANNIS-BROWN: *So does that conflict only arise if you are determining a matter or perhaps in other circumstances?*

MAYOR POLGLASE: *Well, I believe it arises when you're determining a matter of issue. You don't vote. You leave the Chamber and you don't vote.*

MS ANNIS-BROWN: *How are Councillors required to deal with conflicts of interest under Council's Code of Conduct?*

MAYOR POLGLASE: *The third question I ask on the - at every business - every meeting we have Council, is do Councillors have a conflict of interest or a pecuniary interest. It's up to individual Councillors to acknowledge whether they do or whether they don't. It's not my determination to say they do or they don't. I ask that question. They then make their own conscious decision.*

**(T. 16/2/05 p. 60-62)**

PROF DALY: *If I could just follow on a little there to make sure I have understood what you are you saying correctly. Did you intimate that a conflict of interest is something that only happens in the Council Chamber? Is that - - -*

MAYOR POLGLASE: *Well, the issue - - -*

PROF DALY: *Am I right in understanding you said that?*

MAYOR POLGLASE: *Yes, the issues - the issues is Council has an agenda with items 1 to whatever number on it. If any Councillor has an - has an interest, pecuniary or conflict in those - any one of those agenda items, the question is asked. The Councillor - Councillors either to say yes or no. Then we move on. When the - when the agenda item comes before Council to debate, that Councillor then leaves the room for that issue to be debated. That's the process and that's how it has worked for many years.*

PROF DALY: *So conflicts of interest are enclosed by the Council Chambers; is that what you say?*

MAYOR POLGLASE: *That's what I'm saying because that's where the debate is determined. That's where the determination is made on the report before Council.*

PROF DALY: *Does the Code of Conduct of the Council only apply to Councillors within the Council Chamber?*

MAYOR POLGLASE: *No. The Code of Conduct, I believe, binds Councillors in their - in their every day attitudes to life and what they do, but when it comes to determining reports before Council, well, then, that's the very important issue where they should demonstrate whether they have a conflict or not.*

PROF DALY: *Could you further assist me by explaining the difference between conflict of interest and pecuniary interest?*

MAYOR POLGLASE: *Well, pecuniary I believe is where a person gets a financial benefit out of it, and a conflict is where a - your decision puts - for a proposal to go forward for a particular person or persons you may know.*

PROF DALY: *Can you give me an example?*

MAYOR POLGLASE: *Well, the example would be that people generally leave the room when we're debating an issue they would have a conflict of interest. Off the top of my head I couldn't offer - take it on notice and supply with that - some of that information, but off the top of my head I can't.*

PROF DALY: *But if you are battling to give me an example, does that not make the whole process of - you are the Mayor with a very long experience in local government here and in other parts of the State. If you cannot give me an example of what a conflict of interest might be, would not the other Councillors be in a similar position?*

MAYOR POLGLASE: *With the example - if a person has a financial interest in something as an individual person, that's a pecuniary.*

PROF DALY: *No. I asked you to differentiate between conflict of interest and pecuniary interest.*

MAYOR POLGLASE: *Well, the example I would give is - is that if a person's a member of, say, a certain organisation that's going - it has a report before Council and his - his vote would influence that report, well, he has a conflict of interest.*

PROF DALY: *Yes. But I would like you to go further. What constitutes conflicts of interest? It is not just money, is it?*

MAYOR POLGLASE: *No.*

PROF DALY: *There is something else?*

MAYOR POLGLASE: *It's - it's where - - -*

PROF DALY: *What is the something else?*

MAYOR POLGLASE: *It's where someone can give an organisation a benefit by approval of a certain process, or it may be where some organisation is seeking some donations from Council and you're a member of that organisation personally, well, therefore, you should acknowledge you have a conflict to be able to make a determination on that particular issue. That's quite a very simple issue but demonstrates the correct process that is a conflict because your decision could allow that process to be – to give that - that applicant a support where - where it may not necessarily happen from the majority of Council. So consequently, that's a conflict.*

Mayor Polglase argued that the decision about what constituted a conflict of interest was solely the responsibility of the individual Councillor. Despite this he seemed certain that there were no conflicts of interest within the council. Since he had struggled to define or give a definition or an example of what constitutes a conflict of interest, it is difficult to place much importance on his contention that none has occurred.

**(T. 16/2/05 p. 56-59)**

MS ANNIS-BROWN: *Okay. You mentioned earlier that your door is always open to various people, particularly with respect to matters that are coming before Council for determination. I guess what I would just like to ask in respect of that matter is: do you believe that that would influence your decision in determining a matter when it does come before Council and therefore, perhaps, it may make a conflict of interest arise in such a situation?*

MAYOR POLGLASE: *No, I don't believe that - that at all. I believe that as the Mayor of the community, you have a right to listen to everybody's point of view. That's - that's what the - one of the major role is, to get input from the community and give the community that right to communicate with their Mayor or their elected members. They see the Mayor as - as the head of the Council. If they want to point - put a point of view, well I believe we should encourage it and allow them to come and do it. Whether you agree or disagree - and there's times when I've disagreed with points of view - but I've allowed that opportunity to take place.*

MS ANNIS-BROWN: *How robust are the conflict of interests and pecuniary interest provisions within Council's Code of Conduct? For example, would it be possible for persons to deal in matters where they do have a conflict of interest?*

MAYOR POLGLASE: *Well, I wouldn't be able to speak on behalf of other Councillors. That's - that's - that's their own decision. They make that decision themselves. I believe*

*that nearly every Councillor in the Tweed Shire has always made conscious decisions and left the room. I've seen that happen many times and I believe we as a Council tend to be able to - to understand that conflict or pecuniary interest and demonstrating that by leaving the room. On - on many issues it happens.*

*MS ANNIS-BROWN: Okay. You have indicated to me on a couple of occasions now that it is up to each individual Councillor to make the decision as to whether they have a conflict of interest and either leave the room or deal with it accordingly in the meeting. But it still really has not answered my question as to how robust you believe the Code of Conduct - Council's current Code of Conduct is in dealing with such issues and enabling Councillors to make that decision.*

*MAYOR POLGLASE: The Code of Conduct sets it out and so does the ICAC Reports set out the - how - what Councillors should consider their position when they - when they make that determination themselves. Councillors probably understand those issues. They then consider their position and make their own decision. It's a personal thing from a Councillor's point of view; it's not a direction of any - any body, but there are various ICAC Reports which demonstrate what you should consider when you make that decision.*

*MS ANNIS-BROWN: Have any of those ICAC Reports that you refer to been provided to each individual Councillor?*

*MAYOR POLGLASE: Yes. As a matter of fact, just with the - with the induction of the new Council we had a session on conflict and pecuniary interest. We had a video before Councillors. So all Councillors were made aware of the processes that under the ICAC provision we have responsibility to respond to. That was done very early in the term of this Council.*

*MS ANNIS-BROWN: If I could just read to you - I have Council's Code of Conduct here in front of me.*

*MAYOR POLGLASE: Sure.*

*MS ANNIS-BROWN: If I could just read to you the provision where it deals with conflicts of interest, and paragraph 1.4.1 says:*

*What is a special duty of a Councillor, member of staff, and delegate?*

*And it says:*

*You must avoid and appropriately resolve any conflict or incompatibility between his or her private or personal interests and the impartial performance of his or her public or professional duties.*

*It goes on to say that:*

*A conflict of interest arises if it is likely that a person with a private or personal interest could be prejudicially influenced in the performance of his or her public or professional duties by that interest, or that a reasonable person would believe that the person could be so influenced. Any conflict between personal interests and public duty which could be seen to influence a person, should be avoided.*

*What I would like to ask you in relation to that is, perhaps, to focus on the section where it deals with:*

*which could be seen to influence a person, should be avoided.*

*So I guess I am concerned about perception. And if I could just go back to your open door policy, as you say, and you have attended meetings with various persons. I guess what I am concerned about is whether you believe that there may be a perception of a conflict of interest given your meetings and dealings with various persons before the application or matter actually comes before Council for determination?*

*MAYOR POLGLASE: Well, the word "perception" is used many times by the community out there. They perceive that we're doing this or perceive we're doing that. I believe it's an individual choice of a Councillor to make that determination. The perception that that creates in the community is - is something that you will never do away with. The perception will be out there because that's what people perceive and want to - want to believe. The individual Councillors in Tweed Shire Council have always responded - always responded to any conflict or pecuniaries they have and they have reported that and left the Chamber. It's not an issue - the perception will always be there. You will not change that word. But I believe that all our Councillors, the whole 11 of us, adhere to that policy pretty well strictly.*

*MS ANNIS-BROWN: Okay. Just the next question I would like to ask in relation to conflicts of interest, if there is a situation, for example, where a conflict may not have been declared and the matter stays, or the person stays on and votes on a matter, perhaps that there was a conflict of interest, what action is taken by Council, if any, in accordance with Council's Code of Conduct to deal with that matter?*

*MAYOR POLGLASE: Well, Council wouldn't know whether that person had a conflict or not unless that person identifies that himself - his or herself, or someone says to Council, "Well, look, I believe that this person has a conflict of interest", and that's - that second statement "I believe" is - is a statement where well, it may or may not be true, but normally we - as I said, we always adhere pretty well strictly to our policy.*

*MS ANNIS-BROWN: Are you aware of any instances where that has occurred?*

*MAYOR POLGLASE: No, I'm not.*

MR BROAD: *It simply never comes to the surface, does it?*

In relation to his receipt of substantial sums of money from developers for his campaign, the Mayor avowed that he could not see the circumstances where this might present a conflict of interest.

**(T. 16/2/05 p. 62-63)**

MR BROAD: *Mayor Polglase, if you had known who the contributors to Tweed Directions were, when considering a development application lodged by such a developer, would that give rise to a conflict of interest?*

MAYOR POLGLASE: *No, because the - the conflict of the funds that were supported by - by my - me personally came from a firm called Tweed Directions. I was unaware - as I said before, we were unaware of where they sourced their funds from.*

MR BROAD: *That is at the time that you stood for election. Since that time there have been declarations lodged with the Electoral Commission, haven't there?*

MAYOR POLGLASE: *There has been.*

MR BROAD: *And either by direct reference to those returns or through reports in the media, you would be aware of some of the substantial donors. My question to you, then, is: having obtained funding from Tweed Directions, knowing that the underlying funding has come from a number of developers, if such an application by one of the people funding Tweed Directions come before Council, does that give rise to a conflict of interest on your part?*

MAYOR POLGLASE: *I believe not.*

Councillor Brinsmead was also questioned on conflicts of interest. He gave responses that suggested that the issue was complex. He argued that conflicts of interest did not exist in the case where a candidate received campaign donations.

**(T. 18/2/05 p. 253-256)**

MR BROAD: *Since the election, you have been elected to the council. And one of your tasks will be to consider development applications made potentially by donors. And we've heard also to consider development applications that have been made by donors. Do you believe that the simple wall that you've talked about, of not knowing who the donor is at the time you're elected, makes your role at arms length?*

CR BRINSMEAD: *Yes, it does. And legally too. The point is that I never at any time made any commitment to any donor, and no donor made any - asked for any commitment from me. In fact, no donor donated anything to me. In the proper sense of the word, they donated not a penny to me.*

MR BROAD: *Is that simply a Chinese wall?*

CR BRINSMEAD: *No, it's not.*

MR BROAD: *It's a legal wall?*

CR BRINSMEAD: *It's a proper wall. It's the only way - and I would say this is now done - - -*

MR BROAD: *Does it overcome - - -*

CR BRINSMEAD: *- - - this is best practice, it is a matter of best practice, which is done - it's done State wide, it's done Federal wide, it's done in many, many instances where this is reproduced.*

MR BROAD: *Does it overcome the potential that you may see yourself as having an obligation towards a donor when you come to consider an application made by that donor?*

CR BRINSMEAD: *Well, the donor hasn't donated - he hasn't donated anything to me. And why should I have any obligation to that donor? He donated to Tweed Directions to get a certain type of progressive council who have a track record of prudent management and business acumen. I'm no more obligated to such a donor - after all, every - well, I won't go into that - I'm no more obligated to him than any other person in the community. So the question - I realise you're raising the question here of a potential or a real conflict of interest.*

*At the end of the day we live in Australia and New South Wales and, like any civilised society, we live under the rule of law. The Electoral Funding Authority makes certain laws and we're obligated to live by those laws if we participate in any election funding. Now, if any of the councillors or Tweed Directions or the donor have broken the law, then they deserve to be treated accordingly. If they have acted strictly in accordance to the law, in my view it out to be the end of the matter. But if people in the community don't like the way the general - the electorate doesn't like the way the laws are working, the only recourse that I can see is change the laws and we will live in harmony with whatever the laws are.*

MR BROAD: *You and I weren't debating compliance with the Electoral Funding Act, were we? We were discussing the matter of conflicts of interest. Now, can I just develop this a little bit further? Would you agree that conflicts of interest operate at two levels? There are those which exist, the hardcore; the alternative is those which are perceived to exist? Are you aware of that? There's a line of thought which is brought about and is reinforced in publications by ICAC.*

CR BRINSMEAD: *Well, I'm not comfortable with where you're leading to on perceptions because a perception - I can give many illustrations where a perception is: Australia at myth doesn't really exist in reality. I think what we have to deal with is the reality of the thing. Is this according to the existing laws we have or does it break the law? If it's in conformity with the law of the land and all the electoral laws, then I believe it ought to be the end of the matter because your perception, my perception, another person's perception - that is a very, very subjective thing.*

MR BROAD: *Council operates under a code of conduct which deals, amongst other things, with conflicts of interest. Have you seen the latest form of the Code of Conduct published by the Department of Local Government?*

CR BRINSMEAD: *I can't say, sir, whether I've read the latest one. I've read a lot of material on conflicts of interest - - -*

MR BROAD: *Is any of that material - - -*

CR BRINSMEAD: *- - - both from ICAC and elsewhere, yes.*

MR BROAD: *Has any of that material referred to actual and perceived conflicts of interest?*

CR BRINSMEAD: *I cannot remember off-hand.*

MR BROAD: *Would you accept that the acceptance of donations, whether through Tweed Directions or otherwise, by councillors or by candidates standing for election, if those donations are from substantial developers, may be perceived as giving rise to a conflict of interest?*

CR BRINSMEAD: *I can't control what some people are going to perceive, especially if you have a sort of a political debate on it and people pushing a various barrow.*

MR BROAD: *Do I take it you are conceding that there could be a perception?*

CR BRINSMEAD: *Any perceptions is possible.*

MR BROAD: *Another matter that falls from these perceptions of conflict of interest of course form part of the terms of reference of the inquiry and that is the relationships between the councillors and developers. Councillor Brinsmead, it's well known - and I'm simply raising it - that your son and son-in-law are developers within the Tweed Shire Council.*

CR BRINSMEAD: *That's correct.*

MR BROAD: *Does that place pressure on you in the performance of your role as a councillor?*

CR BRINSMEAD: *It certainly does.*

MR BROAD: *Now, I know that on a great number of occasions you have indicated that you have a pecuniary interest and that you have left the Chamber. I think that's a common thing and I think it was referred to, I think, by the Mayor as being commonly occurring and perhaps the most common declarations of any councillor. I'm not suggesting that there's anything wrong with that. I simply indicate that is a comment; so I'm not seeking to attack you on that. Does it, in your view, the relationship between yourself, your son and son-in-law, put pressure on other councillors?*

CR BRINSMEAD: *They never indicated to me that it does. They would have to speak - you should put that question to them. I have no indication from them that they've ever suggested as such, no.*

Councillor Murray was also questioned about conflicts of interest. He argued that there was no conflict of interest in his voting in favour of a Metricon development, even though Metricon was a donor to the fund that supported his campaign. More generally he argued that he had no obligations to Tweed Directions (or, by implication their donors) despite the fact that they funded all but ten dollars of his electoral campaign.

**(T. 17/2/05 p. 236-237)**

MR BROAD: *Today, we've heard evidence that Metricon has had applications before Council, subsequent to the elections, which have been reasonably substantial applications. Would you perceive yourself, now having been told that Metricon was a provider of funds to Tweed Directions, of having any form of conflict of interest in dealing with their matters?*

CR MURRAY: *No, sir.*

MR BROAD: *None at all?*

CR MURRAY: *No.*

MR BROAD: *Did you have any expectation of any obligation towards Tweed Directions, when they indicated that they were willing to provide funding to you.*

CR MURRAY: *No.*

MR BROAD: *You just took the money and ran?*

CR MURRAY: *That's a simplification, but basically, I - there was no obligation back to them or them to me. They trusted me and there were no requirements for me to perform or support or otherwise.*

MR BROAD: *That was expressed?*

CR MURRAY: *Yes.*

MR BROAD: *So they said to you, "You have no obligation to us whatsoever"?*

CR MURRAY: *Those words? Probably not exactly. I don't recall the words. But I do recall that there was no obligation, so I'm sorry, I can't - - -*

MR BROAD: *Well, in the form of some sort of positive statement or was it by virtue of the lack of a statement?*

CR MURRAY: *I've got to say, in terms of - that's in two parts. I would say the funding was certainly in the form of a statement. But, secondly, in terms of the commitment, it's more the lack of - the lack of a statement.*

MR BROAD: *But nothing was ever said?*

CR MURRAY: *I'm going to say, "No", but - it's a while back. I believe, no, though.*

MR BROAD: *Tweed Directions made their views about their support well known, didn't they, in their advertising?*

CR MURRAY: *I'm sorry. I'm not sure what you mean.*

Councillor Lawrie also denied that he had any conflict of interest because he accepted campaign funds from developers. A particular case where he was perceived by some (S. 95) to have a conflict of interest he also dismissed as constituting a conflict of interest. He seemed to have some difficulty in distinguishing between pecuniary interest and conflict of interest, and in the respective roles of council and the Department of Local Government in respect of both.

**(T. 17/2/05 p. 196-199)**

MR BROAD: *Thank you for that. Now, in respect of the electoral funding that you received, I think you and I have discussed whether you perceive there could be a conflict of interest arising from that and I think you've indicated you don't believe any conflict arises.*

CR LAWRIE: *Yes, sir.*

MR BROAD: *Is that the general - - -*

CR LAWRIE: *Yes, sir.*

MR BROAD: *Now, given your role as a solicitor, does that give rise to conflicts of interests?*

CR LAWRIE: *Never.*

MR BROAD: *Never?*

CR LAWRIE: *Never. And on the occasions when I have acted for – been acting for a landowner whose matter is before the Council I declare an interest and leave the Chamber.*

MR BROAD: *Right.*

CR LAWRIE: *I've done that I think - I can't remember about this year but - we haven't been meeting long enough - but I've done that quite a few times.*

MR BROAD: *Submission 95 raises an instance back in November 2003 where it's asserted that you had a conflict of interest.*

CR LAWRIE: *Yes.*

MR BROAD: *In respect of that matter there was a meeting on 5 November - - -*

CR LAWRIE: *That's correct.*

MR BROAD: *- - - and I think the mover of the motion before Council was yourself.*

CR LAWRIE: *Yes.*

MR BROAD: *It's a matter where the submission attaches a letter from your firm to the Registrar General, written the day before - - -*

CR LAWRIE: *Correct.*

MR BROAD: *- - - indicating that you act - indicating the matter was to come before Council.*

CR LAWRIE: *Yes.*

MR BROAD: *Now, that's a matter which I understand you didn't declare a conflict of interest in.*

CR LAWRIE: *That's correct.*

MR BROAD: *I think you indicated that you weren't being paid in respect of that matter.*

CR LAWRIE: *That's correct.*

MR BROAD: *And you said, "Well, look, I'm not being paid. How do I have a conflict of interest issue?"*

CR LAWRIE: *Yes.*

MR BROAD: *Did you subsequently continue to act for that client?*

CR LAWRIE: *Never.*

MR BROAD: *It was simply someone walked through your door, asked for assistance, you wrote a letter, never charged, never did anything further?*

CR LAWRIE: *No, it's not that simple, sir. I acted for these people when they purchased the land. They wanted - they bought a small portion of land on which to build an industrial shed at Arimba Road in West Tweed. This man is a backhoe operator who wanted to be able to put his machinery in his shed. He lodged a development application with Council on 14 February 2004. By November 2004 he had still not got it through. He wanted to increase the size of the shed one foot, eight inches long and one foot wider and he was not allowed.*

*And I might add, Mr Broad, that that complaint by Councillor Boyd, it was his fifth one against me in three years; all five of which have been dismissed - and his failure rate is 100 per cent. The Department of Local Government wrote back to him confidentially and he has put all this confidential stuff before the public. And the Director General said: "There are lines of defence that are plainly open to Councillor Lawrie. It is speculative that Councillor Lawrie would receive this or that - any flow-on work. It is questionable whether this would result in any appreciable gain." And on it went. And they dismissed it. That was the fifth one.*

MR BROAD: *Could I ask you a question about that? Is that in respect of a pecuniary interest allegation or a conflict of interest allegation?*

CR LAWRIE: *I don't know.*

MR BROAD: *Do you understand the difference?*

CR LAWRIE: *Yes, I do.*

MR BROAD: *Right. The Department wouldn't have any role, would it, in respect of a conflict of interest?*

CR LAWRIE: *Why not?*

MR BROAD: *Because it's a matter that falls within Council's province, under its code of conduct.*

CR LAWRIE: *All right. Well, I didn't have a conflict of interest. And the Department didn't think I had a conflict of interest either...*

When Mayor Polglase made a second appearance at the Inquiry he was again questioned about his understanding of conflicts of interest. He suggested that because of the issuing of the Model Code of Conduct and council's debate on its new code of conduct he was better informed. In the light of that he declared that there had been conflicts of interest in the past, and that his voting on the Metricon development constituted an example of that.

The notion that the new Model Code of Conduct, and a new Tweed Shire Council Code of Conduct, absolved Councillors from past conflicts is somewhat guileless. The facts that emerge from the Inquiry suggest that Councillors were more than willing to consider conflicts of interests, or to search their consciences about whether or not allowing one group to fund almost all their election costs might constitute a conflict of interest generally. This latter possibility arises from the fact that the Councillors sooner or later knew that their funds had principally come from developers, and it is certain that many of the Councillors will have known at least some of the names of the donors, and it is likely that some of the Councillors knew those donors. The Councillors did not consider as relevant the perception of the members of the community might have of conflicts of interest when they knew the source of the campaign funds that the Councillors received.

**Section 2 Addendum 2.1.2.1  
(Additional Material Provided by  
Mr. Bedser, Submission after the  
hearings 6, p. 3-8, 11, 16, 18)**

rate and taxpayers in my home town. Brought on by attitude and failed people skills, along with an incompetent selection method on the part of local councillors, Tweed Shire is (as is the State Railway) the end of the line, where the bureaucrat with the largest ego and lowest level of management skill has ended up. Only one such individual needs to obtain a position and the tide is turned to accommodate the rest in the same mould.

Central to this mal-administration was a reprehensible local aristocrat who had started out as a farmer, Max Boyd. By popular vote he had gained election to council. His popularity had grown through his elder brother's long and successful career as the local member of the State Legislative Assembly. On his brother's death, Max Boyd nominated to become the local member. Surprise, surprise, he lost nomination to another Shire Councillor, Don Beck, who would go on to win the seat and hold it for some 15 years.

Now this loss alone was enough to enrage the embittered younger Boyd, but to add insult to injury, the new MLA's wife, Lynne, nominated for council and won at the next election. Now Max Boyd had two fires under him. Determined to obtain a position of power and a stipend for his efforts, he applied to be elected Mayor, and this he achieved, not by popular vote, but rather by having his name drawn from a bucket.

I had grappled with this extremely embittered bureaucrat on several occasions. He had listed me in his famous 'Boyd Black File' at the time I purchased Kingsforest for less than half its listed sale price. His public remarks suggested that I had conducted some underhand negotiations and beaten the Tweed Shire to the purchase of the land, but again his assumptions would be proven incorrect. Nevertheless, his outspoken hunches led me to being called to give evidence in this regard some time later, at a time when the receiver of Kingsforest was petitioned by the creditors of Cambridge Credits for having sold assets below their value. The defendant's entire case rested on the public uttering and innuendoes of the patriarch Boyd and the contrived information contained in the 'Black File' of this financially incompetent and embittered Mayor Boyd.

The reader can imagine I was a marked man. In this environment I had the tenacity to challenge the same political animal when he refused to allow the Anglican Church to build a school. His claim at this time was “no land had been zoned for private schools and it was not envisaged that it would be in the foreseeable future.” I had never claimed to be very bright politically, but only a fool would accept this to be the truth. He had surreptitiously climbed in with his planning bureaucrat friends and left-wing Labor-Green socialists determined at any cost to see the Tweed area move at ‘their’ pace under incompetent management and political extremism. I would beat him on this school issue, but pay heavily later for whatever success I had gained.

The ‘Boyd Black File’ simply grew on Bedser. While I could never have claimed credit for the achievement, in just 10 years over 1000 children had enrolled in the Anglican Church primary and secondary school. Shirley and I did assist with substantial ‘seed money’ and I sure acted as the school fall guy in the Boyd encounter.

Boyd got his own back six or seven years later. He led a fractioned council to prevent the Anglican Diocese of Grafton building a desperately needed Day Training Youth Centre and Church on 10 acres of land at West Kingscliff. Not once, at the many public meetings, would he show his hatred towards my activity and enterprise conducted in ‘his town’ over the previous 20 years. He simply saved that all up for the day I would be silly enough to participate in assisting in local government politics.

Over the previous two decades, very little had been achieved in the form of new and updated Anglican public facilities throughout the Tweed Shire. It became obvious any efforts to engage the Church in modern buildings to accommodate the youth were not considered the Church’s domain by the Socialist left Labor and Green’s alliance, to which Boyd had now attached himself. While he would not admit he had left the conservative parties his family had been aligned to for more than a generation, he continued to run to elections keeping the local secretary of the Labor Party on his ticket as a running mate. His loyalties became obvious. This despicable group had the votes to hold the area back forever and proceeded to rampage through socialistic spending sprees, as only a bunch of political thugs might be allowed to do.

I became concerned at the absence of common sense management in the Local Government area of our Shire. Boyd had no management skills whatsoever, and given the group of school teachers and ex-public servants he had befriended on council to form his powerful fraction, our council bureaucrats were spending themselves into oblivion. I ran out some statistics to check my concern and discovered that in the previous six years, under the Boyd management, our local government taxes and rates had risen 5 times more than the norm set by the State Government. While the average council rates around Australia had risen 14% over this period, the Tweed Shire had lifted its charges by 68%. Had the management been competent this might have been acceptable, but this crowd was having a ball simply by spending the taxpayers' money.

I spoke to the few councillors left on the conservative side of politics, who agreed, but appeared surprised by the sums. They had not attempted the mathematics, and this only increased my frustration. It soon became obvious the balance of the community could not care less. My inquiries of business people simply received the shoulder shrug and comment: "There is nothing anyone can do about it; we have tried to elect a more competent group, but lose at the voting box in every election." I carried my concern back to one of the minority councillors, Bob Brinsmead. After a lengthy discussion, Bob convinced me his idea to produce a well-researched document from a recognised statistician was essentially the first step to take, and he suggested we approach an A.R. Midwood.

Meeting Alan Midwood for the first time suggested to me that he sure understood how to draw up a comparison based on an accurate decision analysis. He had spent the greater part of his early working life as a professional cost engineer on major building undertakings. In latter years he had monitored the development of the entire southern area of Queensland by producing a regular statistical and economical report on the outcome of the previous quarter's performance. He had statistics at his fingertips and was very well connected and respected. I became anxious to try and draw out this man's professional ability and establish his findings, in an endeavour to support my own worst fears for what was happening in the Tweed Shire.

In 1998 I agreed to fund his investigation. I considered the outcome would be of great importance to our own investments in place and proposed for the Tweed Shire. He completed and published his report on June 9, 1999.

Armed with the report, Bob Brinsmead helped me call a meeting with the few conservative councillors and their immediate supporters. After a series of get-togethers, it was decided we should support an all out effort to kick the socialist green council out of its third term complacency. Along with others, I listened to the debates between existing minority councillors and previous councillors, some of whom would not stand again. I also spoke to political lobbyists. Most of it was 'Double-Talk' to me but one thing was clear, none of them understood matters of finance and economics.

I was also horrified to witness the way in which people on the same side of politics attacked each other; they sure are a queer bunch!

In hindsight, I became too outspoken at the meetings, mainly in an effort to direct the conversation into positive areas and away from the negatives of "what happened last time was..." A political lobbyist and pollster had been selected to run the pre-election detail. He had a wide background in running successful State and Federal political campaigns, and I noticed when he spoke that the committee and the few minority councillors listened with interest. No one contradicted him and he seemed a very seasoned and successful leader in campaigns of the type we were to become immersed in.

I undertook to try and find from the Small Business community, a number of suitable and fresh candidates to stand for the forthcoming council elections. I began running union type standing meetings in central business areas; I sure felt like a soapbox preacher. The meetings were well attended, all scheduled for 5p.m. or knock-off time, and the business owners or managers stood around with a cold drink in their hands for twenty minutes to hear my spiel. I could confidently claim the interest level was high; people wanted to start contributing funds, but not their support by nominating. We set a fee of \$100 per business and we aimed at 400 small businesses as our budget goal.

Unfortunately our area has no large industry, and for that matter not a broad number of business people with management skills around a workforce of any size. I approached the larger employer groups to discover they were managers, not owners, and could not offer any worthwhile time to serve on a local council.

I resorted to running WANTED advertisements in the local papers, but this attracted the wrong attention. While it signalled to the broader community that we were trying, it raised the suspicion of the Boyd left-wing group who had, at that time, full control of the daily press. In addition, a great amount of my time was wasted meeting 'ratbags,' many of whom thought they had something to contribute, however narrow their hobbyhorse.

At about the midpoint of my speaker rounds, which I found quite demanding and out of character for me, I discovered the expert pollster could not help. He had been seconded to do something similar in the Northern Territory and would not be around when needed. Experience would have allowed me to watch for what was coming but political experience I did not possess. The early promotion activities I found easy, but to take control of this election would turn out to be a disaster for me personally.

I went home and put the situation to SJB, who was also getting caught up in the euphoria of the quest to 'get rid of Boyd,' the 'Six Pack' as we had commenced calling them. Shirley ran a dinner at 'Sedona' which was attended by all the right people but no one would take up the task of running that election campaign. Foolishly, I agreed to run it for them. There was only one other stupid thing I could have done and that was to run for council myself; how I missed getting conned into that I am still trying to discover.

If we had an advantage it was up to the last week of the election. All the promotion developed was unheard of to the opposition. They continued to hold the high ground with the press and cried out "the whole thing was being funded by big business and masterminded by this Bedser." Let me say they dreamt up everything they could on me. Out came the Mad Max 'Black File' on Bedser. He (Boyd) even contacted the local council at Gosford where I had started business; (I had now been in business in his own town for over 20 years.) He asked straight out what they had on this dreadful individual who was taking 'his' Tweed Shire Council on. He felt the campaign was so heavily funded it might well bring him undone....with all he had done for the shire, etc!

While he received a polite and compassionate hearing, he was told by the General Manager that only one councillor would remember that far back,

and he waited while they contacted Councillor Brooks. Malcolm Brooks (Shirley's brother) gave him a somewhat short exchange to his inquiry, concluding his remarks with: "I don't know what you have done to upset Bill Bedser, but I think you could have chosen a softer target."

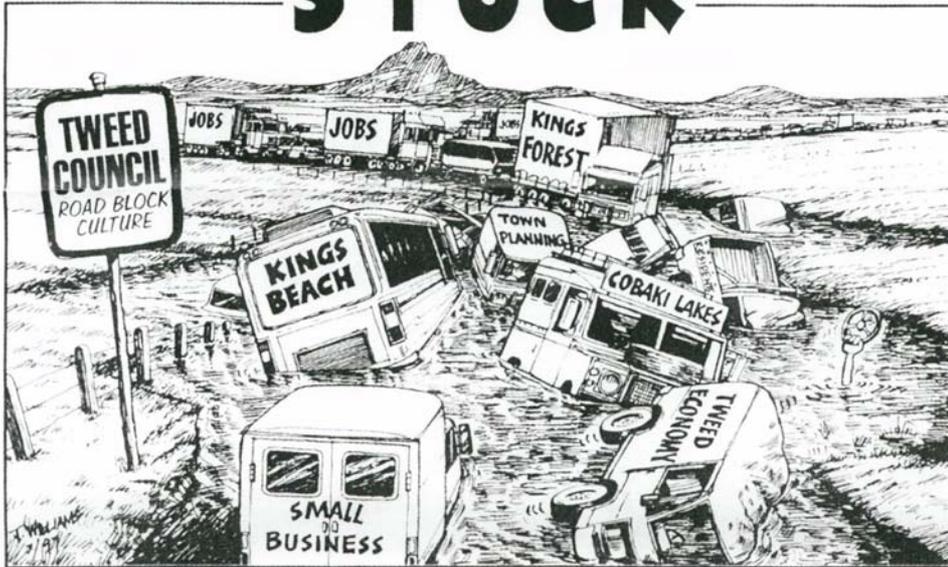
Bob Brinsmead had a caricature artist friend, John Williams. With Bob's capacity to think in comic strip cartoons, he outlined some wonderful images to John Williams. Soon we had a flow of Bob's comical ideas coming through for publication; he wanted the promotion known as 'The Balanced Council.' It instantly twigged with me, as did the cartoons, and I hopped into the promotion. I needed no further guidance to get the show on the road. With the assistance of my son-in-law, David Ahern, and some dedicated local writers, we proceeded to produce the Tweed Balance mail-out paper that was printed and circulated every week for the last eight weeks to Election Day. The last copy showed who the Balanced Team were and how to vote. The publicity team was a bunch of dedicated small business people and their output simply brilliant. We hired the services of a professional journalist to keep the barrage going to the press. Nothing had been seen to equal the campaign in this area of NSW.

22nd JULY 1999

# Tweed Balance



## "STUCK"



### Help us elect 'A More Balanced Council!'

As we prepare for a new millenium, the Tweed Shire Council elections in September take on greater significance than ever before.

If you want a Council with elected representatives who are determined to secure a positive future, where people who want to work can find employment, where people with initiative to create these opportunities are encouraged and where our unique environment is fully protected ... September brings that opportunity.

We offer ourselves as a group of citizens (ratepayers, community

groups and small business people), dedicated to doing just that while working to overcome the division that has plagued the current Council.

We want to bring a sensible balance back into your lives - we are determined that there should be no spread of development into sensitive areas of our shire - our priceless natural heritage must be protected.

But we can see the urgent need to encourage, support and nurture activities that will provide employment and prosperity for the growing Tweed Shire.

The Tweed deserves a Council that will protect and promote the region's lifestyle advantages, natural attractions and unique environment. With sensible decisions this can be done and every resident will benefit.

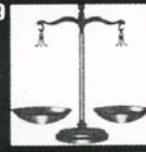
Help us put the local back into our council so together we can start the journey back to prosperity for all our residents.

In coming weeks, we will outline the ways we believe we can achieve these things and the ways you will benefit by making this journey with us in September.

**A More Balanced Council to Manage the Tweed**

# Tweed Balance

26th AUGUST 1999



ISSUE 6

SLOW

STOP

GO

Independent candidates now nominated for A Balanced Council to Manage the Tweed have identified fundamental problems or 'road blocks' hindering economic growth and social well-being in our community.

We have examined a stalled local economy, largely due to poor planning, and the tragic cost in lost jobs, huge rate rises, failed economic management and bureaucratic excess. We have drawn attention to the planned 500% expansion of the Kingscliff Sewage Treatment Plant and the arrogant disregard for expert criticism of the scheme.

We have demonstrated the Gang of Six doesn't listen.

And we have published many articles by ratepayers expressing anger, disappointment and frustration at the performance of the majority-ruled Council.

Our task now is to explain ways independent candidates propose to open 'road blocks', implement sound management, and clear the way ahead for Tweed. We will outline constructive initiatives to tackle all the major issues.

Also, as our volunteer office has been swamped with letters from residents and ratepayers covering a wide range of issues, we will endeavour to publish as many of them as possible in our remaining issues.

## Unblock the way ahead

Introducing a Balanced Council Management Plan first requires responsible representation in the Council Chamber. This is where major issues must be tackled and policy decided (as outlined in Issue 5).

Policy is then implemented via management, who, we must assume, are competent people who have simply been unable to deliver good decisions or outcomes because of the bad planning or non-planning of policy at Council Chamber level.

### Review Core Business

A complete review of core Council business must be undertaken - roads, water, sewerage and planning. These are our priorities. While this Council boasts of achievements in non-core areas (like winning an award for its \$50,000 Annual Report, or the \$600,000 Agenda 21 gimmick), service to our community has been abysmal.

### Contain Expenditure

To balance the budget, and prevent more of the 69.2% in six years rate hikes, expenditure must be contained. The 311 pages of the TSC Annual Budget and Management Papers read like an episode of 'Yes Minister'.

Council's own figures (30 June 1999) show it must produce a \$10.2 million surplus to cover asset management. At present, it provides only 50% of the funds needed to service roads, footpaths, carparks, drainage, renew facilities and maintain revenue-producing assets. Roads suffer most with a \$4.5 million shortfall.

### Savings can be made

Reviewing Council's 1999-2000 Management Plan and Budget, with the help of a local government auditing firm and comparisons with other same-sized Shires, showed a saving of \$5 million is a realistic goal.

Big savings can be made in planning, executive salaries, Agenda 21, legal costs, failed computer software, document style, Tweed Link, and travel and motor vehicle costs. This will rectify the \$4.5 m shortfall in the interim.

### Rein in spending

While we cannot fully interpret accounts until independent Councillors take their seat, it is not difficult to identify immediate avenues for cutting excessive spending.

Murwillumbah does not need costly new office blocks to house more Council staff. We would propose a detailed review of staff requirements and rationalise non-vital office space. We would also investigate the effectiveness and savings potential of a better distribution of tasks, both within Council and through outside contractors. *continued on page 2 ...*

## A More Balanced Council to Manage the Tweed

# The POWER of **1**

You only have **1** vote to cast.  
Your **1** vote can only elect **1** candidate.  
Make sure your **1** vote counts.

How to exercise YOUR power ...

Turn  
page  
here

**Balance  
your  
future**

**Vote  
**1****

**Independent**

Keep this leaflet -  
use it as your guide at  
the polling booth  
**THIS SATURDAY**  
**11 September**

**Your  
future is**



**in  
the  
Balance**

**Section 2 Addendum 2.1.2.2  
(Submission 97 - Clr. Max Boyd AM  
Various Press Clippings from the Tweed  
Daily News and the Gold Coast Bulletin)**

# REZONING

## WIN

### Council set to block Church school plans

A STATE Government rethink has cast doubt over future development of controversial land at Coogee.

The State's town planning chief, Sue Holliday, yesterday said Council could proceed with public exhibition of its proposal to rezone 198 hectares east of Old Boganang Rd as protected agricultural land.

The move, which reverses a previous Government ruling, is a major blow for those campaigning to use the land for development, and for Anglican Church plans to build a

school there.

The NSW Land and Environment Court in Murrumbidgee this morning is due to hear an appeal by the Church as part of its three-year battle to gain approval for the school.

Anglican Church leaders and their legal team were re-evaluating their position late yesterday afternoon.

"Quite obviously it could impact adversely with what we're trying to achieve," a Church spokesman said.

Continued on Page 3.

### \$4.3m club upgrade

SOUTH Tweed Bowls Club has welcomed a decision by Tweed Shire Council to approve plans for a \$4.3 million upgrade of the club.

Council last week approved the club's development application for an indoor bowls rink, function rooms, a sports bar and additional extensions to the bistro and coffee shop.

Club chief executive officer Drew Maywald said the nine-month construction program would begin in July and funded through club borrowings.

"We've been looking at this issue since last November . . . it had reached the stage that during the hedge draw and major promotions the club was at saturation point," Mr Maywald said.

"In recent times we've had to turn away functions because we didn't have the room . . . our figures indicate that our existing cashflow will cover non repayments."

He said the local architect firm which had designed the original expansion of the club eight years ago had been employed for the latest construction project.



□ Drew Maywald

### Council in rezoning win

Continued from Page 1.

"We would rather it (Ms Holliday's decision) not happen but that's why we're talking to our legal team right now."

Ms Holliday, the NSW director-general of Urban Affairs and Planning, has told Council to look for an alternative Tweed Coast site for the proposed school.

The department's previous director-general, Gabrielle Kibble, had refused to allow Council to proceed with the public exhibition stage of the rezoning process.

Ms Holliday revealed she inspected the site with representatives from the Council, Anglican and Roman Catholic churches and Department of Agriculture as well as local landholders last week.

She said most of those appeared to believe a significant portion of

the land could be used for "quality agriculture".

While noting that the court appeal is due to be held this week, she urged the Council to work with both churches which have planned schools in the area to find alternative sites.

The Council's planning director David Bruyd said it was "very timely and important" the position of the director-general is known to the Court in its own deliberations on the appeal.

Council had held its position that the land should be protected for agriculture since September 1995.

"We have made a number of attempts and had discussions with the Anglican Church representatives on an alternative site," he said.

"But to this point of time we have not been able to identify anything suitable to the church."

### Tweed could miss out on tourism rise

A TWEED tourism leader has predicted the local tourism industry may not reap the rewards from a projected increase in international visitors unless infrastructure is significantly improved.

The Tourism Forecasting Council has predicted international visitor numbers will double in the next decade with 6.4 million tourists expected to visit Australia annually by 2006, a marked increase from 4.2 million in 1990.

The leap in visitors would generate up to \$33 billion for the national economy, the council anticipated.

However, Tweed and Coolangatta Tourism Incorporated vice chairman, Ralph Kraemer, said that unless infrastructure such as accommodation and public transport were enhanced, the Tweed would continue to play second fiddle to holiday destinations in Far North Queensland.

"The Tweed is considered an excellent destination for those interested in natural attractions and the real Australia . . . at the moment our accommodation occupancy rate is between 50 and 70 per cent," Mr Kraemer said.

"But we need improved services and better promotion of the region so we can compete with places like Calina."

The council forecast suggested a return to growth for Australia's established Asian tourist markets, despite the economic downturn in Asia.

At present, the vast majority of visitors to the Tweed are closer to home, with many holidaying from south-west Queensland and capital cities on the eastern seaboard.

As part of the drive to secure the Tweed's position on the international market, TACTIC chair Gervase Griffiths and former chair Lee Eyre are attending this week's Australian Tourism Exchange in Sydney.

"Visitors from the US and Europe are looking for a quality experience - we can't afford to miss the boat just because we haven't adequately marketed the region or don't appear to have the necessary infrastructure," Mr Kraemer said.



□ Ralph Kraemer

### Daylight saving start in August

The NSW Government plans to move daylight saving forward by two months in a "one-off" next year for the Sydney Olympic and Paralympic Games.

Olympics Minister Michael Knight said yesterday the

Victorian and South Australian Premiers had given provisional support to also moving their clocks forward by one hour on Sunday, August 27, next year, rather than the traditional last Sunday in October.

But he admitted it was unlikely Queensland would budge from its position of not reconfiguring daylight saving at all.

The Olympics run from September 15 to October 1 next year, with the Paralympics to follow later in October.

Mr Knight said the change would help with the logistics of the outdoor sports and public safety as large crowds were moved around in the early evening during Games-time.

# Unholy backflip angers bishop

by KEN SAPPWELL

TWEED'S Anglican Bishop, Philip Huggins, has described a government backflip over the rezoning of disputed farmland at Cadgen as akin to the acts of a South American republic.

Bishop Huggins made the comment in a stinging attack on new Planning Minister Andrew Refshauge and Tweed Council after the Anglican Church was yesterday forced to withdraw a court appeal at the last minute.

The appeal, against council's refusal to allow a church school on part of the land, was scuttled when the minister's director-general gave approval to council to exhibit a proposed downzoning of the land.

The shock move — a day before the court case — reverses an earlier stand by the minister's predecessor, Craig Knowler, and his director, Gabriel Kiblic.

But it is a major victory for the council which has been fighting for more than three years to rezone 200ha of land west of Kingscliff from development investigation to agricultural protection.

Chief planner David Brody said zoning the agricultural land was crucial in protecting the livelihood of farmers as well as some of the most unique farming land in Australia.

"The council has always recognised the social and educational value of having an Anglican school in the Cadgen-Kingscliff area but it has to be on a more appropriate site," he said.

"We will do everything we can to identify alternative sites for the Anglican Church and the Catholic Church which also owns land in this area of Cadgen."

He was backed by longtime farmer, Dean Ackers, who said claims by a handful of other landowners that the land was unsuitable for farming was not true.

"Now this is nearly over I hope that some of the owners will agree to lease some of their land for farming rather than just let weeds grow in the hope it will give the impression that it's useless. But I suspect they won't let this go and that if they get the numbers after the next election they will try again."

Bishop Huggins said Mr Refshauge had told him only last week, as the church prepared its appeal, that his department would not move on the rezoning.

"On the basis of this advice we assumed the Minister was actually in charge of his department. Subsequent enquiries have produced plenty of foam but no clarity."

"Who is running the State of New South Wales? Is it the bureaucrats or the elected government?"

## A chance to make it safer for kids

WE don't often have the chance to prevent disasters before they occur. When a tragic event strikes, we are usually left wondering how it could have happened, and to learn from the experience.

Terranora woman Carol Scrase has already lost a daughter, Kerry, who died when she ran in front of a bus and into the path of traffic. That was six years ago. A coroner's inquest found, in part, that the bus pick-up point in question should be moved, because its then-location had contributed to the accident.

This week Mrs Scrase came to the paper, outraged, saying that buses were continuing to use the old pick-up point. When the Daily News went to the site, our reporter saw three buses pulling up at the old pick-up point, passing the stop that had been erected in line with the coroner's recommendations.

We note the bus company that services the route has said the new stop has been erected and, to date, no one has complained.

We have to learn from Mrs Scrase's experience. If the old pick-up point is still being used, this should stop. Today, if this is happening because of logistical problems with the new stop, then this should be sorted out. We have an opportunity to prevent Carol Scrase's pain being visited upon another family.

MARK STRONG,  
Editor



□ A SCHOOL bus pulls up at the same pick-up spot in Darlington Drive, Banora Point, where schoolgirl Kerry Scrase was killed six years ago. On the recommendation the bus-stop has been moved some 20 metres back along the road.

# KIDS AT RISK

By MADINE FISHER

THE mother of a Tweed Heads schoolgirl killed crossing the road in front of a bus six years ago is outraged that buses still use the pick-up point where her daughter died.

Kerry Scrase was killed in November 1993 when she was hit by a car after alighting from her school bus in Darlington Drive, Banora Point.

Kerry's mother Carol, of Terranora, said this week that the pick-up point was still being used

despite a Coroner's recommendations for children to be collected from a new position further along Darlington Drive.

Coroner Michael Russell had expressed concern at the location of the bus stop where the accident occurred and its implications for children's safety.

Mrs Scrase said while Surfside Buslines had erected bus stop signs in the recommended position, buses were still collecting children at the old stop.

"It is just so unsafe for the kids and for drivers of vehicles coming

from behind the bus," she said.

"I wouldn't like another family to have to go through this."

Mrs Scrase said the problem with the pick-up point was due to the narrowing of the road with traffic-calming measures, making it difficult both for the bus to pull in properly and for cars to get around the bus.

"It is just very dangerous," she said.

Mr Russell had recommended that the bus stop position be revised because placing a bus stop in an area of residential development

narrower than the general dimensions of that roadway was "a less than acceptable practice".

Surfside Buslines general manager Terry Plant said yesterday he was unaware that drivers were using the old pick-up point because nobody had complained to him about it.

"I will certainly investigate the matter because the bus stop is signposted and that is certainly where buses should be stopping," he said.

Gold Coast solicitor Rob Davis

recommendations from showed a high level of for the lessons they could learn.

"I would just be a that was the case," he said. A school student at the bus at the old Darlington Drive this she and other students caught the bus there.

She said she did there was another bus by

**BISHOP PHILIP HUGGINS**, Anglican Bishop of the Tweed region, yesterday made the following comment on recent decisions by the NSW Government and Tweed Shire Council regarding the Church's proposal to locate a school on land it owns in Cudgen Road.

**T**HE decision by the NSW Director-General of Urban Affairs and Planning to issue a Section 85 Certificate is most curious. Let me make the following points:

□ As was known by all parties, the Anglican Church was appealing against the decision of Tweed Shire Council not to grant a development consent in relation to the building of a school on Cudgen Road land at the Land and Environment Court. The hearing was scheduled for May 26 or 28.

Our legal advice is that the Director-General's decision has rendered inoperative the Church continuing with that appeal.

One must ask why has the Director-General interfered with a process which was near its completion?

□ Particularly given that the same Director-General attended a meeting in December 1997 at which the then Minister for Urban Affairs and Planning, Honourable Craig Knowles, advised the Anglican Church to return to the same Land and Environment Court and to subpoena him and his department so that they could give evidence as to why they did not regard the land as prime agricultural land and why they believed permission should be given for a school to be constructed.

The Anglican Church has followed this advice and now the same department, which professed that advice, has interfered with the process of following it.

□ No explanation for this change of mind has been offered by the Director-General even though I have written per-

## Difficult to understand Government decision on Church land at Cudgen



□ Bishop Philip Huggins

sonally to her and sought and encouraged her to ring me direct in order to discuss the matter.

□ One might ask where the relevant Minister is in this process. I made personal contact with one of the relevant Minister's offices last week and was advised, unequivocally that there would be no Section 85 issued by the Director-General of Urban Affairs and Planning.

On the basis of this advice, we assumed that the Minister was actually in charge of his department and that the Director-General would be following the same advice as we had received.

□ Subsequent enquiries to the same Minister's office have to this point produced plenty of foam but no clarity. The question is worth asking: Who is running the State of NSW? Is it the bureaucrats or the elected government?

□ A further interesting twist is that I personally addressed the Tweed Shire Council at its Community Access Meeting on Wednesday May 22, 1998. I referred to the Anglican Church's strategic plan and the

place of worship, schools and welfare services in our way of serving the wider community.

At no point during that meeting was I advised by members of Council that an approach had been made to the NSW Director-General of Urban Affairs and Planning for a Section 85 Certificate.

Subsequent to addressing Council I wrote to the Mayor and offered to meet with him further over any matters of mutual concern. I have had no reply to that letter.

One must therefore ask what kind of relationship do some of the Tweed Shire Council seek to form with significant community groups such as the Anglican Church?

□ Prior to coming to this Region as Bishop of Grafton and the North Coast, I have had many years experience dealing with Local and State Governments in relation to Development Projects. I have previously worked in two growth corridors interstate and appreciate the complexities of managing development in relation to conservation.

However, I have never anywhere else dealt with this kind of behaviour. It reminds me of scenes pictured in Graham Green's novels of curious regimes in South America.

The facts of the matter are that Australian people seek to live by the coast and it is incumbent on governments and community groups to provide adequate facilities for such developing communities.

□ All over the country the Church works with sensible governments to provide wor-

ship, welfare and educative facilities as communities develop. The fact is that people make decisions about settlement if and when they believe such facilities are available for their family.

The Anglican Church's intent to build an educative facility in Cudgen Road, on any reading of the situation, would blend with existing educative facilities that are now done, namely the TAFE College and High School.

□ In addition, the Church would be providing durable employment through such an educative facility to a number of people. This is an area of unemployment much higher than most places in the rest of the country.

Whilst some Councillors of Tweed Shire might feel that they have done the best thing by the remaining worms on Cudgen Road, they should take account of the fact that they do reside in an area of high unemployment and projected population growth.

□ The Church does not seek to make a profit from its facilities but simply to serve the community. This strange behaviour, encompassing the Director-General of Urban Affairs and Planning and some of Tweed Shire Council may be aberrant by normal standards, as pertain in the rest of the country but it will not inhibit the Church from continuing the ministry that it has offered for now some two thousand years.

## Building checkers checked

**PRIVATE** building certifiers are under fire in a Gold Coast City Council report which says they have breached more than 187 planning and building codes in the city. (C&B 27)15

The report to city council planning committees on Tuesday said a check of private building authorities had uncovered 159 planning breaches and 37 breaches of the Building Act and other local laws.

The audit was ordered by the council after changes to the Integrated Planning Act allowed private business to certify building work—previously the sole domain of the council.

It found six cases of building works approved before the council approved a 'change of use', 17 cases of building approvals before the completion of detailed reports like stormwater management, 89 cases where no landscaping applications were furnished and six cases where building approvals were issued for incorrectly sized works.

In each case the council usually brought the breach to the attention of the certifier and the applicant but in some cases it was referred to the Queensland Building Services Authority, which can take disciplinary action.

Despite the number of incorrectly certified works, the report said the number of breaches was decreasing.

That was attributed to the introduction of forums, regular meetings with private certifiers, and the certifiers' becoming familiar with the planning schemes of the city.

A council officer said the inspections were detected during inspections of sewage and water connection standards by officers, which is still a statutory requirement of the city.

## Tweed rates go up \$18

**TWEED** residents have 28 days to comment on a proposed 2.8 per cent rise under a \$98 million draft Budget adopted along fractional lines last night.

The council voted 5-4 to increase the general, water, sewerage and garbage rate from \$1173 to \$1201 and financial aid for those on the minimum rate and from \$768 to \$766 for those on a pension. (C&B 27)15

More than 160 projects were scrapped and \$800,000 taken from the land development fund to help balance the Budget and keep the general rate increase within the government's 2.4 per cent rating cap.

Amendments earmarked for the area are coastal cycleway paths to save \$110,000, a kiosk management plan (\$10,000), weekend toilet closing (\$30,000) and leaving eight job vacancies unfilled (nearly \$100,000).

But a threat to Kingriff's successful annual jazz festival appears to have been averted, with more cuts to parks and dog control to help fund an extra \$56,000 for a main street en-ardener.

Financial services chief Reg Norvell has warned councillors that there is a growing shortfall in funding to maintain and replace roads, bridges, waterways and buildings. A total of \$16.2 million was needed this year but only \$4.8 million was allocated in the Budget.

## Uni, rail boost for Tweed

**A POPULATION** growth expert has suggested that a regional university presence in the Tweed would hold or attract a stable proportion of the younger generation in the district.

Bernard Salt, the Melbourne-based director of KPMG's consumer markets group, told a Tweed Economic Development Corporation luncheon seminar at Club Banora that Generation Xers (those born between 1961 and 1974) currently accounted for 15 per cent of the shire's population.

This, Mr Salt said, represented one of the lowest proportions for this sector of the population throughout Australia.

The low number of Generation Xers could be both a problem and an opportunity, Mr Salt said.

He said the setting up in the Tweed of a regional university campus such as Lismore-based Southern Cross University (SCU) proposes to do early next year, would be a "major plus in plugging the gap".

Mr Salt said even an electronic campus, as the SCU plans, would be a move in the right direction to "provide a better balance" of population which in turn would aid growth in the district.

The Tweed's proportion of baby boomers (those born between 1946 and 1960) accounted for 22 per cent of the shire's total population.

Byron Bay was the baby boomer capital of Australia with 50 per cent of its population in that group and 18 per cent Generation Xers.

The extension of the electric rail link (currently operating between Brisbane and Eubanks on the Gold Coast) to the Tweed also would consolidate growth in the shire, according to Mr Salt.

He cited as evidence of this growth stimulus similar infrastructure examples such as the freeways from Sydney city to Liverpool and Brisbane to Caloundra which prompted many commuters to live in those areas.

The Tweed, he said, would benefit from an eventual Pacific Motorway extension into northern NSW which would cut the commuting time to Brisbane and the Gold Coast.

The Tweed, he said, had a number of factors which attracted many other people, including retirees, from other parts of Australia such as warm climate, environment and amenities, coastal position, lifestyle and leisure choices, tourism, transport, and a strong agricultural base.

As well as the lack of an electric rail link or major freeway from Brisbane, another factor missing in the Tweed's bid to attract growth, Mr Salt said, was a strong manufacturing base.



□ Bernard Salt



**Section 2 Addendum 2.1.3.1  
(Additional Material Provided by  
Mr. Bedser, Submission after the hearings  
6, p. 8-9)**

In the last week, their desperate attempts at demonizing with incorrect illustrations got to me. Without wise political counsel, aided by an incorrect illustration of the facts from our own side, I fell for bait in the last few days. A desperate phone call from Boyd's running mate, the

419

secretary of the local Labor Party, attempting to separate herself from my press criticism of their dirty tricks and lies, caught me squarely. This emancipated woman argued that she was not a part of the lies, and that my name had not been discussed at the recent Labor Party tactics meeting she had chaired. I pointed out I had information to prove I had been the centre of an extended smear campaign over which her meeting was unable to find one piece of evidence to support their claims. She pressed me to declare how I could have known my name was discussed. Unable to declare my source, I foolishly said: "I suspect nothing but listening to a tape of that meeting will make you admit I was discussed." She then said my name 'might' have been discussed for five or ten minutes.

She carried this conversation back to the press and with headlines in the following day's paper: 'Secret Tapes,' I was torpedoed with my own stupidity. To read the local press, it sounded like the Watergate case all over again. They never let up; every reporter from every 'rag' was out to get me. We were not popular with the press because we had minimized the amount of advertising done with them when they appeared indoctrinated with the other side. The 8 issues of the Tweed Balance magazine were so good, they had taken their advertising revenue from them. Nothing could have infuriated the main newspapers more. Even though the smug editors sit back and say "we do not allow our advertisers input to editorial," the boot was suddenly on the other foot. They now had their chance and went out to crucify me. I try not to make mistakes too often, but when I do make one, it's bad to the extreme, and this was one of them.

# Daily News



Mon-Fri 20c Sat \$1.00

News you can use

Friday, September 10, 1999



## TWEED TAPES

### Bedser alleges smear campaign



By PETER CATON

THE Murwillumbah branch of the Australian Labor Party may launch an internal hunt to find a 'mole' who allegedly tape-recorded a meeting where the Tweed Shire Council election campaign was discussed.

Details of the meeting were then leaked to Murwillumbah businessman, Bill Bedser, who has been coordinating a small-business backed campaign to change the Council.

The meeting discussed the Bedser-backed campaign and members decided to help hand out how-to-vote cards at booths tomorrow for meeting chairper-

son, Mayor Max Boyd's running mate, Cr Barbara Carroll.

The move sets those branch members against others in the Tweed Coast branch who are holding two teams, one headed by controversial former councillor, Tom Hogan, in a bid to unseat Cr Boyd, Carroll and their majority colleagues.

Cr Carroll confirmed yesterday the Murwillumbah branch would consider an investigation into who may have taped the meeting of about 20 Murwillumbah branch members last month.

"For Mr Bedser to admit that he obtained this so-called information by having a plant at the meeting who taped that meeting is



a reflection on him," Cr Carroll said.

Mr Bedser said the meeting "discussed the entire strategy of how they were going to take me apart" and a "smear campaign" against him and his family.

He said the secret tape was in a secure place and "will come up

in a court case if I decide to take them up on it," adding he was seeking legal advice about the "smear campaign".

Cr Boyd and Cr Carroll yesterday denied the existence of a "smear campaign" although Cr Boyd confirmed that he had phoned a Gosford Shire councillor to inquire about an alleged campaign against that council by Mr Bedser.

Cr Carroll said "there was no attempt to dig up dirt on Bill Bedser and I don't operate like that".

When she phoned Mr Bedser to complain about his allegations yesterday morning, she said he told her "he had two people at the

meeting and the meeting was taped".

She said it was illegal under party rules to tape meetings and the next branch meeting would consider what action to take.

She agreed the meeting discussed the way the election was unfolding and the campaign of the 25 independents backed by Bill Bedser among other candidates but she could not recall if candidates from the Tweed Coast ALP branch were talked about.

Mayor Max Boyd said Cr Carroll had told him she was upset to hear a tape-recording of the meeting had been taken.

Continued on Page 4. Other reports - Page 4.

**Section 2 Addendum 2.2.2.1  
(Copy of summonses ordered in the  
Supreme Court of NSW on 1 Feb 2005  
on Directions Media)**

**PUBLIC INQUIRY INTO TWEED SHIRE COUNCIL**

Established under s.740 of the Local Government Act 1993

**AFFIDAVIT OF SERVICE**

On the 10 day of February, 2005,

I, ANDREW BREALEY  
of O'BRIEN COURT, ARUNDEL

in the State of Queensland, a Licensed Commercial Agent <sup>Sub</sup>  
make oath and say as follows:

1. I did, at 1:46 am/pm on the 3rd day of FEBRUARY 2005  
duly serve THE PROPRIETOR, DIRECTIONS MEDIA with a sealed  
Summons to Produce Documents with a Notice to Witness  
Attached, a true copy of which is annexed hereto and  
marked with the letter "A", and an Order of the Supreme  
Court of New South Wales, made 1 February, 2005, a true  
copy of which is annexed hereto and marked with the  
letter "B", by delivering them to a ~~male~~/female person  
apparently not below the age of 16 years and apparently  
employed by Directions Media at their usual place of  
business at 30 JAMES STREET  
BURLINGHEADS

in the aforesaid State.

2. At the time of service I asked the person served: "Is  
this the office of Directions Media and are you  
authorised to accept service on their behalf?" and the  
person served replied: "Yes".

3. At the time of service the sum of \$50.00 was tendered  
and accepted as conduct money.

4. I have attained the age of sixteen years.

SWORN by the Deponent)

at Arundel

Before me:

*[Signature]*

Justice of the Peace



*[Handwritten marks]*

*[Handwritten signature]*

7

SERVICE AND EXECUTION OF PROCESS ACT

Notice to witness

This notice is very important

Please read it and the attached documents very carefully  
If you have any trouble understanding them you should get legal advice as soon as possible

Attached to this notice is a Summons ("the attached summons") that is a subpoena for the purposes of the Service and Execution of Process Act 1992 issued by the Public Inquiry into Tweed Shire Council.

Service of the attached summons outside New South Wales is authorised by the Commissioner, Maurice Daly under that Act .

Your rights

You may be able to apply to the:

Public Inquiry into Tweed Shire Council or to the Supreme Court of New South Wales to set aside or obtain other relief in respect of the attached summons.

If you would like to make an application you should get legal advice as soon as possible.

Your obligations

You must obey the attached summons if:

- (a) at the time of service or at some reasonable time before 8<sup>th</sup> February 2005 you were offered or given:
  - (i) enough money to meet your reasonable expenses in obeying it, including any travel and accommodation costs; or a combination of money, travel tickets and vouchers to meet those expenses; and
- (b) you received with the attached summons a copy of an order from a court in New South Wales permitting the attached summons to be served outside New South Wales and specifying the day before which it must be served.

If the attached summons only requires production of documents or things you may comply with the attached summons by delivering the documents or things at least 24 hours before 11<sup>th</sup> February 2005 to the Assistant to the Commissioner of Public Inquiry into Tweed Shire Council.



THIS AND THE FOLLOWING PAGE(S) IS THE ANNEXURE MARKED "A" REFERRED TO IN THE AFFIDAVIT OF Andrew Branley SWORN THIS 20/02/2005 BEFORE ME: [Signature] A JUSTICE OF THE PEACE

[Signature]

**This is most important**

If you are subject to a restriction on your movements that you might breach if you comply with the attached summons, there are some additional actions you must take for your own protection.

The restriction on you could be imposed as:

- (a) conditions of bail; or
- (b) conditional release from prison; or
- (c) conditions of probation; or
- (d) home or periodic detention; or
- (e) a community service order, community based order, attendance order or work and development order; or
- (f) some other restriction on your movements imposed by law or by order of a court.

If you are under a restriction of that kind, you must, as soon as practicable after you receive the attached summons, inform your supervisor of the service of the attached summons. If you are on bail, and your bail is subject to a condition that you report periodically, your supervisor is the police officer or correction service officer that you report to. If you are not on bail, or if you are on bail but are not required to report periodically, your supervisor is the person who supervises your compliance with an order or restriction.

Also you must, as soon as practicable, inform the Public Inquiry into Tweed Shire Council and Commissioner, Maurice Daly of the restriction to which you are subject.

You must take all reasonable steps to have the restriction varied so that you can comply with the attached summons.

If the restriction is not varied you must inform the Public Inquiry into Tweed Shire and Commissioner, Maurice Daly either:

- (a) of the steps you took to have the restriction or obligation varied, and that the restriction or obligation has not been varied; or
- (b) that the law does not permit that variation;

whichever is the case.



**PUBLIC INQUIRY INTO TWEED SHIRE COUNCIL**  
Established under s. 740 of the *Local Government Act 1993*

**SUMMONS TO PRODUCE DOCUMENTS**

**To:** The Proprietor, Directions Media

**Address:** 30 James Street Burleigh Heads Qld

The Commissioner, Emeritus Professor Maurice Daly requires you to **PRODUCE** to the Public Inquiry into Tweed Shire Council this summons and the documents and things described in the schedule;

at: Level 9, 323 Castlereagh Street Sydney

on: 11<sup>th</sup> February 2005

**Schedule**

**All files, memoranda, presentations, diary entries, advertisements, promotional material, advices, advertising strategies, diary records, letters of engagement, meeting notes and other records of meetings, correspondence, invoices and records of payment; and/or copies of any of the above, whether in printed form or otherwise held by you, relating to your dealings with Tweed Directions Incorporated and/or the election of councillors of Tweed Shire Council in 2004.**

**TAKE NOTICE** that if you, without reasonable excuse, fail to comply with the requirements of this summons, you will commit an offence contrary to section 19 of the *Royal Commissions Act 1923*; or your failure may be dealt with as contempt of the Inquiry.

Public Inquiry into Tweed Shire Council  
Locked Bag A5045, SYDNEY SOUTH NSW 1235  
Ph: 9289 4055 Fax: 9289 4098  
[www.dlg.nsw.gov.au/tweed](http://www.dlg.nsw.gov.au/tweed)

- 2 -

Dated this 31st day of January 2005.

A handwritten signature in black ink, appearing to read 'M. Daly', with a stylized flourish at the end.

Maurice Daly  
Commissioner

B

IN THE SUPREME COURT OF NEW SOUTH WALES

SYDNEY REGISTRY  
COMMON LAW DIVISION

File No: 10334/05

ORDER

APPLICATION OF  
MAURICE DALY,  
COMMISSIONER, PUBLIC  
ENQUIRY INTO TWEED  
SHIRE COUNCIL  
Plaintiff

THE COURT ORDERS THAT:

1. Leave be granted pursuant to section 76 of the Service and Process Act 1992 (C'wealth) to serve summonses to produce directed to:

APN Newspapers Pty Ltd  
 Baudino & Associates Pty Ltd  
 Brentwood Projects Pty Ltd  
 Directions Graphics  
 Directions Media  
 A R Midwood Pty Ltd  
 Ray Group Properties Pty Ltd  
 Ray Group Pty Ltd  
 UB Photo Pty Ltd  
 Zenith Media

Out of the State of New South Wales and in the State of Queensland.

2. Each Summons not be served after 5pm 9 February 2005.

ORDERED: 1 February, 2005

ENTERED: 1 February, 2005

By the Court

J. PROBERT (L.S.)

Deputy Registrar



THIS AND THE FOLLOWING PAGE(S) IS THE  
 ANNEXURE MARKED 'B' REFERRED TO IN THE  
 AFFIDAVIT OF Andrew Broadley  
 SWORN THIS 10/02/2005  
 BEFORE ME: [Signature]  
 A JUSTICE OF THE PEACE

SECTION 2 - ADDENDA

---

**Section 2 Addendum 2.2.3.1  
(Extracts from Baudino files)**

(FIRST DRAFT)

10 January 200

## TIME-TABLE/STRATEGY

Covers two defined areas:

1. Long-term
2. The Campaign

### 1. LONG-TERM:

- Support Group to meet every Monday except 26 January (Australia Day.)  
(Suggest meet Tuesday, 27 January.)

: Funding Sub-Committee meeting to follow.

#### - 12 January:

: Budget estimate approval

: Agency to present advertising programme and to be authorized to complete advertising bookings (placements.) Agency to report back 19 January confirming bookings.

: Preparation of "wallet" dot point card for all Candidates; door-knock/introductory/general campaign pamphlet and "Sorry I missed you" card. (Agency)

: Decide on handling of How- to-Vote material.

: Handling the Postal Vote (obtaining lists, mailing.)  
- Non-residential voters. (enrolment etc.)

: Electorate profile/voting patterns (J.E.)

: Candidates to provide dates for individual Group presentations  
- all Group candidates, venue, time. Media to be advised.  
- support advertising should be available

: Candidates to start on organizing Polling Day booth workers

**- 19 January:**

- : Advertising bookings to be confirmed.
- : Report on printing of "kit" material.
- : Initial consideration of major Campaign pamphlet (political.)
- : consider initial funding allocations subject to receipt of requested Group campaign strategy, campaign programme etc.
- : Research questions finalized for research on first week February.
- : Postal Voting
  - arrange printing of envelopes.
- : attempt to draw up list of events, functions for campaign activity.
- : Groups – all candidates to be organising nominators.
- : Candidates to continue to gather names for booths
- : Prepare generic statement on Balance Team philosophy and vision.
  - to be used for media response. May be published as a letter/advertisement.
  - has the advantage that Candidates will not be caught trying to give a "waffling" defence of the Balance Group.

**- 27 January:**

- : Candidate profile kit completed
  - Candidates/Agency to distribute to all Media.
- : Postal
- : How-to-Vote progress.
- : Groups finalized – checks on enrolments for candidates and

nominators.  
(Needed for How to Vote.)

**- 2 February:**

- : How-to-Vote
- : Media prospects identified
- : Set up "intelligence" groups/electorate feedback.
- : Postal
- : Full review of Budget expenditure (actual and pending e.g. advertising.)
- : report on Candidate activities.

**- 9 February:**

- : Nominations called to 20 Feb.
  - consideration on how to achieve maximum media
- : Progress How to Vote
- : Postal voting

**- 16 February:**

- : Review campaign to date
  - getting the message across?
  - identify weakness, plusses.
  - new material required (ads. pamphlets etc.)
  - Role of Tweed Community Vision (TCV)
- : Strategy Group members appointed
  - must include Agency reps, BB and J E.
  - no more than 5-6 members
  - must be able to meet every morning of three week campaign except week-ends.

## **- 23 February:**

: Consider Balance Group "launch" – or meet the voters – events.  
- needs early action on organizing.  
- will require support advertising

: Final approval on How to Vote

: Postal voting

: Check what has been done to lock-in booth workers  
(Early identification of Booth Captains important.)

: **Nominations close 5 pm, Wednesday, 25 February 2004.**

: **Registration of How-to-Vote with Electoral Commissioner opens 27 February 2004 – closes 8 March.**

: **Postal voting opens 27 February**

: **Nomination Day, 27 February.**

(Note: Printing of How to Vote should start immediately for mailing as soon as available (Sunday/Monday.) Volunteers required for envelope stuffing, sorting etc.)

## **THE CAMPAIGN:**

: 1 March 2004: Support Group election office fully operational.

The conduct and activities of Candidates during this period will be critical to the result. This is when they are judged by the voters.

- Candidates are to run a positive campaign.

- The Support Group will handle all negative campaigning whether responding or initiating.

: the TCV will be a major tool in this activity. Its circulation and

attacks offer a significant advantage than relying of normal media.

: the TCV and be backed up by Support Group advertising, if required. This may be necessary if there is a need for an immediate response.

: Personal attacks on candidates may require Legal attention.  
(Writs are a powerful election tool.)

(The challenge will be keeping Candidates positive. Negative campaigning is easy but it is a trap. The last Federal election clearly entrenched the electorate benefits of a 100% positive campaign.)

### **- 1 March: (Four weeks out.)**

: There will be some advertising in this week to create a presence.  
- weighting will be light

: Balance Group launches are to be considered  
- suggest at least three 'meet the voters' launches in different parts of the Shire.  
- this requires support advertising to promote the event and get voters there.

(Perhaps two during this week and one in the third week out.)

: Consideration of other initiatives (events/functions etc.) to get ahead of opponents.

### **- 8 March: (Three weeks out.)**

: Strategy Group starts daily meetings (time to be agreed)

: Main advertising campaign underway with first main Campaign advertisements to air and print Sunday, 7 March.

- ideal weighting 30% of advertising budget but may be reduced subject to funding and to safeguard second and final week weightings.

: How-to-Vote registrations close

: Pre-poll voting starts 15 March.  
(Do we need meeting of Booth Captains?)

### **- 15 March (Two weeks out.)**

- : Pre-poll voting starts.
  - check if Candidates have this covered.
- : Advertising campaign continues
  - weighting 30%
- : Maintain close contact with Candidates. (Advice and suggestions.)
- : Check and check again Candidates arrangements to man booths

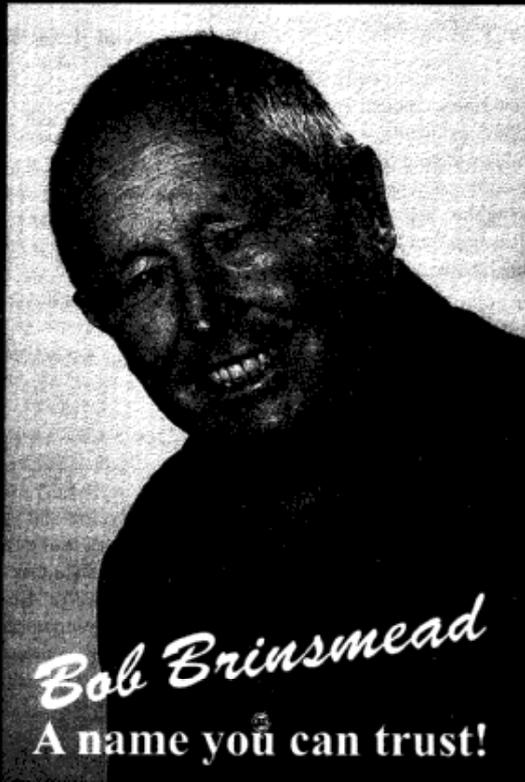
### **- 22 March (Final week)**

- : Candidates to remain positive despite expected last-ditch efforts (dirty tricks) from Opponents.
  - Candidates to be encouraged to discuss with Strategy Group before reacting.
- : Advertising campaign heavy from Sunday.
  - 40 % weighting.
- : Emphasis on monitoring/intelligence (and response if necessary.)
- : Concentrate on Polling Day requirements
  - booth workers
  - How to Vote cards distribution
  - booth material – posters, t-shirts, badges, pencils.
  - back-up emergency team/s to go to any booth as required.
  - “legals” on stand-by
  - refreshments etc for booth workers.
- : Scrutineers.

**Section 2 Addendum 2.2.3.2  
(Extracts from Baudino files)**

**THE BRINSMEAD TEAM OF**  
*PROGRESSIVE*  
**INDEPENDENTS**

*"passionately for business,  
passionately for the environment,  
passionately committed to the future"*



*Bob Brinsmead*  
A name you can trust!

**ON MARCH 27, VOTE  1 ABOVE THE LINE IN BOX  Q FOR  
THE PROGRESSIVE INDEPENDENTS  
AND 2 TO 6 ABOVE THE LINE FOR OTHER INDEPENDENTS.**

## **GAVIN LAWRIE'S INDEPENDENT TEAM**

### **IMPROVED TRAFFIC MANAGEMENT**

Poor planning and a lack of expenditure on local roads has led to the development of a road system that has not been able to cope with the population growth in the Tweed. As a result we are now seeing the emergence of major traffic problems particularly in the South Tweed and Banora Point area.

Gavin Lawrie and his team have a plan to fix these problems by increasing expenditure on road maintenance and sealing, re-introducing the Lakes Drive proposal and allocating \$11 million over five years to identify the causes of our traffic problems and fix them so we can once again travel freely through the Tweed

### **BETTER FACILITIES FOR OUR FAMILIES**

The Tweed is a great place to raise a family. As parents who have raised children in the Tweed, Gavin Lawrie and his team understand the difficulties facing young families.

Gavin's team understands the importance of having a council that plans for the needs of families and provides high quality recreational opportunities and transport facilities.

Gavin's plan for families is to ensure that council provides, more child care centres, safe pedestrian access to all important amenities such as shops, increased spending on important sporting facilities, introduction of drop in centres for our youth and maintenance of safe recreational areas such as parks.

### **PRESERVING THE TWEED**

Gavin Lawrie's team believe in sensible planning controls that allow us to maintain our lifestyle through good quality developments, while guaranteeing the protection of our natural assets of the Tweed for future generations. That is why Gavin voted for planning controls that preserve 87% of the land in the Tweed from residential development.

Gavin Lawrie and his team aim to build on this success by; maintaining all existing zonings in the Tweed, preserving existing vegetation conservation corridors and introducing school awards that foster environmental awareness amongst our children.



## **THE BRINSMEAD TEAM OF COMMUNITY INDEPENDENTS**

### **BETTER FACILITIES AND SERVICES FOR SENIORS**

The Brinsmead Team is committed to making the lifestyle enjoyed by our seniors the best in Australia, by attracting the leading service providers and building the best facilities.

The Brinsmead team will achieve this by:

- Encouraging the construction of greater range of retirement and aged care facilities in the Tweed
- Improving public transport links to important facilities such as doctors and shopping centres
- Opposing the State Governments unfair and excessive tax on our local clubs to fund important services and projects in our community
- Increasing support to volunteer organisations that assist our seniors

### **SAFER ROADS**

The Brinsmead team are committed to making our roads safer and fixing the traffic problems that currently plagues the Tweed.

The Brinsmead team will achieve this by:

- Introducing a ten year program to seal all roads in the Tweed within the next 10 years
- Working with the community to develop a fully funded plan, that will fix the traffic problems in South Tweed and Banora Point.
- Banning quarry trucks from using small residential roads
- Increasing spending on road maintenance to ensure our roads are safe and secure

### **MORE LOCAL JOBS**

In the last four years unemployment in the Tweed has been cut in half as a direct result of the new business opportunities that have been created in the Tweed. The Brinsmead team is committed to building on this success and creating ecologically sustainable employment opportunities in the Tweed.:

The Brinsmead Team will achieve this by:

- Encouraging the establishment of a new business park to encourage high technology low impact industries such as call centres to the Tweed
- Providing opportunities for more low impact eco-tourism operators
- Actively encouraging business investment in the Tweed
- Adopting more flexible policies that will help farmers to develop niche crops, agri-tourism and the subdivision of obsolete ghost farms into smaller farm lets, farm stay accommodation and health/education retreats.

### **A BETTER FUTURE FOR OUR ENVIRONMENT**

The Brinsmead Team is committed to ensuring that our environment which we have all come to enjoy is preserved and enhanced for future generations.

Our Team will achieve this by:

- Ensuring that developer contributions are used to preserve and restore our natural assets in the Tweed
- Maintaining the existing planning controls which will protect 87% of land in the Tweed and 24km of Coastline from Development
- Drought proofing the Tweed by encouraging the construction of another dam at Byrrill Creek
- Ensuring that council adopts a management plan to stop the spread of the weed Camphor Laural
- Working with our farmers and major land holders to develop a management plan that will reduce the top soil erosion in the Tweed
- Dredging the Tweed River and Cudgen creek to re-store the natural flow of these two important waterways

**THEME: KEEP THE TWEED MOVING**

# Vote Wendy Marshall - a true independent.



PCYC Childcare Centre



RSPCA Shelter

Since 1999, Cr. Wendy Marshall has dedicated herself to her community. On March 27, her fresh, new independent team needs your continued support to deliver:

- More disability and aged care facilities
- More support for re-locatable home and caravan park residents
- A real funding boost for better and new roads
- Genuine action to reduce traffic congestion
- Improved river and water quality
- Strong opposition to the Terranora quarry extension
- A referendum to change to a ward-based electoral system
- More open space at Banora Point.
- A greater focus on animal welfare - *Wendy is founder and hon. life member of Friends of the Pound*



Supporting schools

*"I'm standing again as a true independent. I'm not influenced by any person, group or political party."*

**On March 27, vote Wendy Marshall's independent team above the line.**

Authorised by Wendy Marshall, 1/5 Cassin Crescent, Banora Point 2486

SECTION 2 - ADDENDA

---

**Section 2 Addendum 2.2.4.1  
(Extracts from Baudino files)**

18 February 2004

ATT: Gavin  
From: Bob Baudino

Gavin: A couple of suggestions on your brochure content.

*Three years ago I was given the chance to work for a prosperous future for the Tweed when elected to the Tweed Shire Council. I am proud of what has been achieved. The Tweed today has a lifestyle the envy of most other areas of Australia. Growth has been carefully balanced against preservation of the environment; jobs, hundreds of jobs, have been created and rates have been held – all because of good management.*

*In your new Council I, as an independent, will dedicate my efforts to keeping the future of the Tweed safe. Our children have the right to expect to get a good job without having to leave home. Those jobs are there today – and many more are on the drawing board – because you elected councilors that had vision and the capacity of meeting the challenge of balancing growth against environmental protection.*

*That challenge remains. We cannot afford to go back to the despair and hardship resulting from the serial mismanagement and tunnel vision of the Boyd councils. I give you my pledge that all my efforts for you will be to protect the stability and certainty the Tweed now enjoys. Help me continue to keep the Tweed safe by giving me your vote on 27 March.*

Kimberley will work on final format, including the inside material.

This is only a suggestion for use if needed.

All the best

Bob Baudino. (PS have copied to Kimberley.)

Friday 13<sup>th</sup> February, 2004

## **MEDIA STATEMENT**

***“Cr Lawrie fit for another election!”***

Current Tweed Shire Councillor, Gavin Lawrie has announced he will contest the coming local elections as an independent leading a tactful and energetic group.

Flying under the banner of 'Community Independents – Managing Your Future', Cr Lawrie says the new group is full of experience, professionalism and most importantly positive attitudes.

"I will be leading a six-member group," said Cr Lawrie.

"We'll strive to provide a relaxed atmosphere for the resident's, while concentrating on a stable business and economic platform.

"One of our main goals is to focus on the youth of the Tweed and guide them into employment, wether it be through tertiary education or simply recruiting programs.

"The existing Council has done a superb job in creating wealth and opportunity for our Shire, but for it to really benefit us, we must ensure our youth are the ones securing those jobs ..... and a future.

"Our group is so positive and active, we're really up to the chase!"

The group led by Lawrie, a Councillor since 1999 will consist of the following community members;

1. Gavin John Lawrie (solicitor)
2. Dr Doug Cluer (Vet)
3. Loretta Travan (Bowen practitioner)
4. Dr Di Blanckensee (Medico)
5. Ray Bates (retired builder)
6. Alan McIntosh (businessman)

Holding a degree in Law and Economics, Cr Lawrie believes that the position of Shire Councillor is a very important one.

"The position of Councillor is extremely demanding and requires total commitment by informed people," he said.

"It's so important that independents run for Council, they are the voice of the community.

"I reject party politics in local Council. I have no issue with such parties, but if they were to enter into a local Council, I would find it devastating.

"A local Council must be run by its independents."

Cr Lawrie is available for interviews with the media, alongside a copy of his policies.

Ends

Further information:

Gavin Lawrie  
0427 939 850

13 February 2004  
att: Gavin Lawrie  
From Bob Baudino

Gavin:

Thanks for your list of candidates and nominators. I have now checked them against the present roll and the following questions arise:

First, all your candidates (six) are on the roll but you did not provide addresses. These also have to be checked as it is obvious a lot of people have moved since the last election.

Nominators:

For **Gavin Lawrie:**

John Charles Webb is not on the roll.

For **Douglas Donald Cleur**

David John Reynolds is on the roll at 24 Bellvue Av. Bry Pk – not 46 Tumbulgum Road Murwillumbah as shown on your form.

Marissa Anne McDonald is not on the roll.

For **Loretta Mary Travan**

Margarita McDonald is on roll at 10 Golden Links Drive, Murbah---- not the address on your nomination form.

Gail Elizabeth McMahan is not on role

Barry John Hardins is shown simply as UKI while on roll his address is 1084 Glenock Farm, Kyogle Road Dum Dum

The rest are OK.

Remember, as I stated in an earlier email today, the Returning Officer says you need only two people on the roll to nominate the whole Group (up to 11 people.) If you go this way please list four nominators (they can be the same people) on each nomination form for each candidate. Give me the names and I will check the roll.

Also, Gavin please make time for Jeff Egan to see you. He is very experienced and will be able to give you some good advice.

**SAMPLE ADVERTISING PLANNER:**

Designs of ads

| <b>Focus</b>               | <b>images used</b>                                  | <b>info included</b>  |
|----------------------------|---|---|
| Gavin Lawrie and his group | Big shot of Gavin, followed by small shots of group | GL standing for re-election, followed by a group of fresh faces. Team slogan etc. Vote for my team! |
| Group focus                | Big group shot                                      | Vote for our team! Preserving the future of the Tweed. Slogan etc                                   |
| GL and team - future       | Headshots of group                                  | Ad focussing on jobs and opportunity, but still keeping the Tweed a relaxed place to live.          |

**PREFERRED DATES TO ADVERTISE**

**Press Selection:** Tweed Sun, Daily News, Gold Coast Bulletin, The Weekly

|                        |                        |                        |                        |
|------------------------|------------------------|------------------------|------------------------|
| 5 <sup>th</sup> March  | 6 <sup>th</sup> March  | 9 <sup>th</sup> March  | 13 <sup>th</sup> March |
| 16 <sup>th</sup> March | 18 <sup>th</sup> March | 20 <sup>th</sup> March | 24 <sup>th</sup> March |
| 25 <sup>th</sup> March | 26 <sup>th</sup> March |                        |                        |

Other press:

I recommend you advertise in *The seniors* – March edition

**The deadline for this paper is 25<sup>th</sup> February, 2004. (may be good to put ad1 in)**

**Radio**

The purpose of the radio coverage is to offer a range of advertisements and interviews. Radio 97 is great for one-on-one interviews – this hits your senior audience. Hot Tomato and Sea FM will reach your younger vote.

| <b>DATE</b>            | <b>RADIO STATION</b> | <b>TYPE</b>   | <b>RUNNING</b> |
|------------------------|----------------------|---------------|----------------|
| 18 <sup>th</sup> March | Radio 97             | Advertisement | 3 times        |
| 19 <sup>th</sup> March | Radio 97             | Advertisement | 3 times        |

|                        |                     |               |         |
|------------------------|---------------------|---------------|---------|
| 20 <sup>th</sup> March | Hot Tomato / Sea FM | Advertisement | 3times  |
| 22 <sup>nd</sup> March | Hot Tomato / Sea FM | Advertisement | 4 times |
| 23 <sup>rd</sup> March | Hot Tomato / Sea FM | Advertisement | 4 times |
| 24 <sup>th</sup> March | Radio 97            | Interview     | 1 time  |
| 25 <sup>th</sup> March | Radio 97            | Advertisement | 4 times |

**From:** Gavin Lawrie & Associates [gavinlawrie@better.net.au]

**Sent:** Tuesday, 17 February 2004 8:33 AM

**To:** Kimberley Hrastovec

**Cc:** Bob Baudino

**Subject:** Campaign Program

Dear Kimberley,

I met with Jeff Egan this morning, when the following skeleton of a campaign program was 'mapped out'.

WEEK 1 - commencing 16.02.04

- nomination forms to be in.
- photos for introductory brochure.
- art work for brochure.
- letterhead design.
- key messages worked out.

WEEK 2 - commencing 23.02.04

- print/distribute intro brochure.
- door knock (a weekly pleasure from now on).
- attend community functions (from now on).
- issue media releases,
- organise art work for poster.

WEEK 3 - commencing 01.03.04

- media releases.
- register how-to-vote card.
- print posters
- door knock

WEEK 4 - commencing 08.03.04

- prepare art work/issues for second brochure.
- issue media releases.
- door knock

WEEK 5 - commencing 15.03.04

- print second brochure.
- door knock.

- issue media releases.

WEEK 6 - commencing 22.03.04

- distribute second brochure.
- prepare/distribute polling kits.
- issue concluding summary media release (keep very simple).
- door knock.

I received an email from Doug Cluer this morning, requesting that I talk to one or other of my team to run as my No.2. He doesn't want to face the prospect of being elected, and then going sailing for 6 months.

I don't have a problem with Loretta moving up to the No.2 spot, and swapping places with Doug. He would still be high on the team. What do you/Bob think?

Could we arrange the photographer for tomorrow? Jeff suggested we need some 'action shots', eg Dr Di and me visiting nursing home patients, or a hospital ward, perhaps Ray and me visiting a building site etc.

The photographer would have to move to various locations with us, which may take a couple of hours.

Please advise ASAP, so that I can endeavour to get some of the team along.

Look forward to hearing from you.

Regards,  
Gavin.

**From:** Gavin Lawrie & Associates [gavinlawrie@better.net.au]

**Sent:** Wednesday, 4 February 2004 11:00 AM

**To:** Bob Baudino

**Cc:** kimberley@winningdirections.com.au

**Subject:** Re: Local Government Elections

Dear Bob,

Firstly, my humble apology for being 'off the air' in the last week or so, in not responding to you.

I attach a profile.

I have received from Kimberley (Winning Directions) a table of advertising expenditure in Tweed Sun, Daily News and Gold Coast Bulletin.

Because I have for years written a monthly article in the Banora Point Newsletter/North Coast Newsletter, I would like to advertise (and have so discussed with my contact) some advertising in the March issue.

I am informed the distribution for the Tweed/Banora Newsletter is 11,260.00, whilst the North Coast Newsletter distribution is 6,877.00 between Fingal and Pottsville.

The advertising rates are as follows:-

**TWEED BANORA NEWSLETTER**

Full page ad (273mm X 186mm) \$585.00.

2/3 page ad (188mm X 186mm) \$495.00.

Spot colour (black plus one colour) \$65.00, (black plus two colours) \$370.00.

**NORTH COAST NEWSLETTER**

Full page ad (273mm X 186mm) \$450.00.

2/3 page ad (188mm X 186mm) \$340.00.

Spot colour (same as above).

I am told I will also receive 200-300 word free editorial.

I have yet to ascertain the cost of printing corflute signage (approx 20 photo Vote 1 signs), how to votes, and letterbox drop brochures.

I will on-forward this ASAP.

I am meeting with my group thus far (Doug Cluer - vet, his wife Di Blankensee - doctor, and Ray Bates - retired builder) at 3.00 p.m. this Sunday at my home.

I will seek their agreement to a group photo shoot, with the Daily News/Sun to take place in the near future, and will keep you posted.

Is there anything more I can do at this stage?

Yours sincerely,  
Gavin.

## **GAVIN LAWRIE'S INDEPENDENT TEAM**

### **IMPROVED TRAFFIC MANAGEMENT**

Poor planning and a lack of expenditure on local roads has led to the development of a road system that has not been able to cope with the population growth in the Tweed. As a result we are now seeing the emergence of major traffic problems particularly in the South Tweed and Banora Point area.

Gavin Lawrie and his team have a plan to fix these problems by increasing expenditure on road maintenance and sealing, re-introducing the Lakes Drive proposal and allocating \$11 million over five years to identify the causes of our traffic problems and fix them so we can once again travel freely through the Tweed

### **BETTER FACILITIES FOR OUR FAMILIES**

The Tweed is a great place to raise a family. As parents who have raised children in the Tweed, Gavin Lawrie and his team understand the difficulties facing young families.

Gavin's team understands the importance of having a council that plans for the needs of families and provides high quality recreational opportunities and transport facilities.

Gavin's plan for families is to ensure that council provides, more child care centres, safe pedestrian access to all important amenities such as shops, increased spending on important sporting facilities, introduction of drop in centres for our youth and maintenance of safe recreational areas such as parks.

### **PRESERVING THE TWEED**

Gavin Lawrie's team believe in sensible planning controls that allow us to maintain our lifestyle through good quality developments, while guaranteeing the protection of our natural assets of the Tweed for future generations. That is why Gavin voted for planning controls that preserve 87% of the land in the Tweed from residential development.

Gavin Lawrie and his team aim to build on this success by; maintaining all existing zonings in the Tweed, preserving existing vegetation conservation corridors and introducing school awards that foster environmental awareness amongst our children.

**From:** Gavin Lawrie & Associates [gavinlawrie@better.net.au]

**Sent:** Friday, 19 March 2004 3:11 PM

**To:** Nicole King

**Cc:** Bob Baudino; Jeff Egan

**Subject:** Radio Slots

Dear Nicole,

Herewith another suggested radio slot:-

Hello, Gavin Lawrie here.

Tweed Shire Council is big business.

Its budget this financial year is \$126.6m.

We are about the 6th or 7th largest Council in the State, according to budget, and yet on a map of NSW, we are a pin-head in geographic size, in the top right-hand corner.

Being on its Board of Directors requires both business experience and skill. Arguably, the majority of people on such Boards should possess sufficient skills, training and experience

(comparable to that of the senior executive staff), although it is important to listen to people from all walks of life, who may have interests and skills apart from those for the boardroom.

It is necessary for us to remember that Local Government is not only about dollars and economics, but also about culture and the environment.

We all want to breath clean air, drink clean water, protect our lands from degradation and contamination, and preserve our wildlife and plant-life for the pleasure of generations to come.

On 27 March, vote 1 above the line for Gavin Lawrie & The Tweed Community Team.

Regards,  
Gavin.

**From:** Gavin Lawrie & Associates [gavinlawrie@better.net.au]

**Sent:** Wednesday, 18 February 2004 9:22 AM

**To:** Kimberley Hrastovec

**Cc:** Bob Baudino

**Subject:** Local Government Elections / March 2004

Dear Kimberley & Bob,

It was good to meet with you (Kimberley) a.m. this day, and I thank you for taking the time for an early Queensland start.

I hope to be able to inform you shortly of our photo shoot requirements for tomorrow.

In the meantime, I provide the following contact details for Doug and Di.

**DOUG CLUER**

- Phone: 07 5524 8111 (work)
- Fax: 07 5524 8799 (work)
- Mobile: 0408 980 503

**DI BLANCKENSEE**

- Phone: 07 5524 2050 (work)
- Fax: 07 5524 2116 (work)
- Mobile: 0407 139 128

Regarding colours for the brochure, please try clicking on the following link prepared by my graphic artist (if it is still there):- [www.tweedbusicards.com/clients/Allin1nw.jpg](http://www.tweedbusicards.com/clients/Allin1nw.jpg) (the left-hand logo is the preferred one, now the subject of a trade mark application).

In case it is not still there, I am posting to you a business card in today's mail.

**POSSIBLE BROCHURE FOR BANORA NEWSLETTER**

I would be grateful if we could have the following editing:-

"I've helped give the Tweed a chance (delete "of") for a prosperous future and monitored its growth. But now it's time to stabilise that growth and concentrate on managing the future.

Gavin and his fresh Community Team will focus on ...

the youth of the Tweed are educated so (delete "that") they can take advantage of ... \* Increase and improve Senior services ... "

In the maroon strip at the bottom, second line of text, "wish" instead of "wishes".

### **INTRODUCTORY BROCHURE**

Inside front page text:

"The Lawrie-led team has a particular focus on stabilising ...

Gavin has played a successful role in Council over the past four and a half years by way of not re-zoning any (delete "further") land for development; no high-rise building south of Tweed Heads Bowls Club, brought the Council from being ranked last in NSW to the top five, and positioned himself as a strong force in opposing the quarry expansion at Terranora.

Gavin has dedicated the last four and a half years to ensuring the Tweed is given opportunity. He now wants to follow through and make sure our youth will benefit from destined tourism, our residents' quality of life is raised, and the aesthetics of the Tweed remain simple, natural and complimentary to the economy.

I've helped create growth and opportunity. Now it's time to consolidate ... "

Kimberley, the contact details for Tweed/Banora Point Newsletter and North Coast Newsletter are:-

Anne Brisset

Phone: 07 5527 0314

Fax: 07 5527 0315

email: [info@localnewsletters.com](mailto:info@localnewsletters.com)

For the purpose of getting the newsletter brochure into the next issue (Anne says the deadline is 19 February 2004) will you kindly liase directly with Anne.

If you strike any snags, please do not hesitate to contact me.

Yours sincerely,  
Gavin.

SECTION 2 - ADDENDA

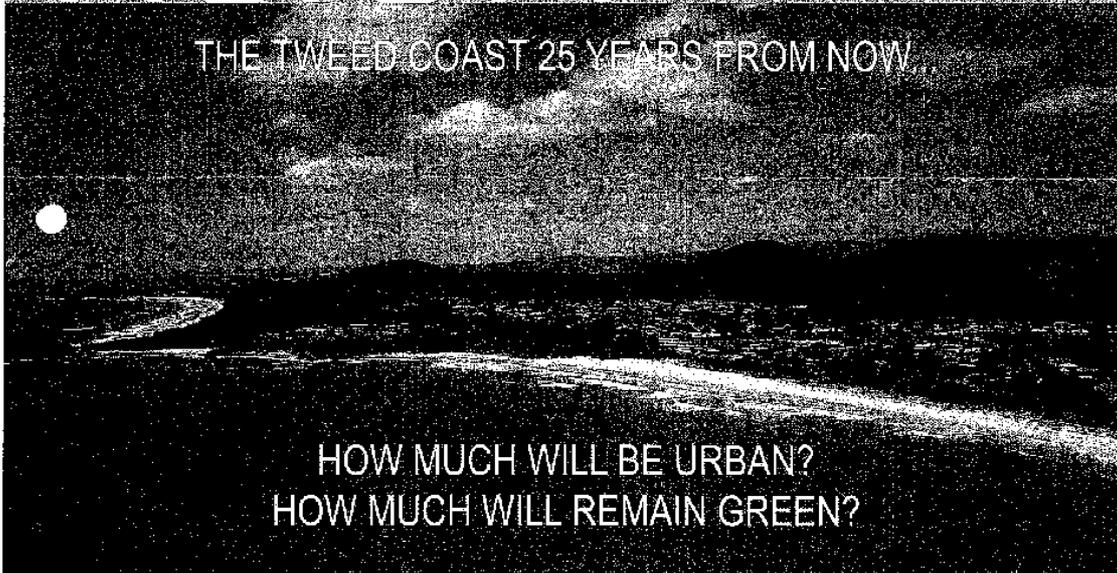
---

**Section 2 Addendum 2.2.7.1  
(Submission 24 - Dr Weston Allen)**

# TWEED COMMUNITY VISION

THE FUTURE OF THE TWEED

THE TWEED COAST 25 YEARS FROM NOW



HOW MUCH WILL BE URBAN?  
HOW MUCH WILL REMAIN GREEN?

## WELCOME

With the Tweed Shire facing growth management and development issues, Tweed Community Vision (TCV) has been formed to activate the views of the region's silent business and community mainstream. Committed to a "fact based" approach, TCV has been launched to coincide with public consultation on the new Tweed Strategic Plan (Tweed Link Special Edition Sept 9, 2003,) proposed by Council to stimulate public debate of the region's future.

To make intelligent decisions about future directions we must know the facts. Where we now are? What is reality? What is myth? This publication aims to present only facts based on verifiable data or statistics so you can understand what is happening in your area. Such knowledge allows you to formulate your own views about what is happening around you and allows you to make a meaningful contribution to the future of this beautiful area.

## INSIDE

|                              |   |
|------------------------------|---|
| Welcome                      | 1 |
| How much will be left green? | 1 |
| Environmental Plan 2000      | 2 |
| Green and staying green      | 3 |
| Our President                | 3 |
| Conclusions                  | 4 |
| Contact us                   | 4 |

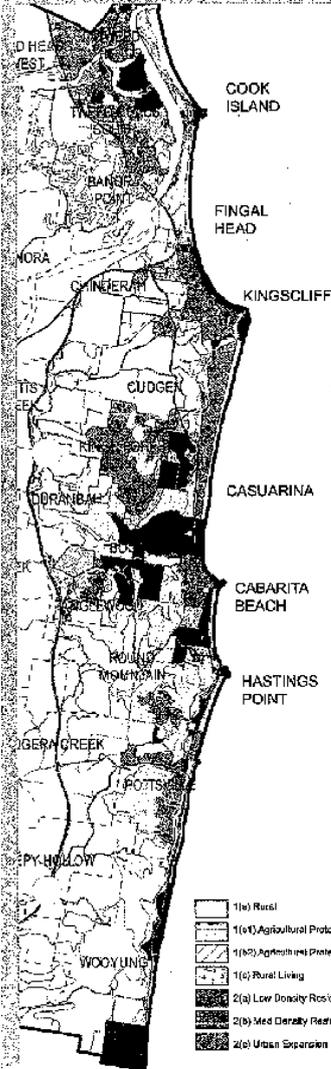
President: Dr. Weston Allen  
Vice President: Mike Allen

The population of the Tweed Shire is currently around 75,000 and we are being asked in the Tweed Link to think about population growth of 50,000 over the next 25 to 30 years. This increase (67%) raises questions, among other things, about overdevelopment, adverse visual impact, inadequate infrastructure and essential services, sustainability and destruction of habitat for flora and fauna.

Many Tweed residents have already expressed, both privately and in the media their concerns about the pace of development with a particular focus on Casuarina and Salt. They would like to know how much more land is going to be rezoned for development, and where? Is the Tweed Coast going to be paved over like the Gold Coast in a contiguous strip from Tweed Heads to Wooyung? What are the facts?

We begin our search for answers to these questions by analysing the area of the Tweed now under the greatest development pressures - all the land east of the Motorway from Wooyung in the south to the Queensland border in the north. This takes in all the coastal towns and villages from Pottsville to Tweed Heads.

# Tweed Shire Council Local Environmental Plan 2000



This is a map and table of all the land along the Tweed Coast east of the new Motorway, (the original map and table is available from the Tweed Shire Council on request). To this print-out we have merely inserted the percentages to help you understand the calculations. The map is also accurate and up-to-date in that the Tweed LEP 2000 is still current.

| Tag      | Zone                            | Area [ha] | Area [%] | Adjustments | Subtotals                          | Major Zones |
|----------|---------------------------------|-----------|----------|-------------|------------------------------------|-------------|
| 1 (a)    | Rural                           | 3,084.98  | 23.34%   |             |                                    |             |
| 1 (b1,2) | Agricultural Protection         | 3,340.91  | 25.28%   |             |                                    |             |
| 1 (c)    | Rural Living                    | 281.82    | 2.13%    |             |                                    |             |
|          | Total Rural >                   |           |          |             | 50.8%                              | 50.8%       |
| 2 (a)    | Low density Residential         | 410.86    | 3.11%    |             |                                    |             |
| 2 (b)    | Medium density Residential      | 164.27    | 1.24%    |             |                                    |             |
| 2 (d)    | Village                         | 79.32     | 0.60%    |             |                                    |             |
| 2 (e)    | Residential Tourist             | 263.72    | 2.00%    |             |                                    |             |
| 2 (f)    | Tourism                         | 130.26    | 0.99%    |             |                                    |             |
|          | Current Residential >           |           |          | 7.9%        |                                    |             |
| 2 (c)    | Urban Expansion #               | 687.47    | 5.20%    | 3.5%        | #Less 1/3 provision for open space |             |
|          | Total Residential >             |           |          |             | 11.4%                              |             |
| 3 (a)    | Business                        | 11        | 0.08%    |             |                                    |             |
| 3 (b)    | Commerce                        | 38.85     | 0.28%    |             |                                    |             |
| 3 (c)    | Commerce                        | 42.44     | 0.32%    |             |                                    |             |
| 3 (d)    | Waterfront Business             | 1.58      | 0.01%    |             |                                    |             |
| 3 (e)    | Jack Evans Boat Harbour         | 3.69      | 0.03%    |             |                                    |             |
| 4 (a)    | Industrial                      | 63.57     | 0.48%    |             |                                    |             |
|          | Total Commercial & Industrial > |           |          |             | 1.2%                               |             |
|          | Total Urban >                   |           |          |             |                                    | 12.6%       |
| 5 (a)    | Special Uses (eg Cemeteries)    | 174.01    | 1.32%    |             |                                    |             |
| 6 (a)    | Open Spaces #                   | 373.82    | 2.83%    | 4.6%        | Plus 1/3 of Urban Expansion [1.7%] |             |
| 6 (b)    | Recreation                      | 450.21    | 3.41%    |             |                                    |             |
|          | Total Recreation & Open Space > |           |          |             | 9.3%                               |             |
| 7 (a)    | Wetlands and Littoral Forest    | 1,317.94  | 8.87%    |             |                                    |             |
| 7 (d)    | Escarpment                      | 352.88    | 2.67%    |             |                                    |             |
| 7 (f)    | Coastal                         | 258.36    | 1.94%    |             |                                    |             |
| 7 (l)    | Habitat                         | 699.82    | 4.54%    |             |                                    |             |
| 8 (a)    | National Parks                  | 1,079.26  | 8.17%    |             |                                    |             |
|          | Total Environmental Area >      |           |          |             | 27.3%                              |             |
| Defer    | Adding Open Space/ Recreation   | 7.54      | 0.06%    |             |                                    | 36.6%       |
|          | TOTAL >                         | 13,214.76 | 100.00%  |             | 100.00%                            | 100.00%     |

# As all planning documents indicate that nearly half the area zoned for Urban Expansion will eventually be reserved as Open Space and Environmental Protection. An adjustment of 1.7% (a conservative one third of 5.2%) has been transferred from Urban Expansion to Open Space.



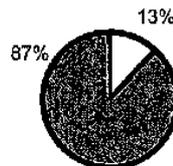
For simplicity and graphic effect, we have reduced this land audit of the Tweed Coast to the following pie charts.

Tweed Coast Zones



- Present Urban
- Rural / Agricultural Protection
- Environmental / Open Space / Recreation
- Urban Expansion

Tweed Coast Urban / Green Space Proportions



- Total Urban Space - present and future
- Total Green Space

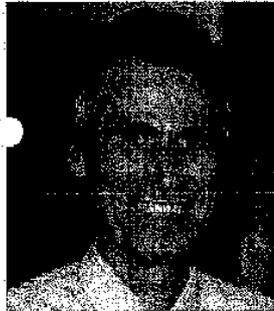
# GREEN AND STAYING GREEN

While it is possible for the figures to vary slightly, depending on small variations in allocations for open space and recreation areas, the differences are not significant. What is important for our present purposes is the broad-brush picture of the Tweed Coast. Our analysis shows that there is;

**50% Agricultural and Rural**  
**37% Environmentally Protected (including Open Spaces, Recreation & National Parks)**  
**13% Urban - both present and future.**

- This is a snap-shot of the most densely populated part of the Tweed Shire. We shall examine the remainder of the Tweed Shire in another issue.
- Since Council documents indicate that enough land is already zoned to take care of urban expansion for the next 25 years, the above percentages reflect what the state of the Tweed Coast will be 25 years from now.
- Our research, moreover, has revealed that except for some minor adjustments, the present Council has not rezoned any land for development. All current and future Urban Expansion areas were rezoned by the former Council.
- All developments that have taken place during this present Council's term have been on land zoned for that purpose, in most cases prior to 1990.
- Council's planning documents (including especially the Draft DCP 50, Tweed Coast Strategy) also indicate another important feature governing Council's Coastal development strategy: provision to keep each Coastal village separated by an environmental/nature reserve buffer, or in the case of Kingscliff, by a rural buffer east of the Tweed Coast Road. This is to ensure that the Tweed Coast will never become a contiguous ribbon of urban development.

Tweed Community Vision is an association with a broad and growing membership. The association is represented by the President, Vice-President and the Secretary/Treasurer. We introduce the President in this edition and look forward to introducing you to the other executives in coming issues.



## OUR PRESIDENT ... DR WESTON ALLEN.

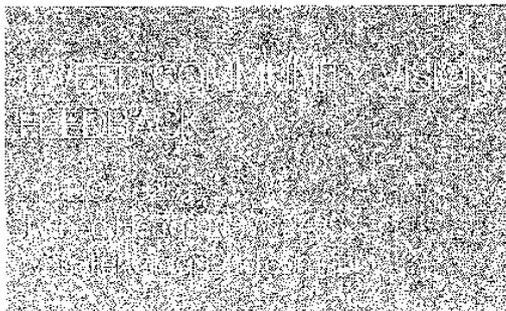
Who is Dr. Weston Allen?

Since graduating in Medicine at the University of Queensland in 1969, Weston has had a successful career in both general practice and in musculoskeletal medicine. Although his medical practice was in Brisbane, Weston has had a close association with the Tweed for nearly 40 years. He met his wife at Fingal and honeymooned at Banora Point. He purchased property at Cudgen in 1974, taught his children to windsurf on Cudgen Lake in the 1980s, and his son Stephen is now the reigning world champion windsurfer. Doctor Allen (M.B., B.S., F.R.A.C.G.P., Grad. Dip. Phys. Med.) also developed an interest in forensic medicine and played a pivotal role in righting several notable miscarriages of justice. Weston now resides in the Tweed and practices medicine at Coolangatta. He has had a lifelong interest in research and evidence-based medicine. He now brings his same hard-nosed scientific approach to the issue of examining some of the controversial issues affecting the Tweed.



# CONCLUSIONS

- Urbanisation in the most densely populated Tweed Coast region east of the Motorway, currently 9.1%, will reach about 13% of the area in the foreseeable future.
- The evidence indicates that the Tweed Coast will remain a predominately (87%) environmental/ rural area in the foreseeable future. Fears of over-development are therefore unfounded.
- The ratio of environmentally protected land (all categories) to urban land (present and future) is about 3 to 1 (i.e., three times more land under trees than houses). Make that 8 to 1 if the rural/agricultural land is included in the green space!
- The Tweed's coastal villages will remain relatively small islands of urbanisation wedged between the beach and much larger environmental/nature reserve areas.
- Casuarina and Salt will be the largest area (approx. 200 hectares) of contiguous development along the Tweed Coast. This strip will remain buffered by green space separating it from both Cabarita and Kingscliff.
- The 30-hectare Seaside City estate between Casuarina and Salt is the last beach-front land rezoned for development along the Tweed Coast.
- Given existing environmental constraints and the very limited room for urban expansion along the Tweed Coast, demand for Tweed Coast land will almost certainly continue to outstrip supply. Prices will therefore continue to rise and the area will inevitably become up-market.
- Alarmist speculation about the Tweed being another Gold Coast in the making are not supported by the evidence. Future discussion must focus on real issues such as the quality of developments, infrastructure planning, provision of public amenities, commercial centres and other important matters.



*"Change is the law of life. And those who look only to the past or present are certain to miss the future."*



THE FACTS AND THE FUTURE  
 Tweed Coast  
 December 2001  
 TWEED COMMUNITY  
**VISION**



**THE FACTS SO FAR**

In our first edition of the Tweed Community Vision we found that about 8% of the land between the Motorway and the Tweed Coast is currently urbanised. Another 4% is zoned for urban expansion over the next 25 years. 87% of the coastal region is zoned as legally off-limits for urban development in the Tweed LEP.

These facts must be considered in any serious discussions about overdevelopment of the Tweed Coast.

In this issue we take a closer look at concerns about development along the Tweed foreshore.

## The Tweed Coastline - is it protected?

In a recent Four Corners program on the Tweed, Fran Kelly from the Total Environment Centre said: "Colour in the whole of the [Tweed] coastal zone in red, and say: 'That's it, it's going to be developed, all the natural areas going right up to the oceanfront, going in to the creeks. It's almost like they've allowed every bit of land to be developed. If it's not being developed now, it is earmarked for development.'"

If true, this would be a disaster. Let us examine the facts.

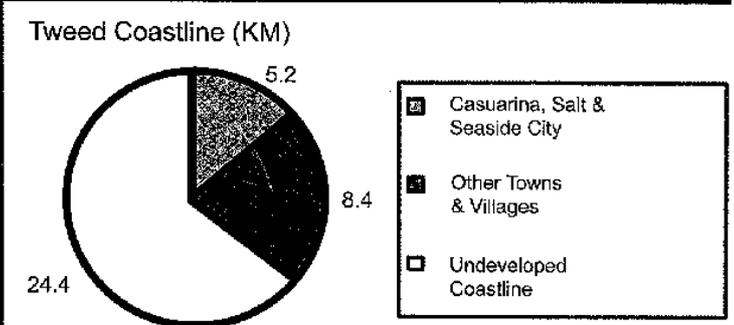
Our analysis shows the Tweed Shire has 38 kilometres of coastline from the Tweed mouth to Weyung, with beaches that are second to none anywhere in the world. This is surely a priceless asset worth protecting and enhancing.

Along almost all of this coastal strip there is a 75 environmental protection zone that defines set-backs. Behind this there are 13.6 km set aside for the coastal villages. The remaining 24 km is off-limits to any urban development and will continue to look much the

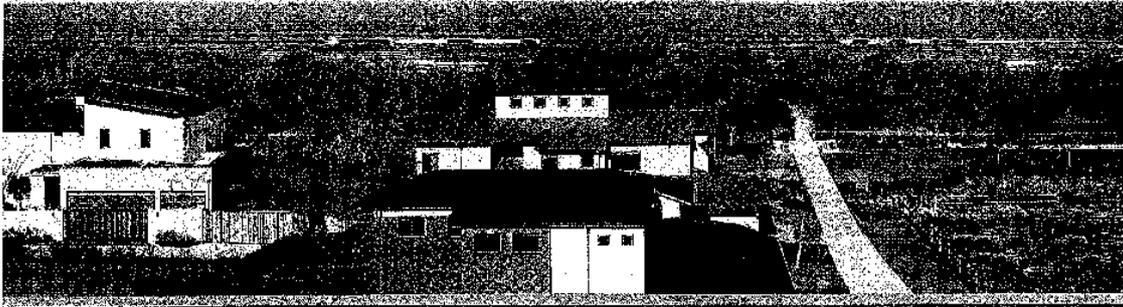
|                                |                |                      |
|--------------------------------|----------------|----------------------|
| Fingal Heads                   | 1.0 km         | 2.6%                 |
| Kingscliff*                    | 3.5 km         | 9.2%                 |
| Salt, Seaside City & Casuarina | 5.2 km         | 13.7%                |
| Bogangar-Cabarita              | 2.0 km         | 5.3%                 |
| Hastings Point                 | 0.9 km         | 2.4%                 |
| Pottsville*                    | 1.0 km         | 2.6%                 |
| <b>TOTAL</b>                   | <b>13.6 km</b> | <b>35.8% of 38km</b> |

\*Creekfront (as distinct from beachfront) development accounts for another 3.3 km

The important fact is that very little beachfront development should be visible from the beach most of it being filtered by trees in the environmental protection zone. This really sets the Tweed Coastline apart from the Gold Coast.



We'll leave you to determine whether the evidence supports the Total Environment Centre claims of overdevelopment of the Tweed Coast, or claims that it is being



## The facts about Tweed Coast developments

Two 'greenfield' sites are currently being developed along the ocean frontage. They have become the focal point of community discussion about what kind of development is appropriate for the Tweed Coast - TCV has researched the facts.

### FORMER SAND MINES

From the 1940's into the 1970's the area north and south of Kingscliff was repeatedly sand mined and denuded of all vegetation (see photograph back page). It was rehabilitated with the South African Bitou Bush that quickly dominated the sparse native vegetation. The area became progressively littered with rubbish waste and old car bodies.

### REZONED BY FORMER COUNCIL

The area, including Seaside City, was rezoned for a mix of tourism and residential development in 1988 to 1989. The Tweed LEP allowed for development with consent on this land subject to regulation relating to coastal protection, beach set-backs, dune protection, building heights and revegetation.

### YOUR CONTRIBUTIONS PROTECTED

Had Council opposed these developments, using ratepayer funds to fight them in court, it might have ended up like Byron Shire - in dire financial straights. Instead, the Tweed Council has been able to extract sufficient contributions from the developers to enable Council to improve roads and other infrastructure in the Tweed Shire without increasing rates overall above the CPI. (See table of Community

*The contribution to the Tweed Coast economy by the TCV developments is significant. It has resulted in the creation of jobs and the provision of services to the community. The TCV developments have also resulted in the preservation of the natural environment and the creation of a beautiful coastal town. The TCV developments have also resulted in the creation of a beautiful coastal town. The TCV developments have also resulted in the creation of a beautiful coastal town.*



### ENVIRONMENTAL PROTECTION

In addition to the normal headwork charges and section 64 / 94 contributions for community infrastructure, developers were required to make an unprecedented level of environmental contributions for the public benefit. These resulted in the preservation of a large tract of bush land, embellishing a vegetated buffer zone along Cudgen Creek, and the largest foreshore rehabilitation works in NSW.

Because of this, Casuarina has won numerous awards for its master planning, architecture, environmental excellence and storm water drainage.

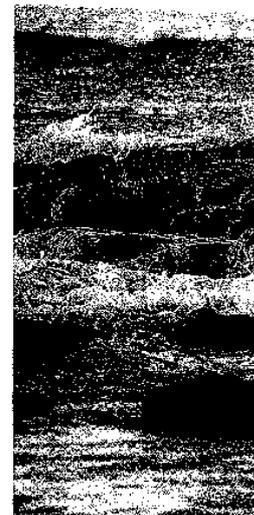
### IMPROVED PUBLIC ACCESS

The public can freely access and enjoy these beautiful beaches, a new Tweed Coast Road constructed by the developer, award-winning and tourist-attracting beach architecture, landscaped parks and open space embellished with public amenities, BBQ's and playgrounds. Over 37% of Casuarina's 168ha estate is dedicated to parks and open space. There are also 5.5 kilometres of magnificent cycleways/walkways and beachfront boardwalks. Another 3.5 kilometres will be added at Salt. The community benefit following from Casuarina and Salt are set out in table on page 3.



## Community benefits from appropriate development

| Tweed Coast Developments                                       | Casuarina    | Salt          | TOTAL         |
|--|--------------|---------------|---------------|
| Dedicated parks and open space area [Ha]                       | 63           | 12.6          | 75.6          |
| <b>Capex Costs</b>   | <b>\$m</b>   | <b>\$m</b>    | <b>\$m</b>    |
| Cost of dedication and embellishment of same                   | 13           | 5.125         | 18.125        |
| Public parking - Central beachfront & throughout               | 2.5          | 1.5           | 4             |
| New cycleways/walkways [total of 9km]                          | 0.75         | 0.5           | 1.25          |
| Restoration of the dune and creek foreshores                   | 5            | 2.5           | 7.5           |
| Landscaping works for beachside 7f zone                        | 1.1          | 0.7           | 1.8           |
| Construction of new Coast Road                                 | 2.3          | 1.8           | 4.1           |
| Upgrading of Cudgen Creek bridge                               |              | 0.3           | 0.3           |
| Construction of new sewer works and rising main                | 2.4          | 1.1           | 3.5           |
| Construction & manning of surf lifesaving facility             | n/a          | 1.6           | 1.6           |
| Contribution to Council for headworks, including Section 64/94 | 23           | 14.8          | 37.8          |
| <b>TOTAL</b>   | <b>50.05</b> | <b>29.925</b> | <b>79.975</b> |
| Total project costs including house constructions              | \$800m       | \$750m        | \$1,550m      |
| Expected annual revenue generated                              | n/a          | \$60-80m      | n/a           |
| Tourist resort rooms   | 300+         | 613           | 913           |
| Permanent jobs to be created in shire                          | 650+         | 500           | 1150+         |
| Conference facilities (people)                                 |              | 800           |               |
| Contributions to charity                                       | \$235,000    |               |               |
| Casuarina Ocean Festivals                                      | \$402,000    |               |               |



### *Casuarina Beach accords with the Local Environmental Plan Re development at Casuarina has...*

- Transformed a neglected sand mining site that was rezoned for its present use over 14 years ago.
- Provided the Tweed with its first master-planned village.
- Put the Tweed Coast on the map, opening it up to tourism
- Provided much-needed employment on the Tweed, boosting the local economy
- Been of enormous financial benefit to Tweed ratepayers.

We have no affiliation with or vested interest in Casuarina Beach whatsoever. Yet we make no apology for our enthusiasm for this world-class, master-planned village. It will be a hard act to follow, but the stated aim of Salt is to develop the best seaside village in Australia.

It has already surpassed Casuarina in that it has secured the commitment to build two international standard hotel resorts - Outrigger and Peppers, with both of them operational by 2005.

We will be looking for even greater environmental enhancement at Salt with parks, more public access and revegetation. We look forward to seeing even more innovative eco-friendly features, perhaps even some rooftop vegetation.

We think the Cudgen Creek Bridge into Kingscliff should be replaced, rather than upgraded, by a longer single-span structure in order to improve creek flows and water quality. Unlike some conservation groups, we accept that progressive development is inevitable, and believe that a cooperative and responsible approach can achieve positive outcomes for both the environment and the local economy.

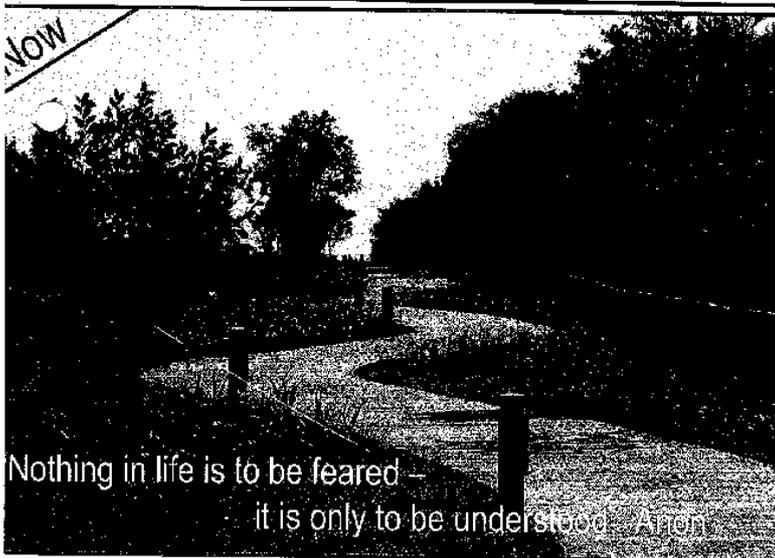
## Yesterday's disaster is today's revival



THE DAILY NEWS, FRIDAY NOVEMBER 26, 1965

### TWEED SHIRE COUNCIL

Congratulates N.S.W Rutile Mining Co. Pty Ltd., for 25 years successful operation. This company has always displayed a willingness to consider the welfare of the district, and to cooperate with local and central government. By selling its products overseas, N.S.W Rutile Mining Co. Pty Ltd. has brought new money into the district, has created employment opportunities, and is making a valuable contribution to the economy of Tweed Shire.



OUR NEXT EDITION ... The agricultural decline, what can we do? Good planning, have your say! Saving the environment, it's everyone's business! Zonings, how can you protect your interests?

### PEP RESPONDING ... WE'RE LISTENING

Address: Tweed Community Vision, PO Box 6517 Tweed Heads South, NSW 2486  
 Call: wecalland6@btinternet.com.au

## THE DOP'S TWEED PULSE



Dr. Weston Allen  
PRESIDENT

TCV is delighted with the public response to the first edition of our newsletter and pleased to welcome an influx of new members. We know that residents share our passion for the Tweed and are hungry for accurate information upon which to make informed decisions.

Up and down the eastern seaboard of Australia, all coastal communities are under pressure and are debating the same issues. The rationale for creating TCV is not just to balance these debates, it is to counter misinformation and myth with the facts.

My colleagues and I celebrate the natural beauty of the Tweed and believe that it will be to the Tweed community's benefit to share it with others, appropriately.

That means striking the correct balance between growth and green values.

Development and the environment are not irreconcilable priorities. We welcome the new breed of developers who embrace the environment and sound environmental issues with a passion. We can create prosperity and still enjoy the best place in Australia to live, work and play.

TCV's aim is to unite our community to find common ground, to create a true harmony between ecology and the economy and above all to protect the essence of what makes the Tweed Australia's most desirable destination.

*We wish you all a safe and joyous festive season, and look forward to catching up with you again early in the new year.*

# Findings

# Findings

## 2.1

1. Funding and organisational structures devised for the “Balance Team” at the 1999 election introduced a fundamentally new approach to electioneering in the Tweed Shire. They provided a “model” that might be followed in subsequent elections, and a “model” that might be applied in Local Government elections in other parts of New South Wales.
2. The “model” was primarily shaped by one person. It had a very limited policy base. Its focus was on getting a pro-business group of Councillors elected. The lack of a strong and broad policy base is partly explained by the strong personal animosities that lay behind the organisation of the campaign.
3. The group of candidates supported by the TCSB/Domfor funding pool misled the community by promoting themselves as independents.
4. The success of the Balance Team in the 1999 election showed that one person, or one group, could engineer a successful result. In plain terms this “model” showed that, if sufficient resources were applied, one group, or even one person, could “buy” a council; “buy” in the sense that the Councillors elected with the help of funds provided by the person or group would be expected to follow certain principles or policies that the funding agent had proclaimed.
5. It is logical to assume that the greater the level of dependency of a candidate on such funds, the higher the level of expectation that once elected he or she would follow those principles or policies. In the 1999 election one person was responsible for the organisation of the winning team. There is no strong evidence that that person attempted to directly influence the policies or processes of the council. The significance of the “model” however is that there was no guarantee that in future elections in Tweed, or in any other council election where the “model” was applied, that the decision-making of a council would not be influenced directly by outside forces. The “model” opens the door for potential corruption of a council’s operations.
6. In the period following the 1999 elections, the Balance Team councillors, through their majority, had both advocated and demonstrated a commitment to sanction certain developments without regard to expert advice from council’s corporate body or from government departments.
7. This advocacy and commitment was to serve as the cornerstone of Tweed Directions’ fundraising for the 2004 elections.

## 2.2

1. The main individual funding source for the 2004 elections in Tweed Shire Council was a group called Tweed Directions. There are a number of features of the sourcing and use of Tweed Directions funds in the election that are unexplained.
2. By their actions those who were former Balance Team councillors and those who successfully stood as “Tweed Directions” candidates had similarly bound themselves to the interests of those who had donated to Tweed Directions.
3. So interwoven were their relationships that whether directly through their involvement in Tweed Directions, or indirectly through their donations, that this has inevitably given rise to conflicts of interests on the part of the councillors.
4. The declaration to the Electoral Funding Authority of New South Wales made by Tweed Directions after the 2004 election stated that it received donations of \$341, 199 and that its electoral expenditure was \$342,980.74. These sums are not reconciled in the detail (Annexure B) of the Tweed Directions declaration.
5. The Tweed Directions declaration shows that \$163, 900 was allocated to nine groups of candidates in the election. This was the single largest donation to individual candidates made in the 2004 Local Government elections.
6. Tweed Directions ran a campaign of its own that was parallel to the campaigns of candidates it had funded. If all of its funds left after it had allocated money to the candidates were used on the parallel campaign its cost would have amounted to \$177,299.
7. Apart from donations to the candidates, Tweed Directions declared that it had spent \$342,980.74 on its own electoral expending. The detailed itemisation of that expenditure only accounts for \$307,136.29. In all then, amounts between \$143,100 and \$165,681.74 greater than the \$177,299 left after candidates received their funding might have been expended. There is no indication of where this money came from.
8. If the large sums that have not been accounted for were actually spent on the Tweed Directions campaign it would mean that the group expended between \$467,238 and \$632, 970 on the Tweed Shire Council 2004 election. This would represent the largest sum ever expended on a rural Shire election, and certainly the largest sum ever expended by one group. If its stated sum of \$342,980.74 were correct, it would still be the largest sum expended by one group on a single council election in New South Wales. The discrepancies in the accounts of the Tweed Directions declaration to the Electoral Funding

Office of New South Wales are of such magnitude, and leave so much unexplained, that they have been referred to the Independent Commission Against Corruption for investigation.

9. The total expenditure of the nine groups supported by Tweed Directions was \$199,150. This was \$36,883 larger than the total spending of *all* candidates in the 1999 elections, and 2.4 times greater than the nine groups of candidates in 2004 that did not receive Tweed Directions support. 87.3% of the funds expended by the nine Tweed Directions groups came from Tweed Directions itself.
10. 98.4% of the funds garnered by Tweed Directions came from donations by groups of organisations that were either developer groups or were in other sectors of the property industry. Each of the developer groups involved had had, still had, or would have in the future substantial developments in Tweed Shire. Despite protestations to the contrary, the large donations of the developers appear to have constituted a kind of insurance policy based on keeping a pro-development council in power.
11. The largest geographical source of funds (42%) was Queensland. Only 29.5% of funds came from the Shire itself, but 74% of those funds came out of the companies of just one donor. The remainder of the funds came from other parts of New South Wales, and Victoria.
12. Tweed Directions representatives, in either written submissions to the Inquiry or in appearances at the Public Hearings, were deliberately vague about details of when and how the organisation was founded, its structure, and its methods of raising funds. There appeared to be a deliberate strategy of not revealing such information.
13. Tweed Directions had not been any more forthright with the Tweed community over the six months it operated leading to the March 27 2004 elections. A strategy of deliberately keeping such details was followed, it seems, because if its funding base and its operational structures were known to the public, it would be counter-productive to its aims.
14. The central aim of Tweed Directions was to get a pro-business council in place. Since Tweed Directions' funding almost entirely came from developers and property interests, pro-business may be interpreted as pro-development.
15. Tweed Directions was primarily responsible for creating, managing and funding the bulk of the pro-development electoral campaign.
16. The pro-development candidates from the 1999-2004 council formed the basis of the Tweed Development team. Other candidates recruited and selected to

join the team were vetted through a process organised and overseen by Tweed Directions.

17. Effectively, Tweed Directions put together a single team through organisational structures, funding, strategies and practical support. Everything from the day-to-day running of the campaign, to when candidates announced their candidature, to the presentation of campaign material, to expenditure needs, were organised through Tweed Directions.
18. The 2004 election was introducing a new form of ballot paper and a new form of voting. Tweed Directions decided that its team should be organised in groups. Nine groups were created with the aim of maximizing the chances of the group leaders being elected on the basis of preference shares. They installed a mandatory system of allocating preferences between the nine groups.
19. Tweed Directions did not attempt to define for itself a broad policy agenda. Its pragmatic approach was to define its goal, and leave each individual group to put forward policies. Its goal was simple: to get a pro-development council elected. As long as the policies of the groups supported that goal, they were free to indulge themselves in proclaiming their own policies.
20. Tweed Directions hired professional campaign experts from outside of Tweed Shire to manage the campaigns. Within the organisation itself, Paul Brinsmead<sup>1</sup>, appears to have been the chief strategist of the overall campaigns.
21. The critical feature of the Tweed Directions strategy was to have its nine groups present themselves to the community as being independent of each other, and of Tweed Directions. This strategy essentially represented a fraud deliberately foisted on the community.
22. The nine groups that received Tweed Directions funds, and were linked by their campaign support, were willing participants in the fraud. The group leaders were most guilty of this fraud. Other members of the groups appear to have had no great expectation of being elected, and knew little about the links between the groups and Tweed Directions.
23. The leaders of the nine groups were content to call themselves independent because they could design their policy agendas (details of which were of faint interest to Tweed Directions), and were allowed to make some (but not all) decisions about their campaigns. The Tweed Directions parallel campaign and their broad supervision of the groups was “the main game”. Beyond the group leaders, Tweed Directions were not particularly interested in how the members of each group fared. They were unlikely to get elected. The reality was that the groups were artifices designed out of electoral necessity. They

---

<sup>1</sup> A solicitor and developer, and the son of councillor Brinsmead.

were cogs of a bigger machine, upon whose money and directions their successful operations depended.

24. The machine included third party groups from within Tweed Shire's business community, who also played a role in Tweed Directions overall campaign.
25. The Tweed Directions central organising team promoted the idea that since candidates did not know the names of the donors, they could not be compromised by accepting funds from them. This is a nonsense proposition in the circumstances. The main growth industry in Tweed Shire was property development. The essential thrust of Tweed Directions was to ensure that a council similar to the 1999-2004 council would be elected. Such a council would carry on with the policies of the 1999-2004 council. The 1999-2004 council had placed a priority on attracting investment in property (and in related tourism) developments. The candidates must have known that it was a very strong likelihood that the funds going into the Tweed Directions pool came from such industries. The creator of Tweed Directions was a developer. Many people from the Tweed Shire business community were involved in sourcing funds from developers on behalf of Tweed Directions. The Shire's business community is not very large. The Tweed development/property industry is also not that large in terms of the number of firms centrally involved. The number of developers who came from outside the area were also limited in numbers, and were well known to both Councillors and the business community. Candidates may, not have known the precise groups involved in providing funds, and the amounts they donated. But, there can be little doubt that the broad structure of the funding base was recognised and understood by Councillors and group leaders.
26. The mere acceptance of funds from Tweed Directions placed candidates in a position of having implicit obligations to the donors' industries, if not to the individual donors. Moreover, the names of the donors were going to be revealed after the election. They would be public knowledge. One of the chief roles of a Councillor (and for the property industry the chief role) was the exercise of their planning powers and their management of the approval processes. Their acceptance of funds that came from developers would hopelessly compromise their position in the eyes of many in the community.
27. The evidence provided to the Inquiry demonstrated that the Councillors had a very poor understanding of what constituted a conflict of interest. By accepting electoral funds garnered from developers, the Councillors placed themselves in a potential position of repeatedly having to face conflicts of interest. Since each of the Councillors who were elected from the Tweed Directions team had the same problem of conflict of interest, and since they held a majority in the new council, it suggested that the Councillors who had not accepted developers' funds could only make the decision-making on many developments. Since the developments that might cause a conflict of interest

were likely to be large and contentious, this was a recipe for a dysfunctional council.

28. According to the strategy devised by the Tweed Directions organising committees, the nine groups that were part of their team were to present a positive campaign to the electorate. The Tweed Directions parallel campaign (assisted by other third party groups) would institute a negative campaign attacking candidates who were not part of the Tweed Directions team. This immediately further divided an already divided community and, just as inevitably, led to the likelihood of a divided council. The preconditions for conflict and poor governance outcomes in the new council were set.
29. Before the elections, polling by Tweed Directions indicated that its team would battle to secure a victory in the election. It came, but by the slimmest of margins. It was a victory achieved by the might of huge resources assembled by Tweed Directions. It was a victory that promised to benefit the donors that supplied the financial base that had made it possible. It was a victory that built on the lessons of the Bedser campaign of 1999. It showed that the model that the Bedser campaign had pioneered could be repeated and refined. The refinements included the purposeful hiding of the identities of groups that had funded the campaign (at least until five months after the election) from the community. It was a victory wherein the future of the local community was decided by the interests and money of predominantly outside entities. Most significantly, it was a victory based on a concerted campaign to hide the details of the operations membership and structures of Tweed Directions, and the nature of Tweed Directions association with the groups they had formed. Crucially, the community was not to know that Tweed Directions had been instrumental in forming the groups. It was a victory that showed that the various regulations of the Electoral Commission and the Department of Local Government in relation to Local Government elections were incapable of stopping the determined efforts of entities who might see a substantial benefit in determining the make up of a Local Government body.
30. Candidates belonging to the Tweed Directions team advertised themselves as independents, and they were not. Their claims of independence during the campaign were loud and persistent. Their claims were manifestly false. The nine groups who presented themselves as Independents were captive to the well resourced, de facto political machine that was Tweed Directions. Each of the candidates owed their candidacies, directly or indirectly, to Tweed Directions. The fact was that Tweed Directions had formed a team made up of linked groups. The vehicle for getting candidates of the team elected was the design of the preference spill between the groups. The fact that the system of groups itself, and the system of preference flows, were designed by Tweed Directions irrepressibly pulled the “independents” into a united whole. The formation of the team went beyond the structuring of preference flows. It was

a team primarily defined by the fact that Tweed Directions funds allowed them to outflank most of their opposition in media exposure and other aspects of campaigning. It was a team that benefited by a very substantial campaign that ran parallel to, and in support of, the individual campaigns of each group. The parallel campaign had larger and unrestrained funds that were greater in volume than those of the collective groups. The groups belonged to an organisation that saw itself as a de facto political organisation. The team belonged to the organisation, not in the sense of being recognised members of the association, but by being tools that could achieve the association's ends. The groups could not but have recognised their position within the system. They, nevertheless, still insisted on their independence and indeed trumpeted it to the community. Some insisted that they were independents because they were not endorsed by, or stood as, representatives of major political parties.<sup>2</sup> What they would not recognise was that they had become a team that promised to develop a new form of local politics. The team was as cohesive in its concept as any team that might stand for Local Government backed by a registered political party. The insidious feature of the venture was that the community were falsely led to believe that there was no team, no de facto political organisation. Of the latter, the community only received the most shadowy information of its existence, structure, funding, and goals. The model created in Tweed Shire had the potential to be used across the whole state, and so instituting a new political element into Local Government. Whilst the controlling force (Tweed Directions) remained hidden in many ways from the public eye, the transparency of the election process was removed. The charade of independence practiced by the Tweed groups distorted the electoral process by the pretence of being independent, community groups. Their existence in reality depended on their belonging to a team that was organised by an entity that had received most of its funds, and recruited a large part of its management base, from firms based outside of the Tweed. The "Local" in Local Government was being removed. By presenting themselves as Independents, the groups distorted the community's understanding of their real status and purpose. Effectively they lied to the community. Somewhat alarmingly, some members of the groups might have genuinely convinced themselves that they were independents. The successful candidates were elected under false pretences, based on a deliberate misrepresentation of the reality of their status.

31. Such is the extent of these conflicts, that the "Tweed Directions" Councillors are unlikely to be able to usefully fulfil their role, particularly the exercise of their determinative role under the Environmental Planning and Assessment Act.
32. The integrity of the "Tweed Directions" Councillors is so undermined that the public can no longer have confidence that they can and will carry out their duties and functions to the standards expected of them.

---

<sup>2</sup> In fact, many were or had been members of political parties.

SECTION 4

---

## Other Matters Considered by the Inquiry

# Other Matters Considered by the Inquiry

## 4.1 Issues Concerning Planning and Development Processes

In the 1999 elections Councillors Beck, Brinsmead, Davidson, Lawrie, Marshall, Polglase and Youngblutt had benefited from funding generated by Mr. Bedser. To a large degree they had based their candidature on a claim that they would bring the local area out of its economic stagnation by encouraging development.

The first Mayor of the new council elected in 1999 (Councillor Beck), and the Deputy Mayor (Councillor Brinsmead) were both vocal proponents of development after gaining office. They were both highly critical of the planning restrictions that they believed were a hindrance to their aim of using property development to accelerate economic growth. The planning restrictions to which they objected were in fact the standard instruments used across the state and defined generally by the Environment Planning and Assessment Act and the various State Environment Planning Policies (SEPP) promulgated by what was then called the Department of Urban and Regional Planning. The Balance Team in general, and Councillor Brinsmead in particular, personalised their dissatisfaction with the planning regime. The Director of Development Services, David Broyd, was a particular target in that he, at times, brought before the council recommendations from the professional officers that did not accord with the ideas of some of the Balance Team Councillors. In Section 2 it was noted that Mr. Bedser's motivation for providing funds for the 1999 election was partly based on his desire to change the administrative structure of the council. Mr. Bedser had a particular focus on the perceived failings of the staff that dealt with planning and development applications.

The Balance Team's main goal, of using development as a means of promoting economic growth, is not in any way being assessed by the Inquiry. It was a perfectly legitimate goal. What is of interest to the Inquiry is the effects that pursuit of that goal might have had on the governance of the council, and whether or not due process was followed. It necessarily involves a consideration of the Councillors roles and actions in relation to planning and development issues, since the main focus of the Balance Team was to promote growth through development. Since at least some of the Balance Team Councillors attributed what they viewed as weaknesses in the planning/development application area to staff, the fulfillment of the way in which the separation of powers between elected representatives and the staff (as defined by Chapter 9 Part 2 and Chapter 11 of the Act) is of interest to the Inquiry.

The pursuit of a goal of encouraging investment in property development in Tweed Shire by the Balance Team clearly resonated with developers. Their appreciation of that policy direction was such that they were prepared to contribute hundreds of thousands of dollars to try and ensure that the council following the 2004 election would pursue such policies. The provision of large sums by developers, through Tweed Directions, implicitly

engaged the Tweed Directions Councillors to follow the directions chartered by the previous council. The actions of Councillors in respect of planning and development processes the period 1999-2000 are therefore of great relevance to the Inquiry.

It should also be noted that the success of the 1999-2004 council, in the eyes of the developers, fundamentally changed the nature of the funding model pioneered in the 1999 election.

First, the large quantum of funds provided was overwhelmingly sourced from developers in the 2004 election. In the 1999 election funds were primarily sourced through a range of local Tweed businesses, and the quantum was much smaller. The Councillors that had received funds from the Bedser pool knew that firms or individuals from the property sector had not especially donated them. They could champion the cause of increased levels of development investment without any sense of conflicts of interest arising from their accepting campaign donations.

Second, most the Tweed Directions candidates in 2004 received virtually their entire campaign funding from the pool of developers' donations. The likelihood of conflicts of interest accordingly grew in relation to planning and development process matters. The closeness of Councillors to developers was inevitably much closer because of their dependence on developer funds in the 2004 election campaign. Whether or not the Councillors actually had direct dealings with developers after the election is largely irrelevant. The developers expected the new council to follow the processes adopted by the previous council. If those processes were in any way flawed, and they were followed by the new council, the impacts on the good governance of the council would be magnified.

The platform of the Balance Team in the 1999-2004 council aimed directly at developers, and in the period after their election their actions in council clearly promoted the perceived interests of developers and their proposals. The prima facie evidence suggests that in many instances they were to promote these activities with scant or total disregard to the requirements of the EP&A Act, the Act and to the principles of good governance, such as those enshrined in codes of conduct, recognition of conflicts of interest and the like (these issues are pursued in depth in the Inquiry's second report). Their actions would provide clear signals to existing and prospective developers.

In the period following the 1999 election, and in the short period between the 2004 and the announcement of this Inquiry, there is prima facie evidence that the council's decisions were marked by nepotism and favoritism.

The following matters provide instances of this behaviour.

### **Nor Nor East**

1999 - 2004

In July 2002 Resort Corporation Pty Ltd, a company headed by the son and son-in-law of Councillor Brinsmead, applied for consent to develop a mixed Retail/Commercial and Multi-Dwelling Housing development at 32-34 Marine Parade Kingscliff.

The local community expressed considerable concern regarding the proposal.

When council staff reviewed the application, they formed the view that the application was an over-development of the site, which did not comply with a number of council's codes, including set backs and height.

Following the concerns raised by council's staff, the applicant indicated that it would move to substantially alter the application.

In March 2003 the applicant amended the residential component of its application to "Tourist Accommodation".

Members of the local community again expressed their concern that through its height, its intensity, its lack of parking, poor access and for other reasons, the development was inappropriate. It was also argued that the amendment was so significant that it was impermissible. Relevantly, the amendment to the original application had been made after the introduction of SEPP71. Given the nature of the amended application, council's capacity to entertain the application was questionable.

On 18 June 2003 the council, on a majority vote of Councillors Polglase, Beck, Davidson, Lawrie, Marshall and Youngblutt gave its consent to the application. Prior to this vote being taken, Councillors Luff and Boyd had unsuccessfully attempted to defer consideration of the matter pending, inter-alia, clarification of the height of the building.

In granting approval the Councillors failed to determine a SEPP1 objection. This failure may have given rise to an invalid consent.

Upon being advised of the consent PlanningNSW wrote to the council expressing its concerns over the consent, questioning why Councillors "chose to reduce the height of the building by only 0.5 metres Instead (sic.) of the 1.2 metre reduction recommended by Council's planners."

When granting consent, the majority Councillors ignored a recommendation that the conditions of consent contain an express condition requiring that the units were not to be used for permanent residential occupation. The report had also anticipated that this condition would be supported by a covenant on each title. Similarly, this was ignored.

The approval of the application as a mixed commercial/tourist development had resulted in a saving of \$33,990.61 for the developers in section 64 and 94 contributions. This represented a saving of over 50%. The consent did not contain conditions that would emphasise the nature of the permitted use.

In their consultation with the local community, Resort Corporation Pty Ltd had represented that there would not be any intrusions above the nominated height of the building through lift over-runs and the like.

Less than 3 months after council gave its consent to the application, Resort Corporation Pty Ltd made an application under section 96 of the EP&A Act to modify the consent. The application anticipated a number of significant internal changes that would facilitate placing kitchen exhaust facilities on the roof and other penetrations, a lift over-run and some minor amendments to the conditions of consent to give them efficacy and a substantial reduction on the car parking available within the site. Interestingly, no restaurant had been anticipated in the original application.

The majority Councillors took the opportunity to allow further reductions in the section 68 and 94 contributions payable, even though the applicant does not appear to have sought a reduction in these contributions. The majority Councillors also voted to permit an increase in the height of the building to allow an additional 1.5 metres to allow for lift over run, vent pipes, toilet exhaust fans or car park exhaust fans, in terms beyond that anticipated by the applicant.

In February 2005 the council considered a further section 96 application. While the report to the council suggested a design error regarding the access driveway, the application had been brought to legitimise otherwise illegal works that had been carried out by the developer. Relevantly, the application sought that the width of the driveway be reduced from 6 metres to the constructed width of 4 metres. This reduced width would not allow vehicles to pass in opposite directions.

The minority councilors, while supporting the variation sought that the council pursue legal action for the unauthorised works. The majority Councillors used their numbers to vote down this resolution.

### **Lorna Street Kingscliff**

Richtech Pty Ltd is the majority owner of land in the Seaside City estate and has long sought to develop it. Such was the vehement support of the majority Councillors for the development of these lands that they instigated the complaint that led to the section 430<sup>1</sup> investigation carried out by Mr Robert Bulford in 2002.

Prior to the Bulford Report the council had instigated the studies that would lead to a local environment plan for the land. One of the consequences of the report was to require that the studies underlying the plan be reviewed and, so far as necessary, be undertaken in an appropriate manner. Delays associated with this process have delayed any possible subdivision of this land.

---

<sup>1</sup> A Section 430 of the Act gives the Director General of Local Government the power to instigate an investigation of particular matters applying to a council.

Those majority Councillors, who formed part of the earlier council, are strident in their criticism of both Mr Bulford and his report. Conversely such Councillors appear to have gone out of their way to promote the interests of Richtech Pty Ltd.

On 5 November 2003 the council was asked to comment on an application by Richtech Pty Ltd being considered by DIPNR as “State Significant” development. The report to council considered the history of the land, referring to council’s earlier resolution to prepare a draft local environment plan for the estate, and recommended that the applications not be supported, and further that the council provide a submission in the terms of the report provided to the council.

Councillors Beck and Lawrie, with the apparent support of Councillor Youngblutt unsuccessfully proposed that council, inter-alia, support approval of the applications. Richtech Pty Ltd was later to become a major donor to the Tweed Directions campaign. Mr Wilson, who described his role as a consultant to Richtech Pty Ltd gave the following evidence at the public hearings.

MR BROAD: *Were you involved with Tweed Directions in the lead up to the last local government elections in Tweed?*

MR WILSON: *I did attend a meeting that they had, so to that extent, I was involved.*

MR BROAD: *Did you, at any stage, make any approaches on behalf of Tweed Directions to Richtech for a donation to Tweed Directions?*

MR WILSON: *I passed on a request that was made of me to contribute a sum of money to a fund, which was intended to support pro-business candidates for the forthcoming election. And so I passed on that request for some funding.*

MR BROAD: *Who did you pass that on to?*

MR WILSON: *I passed that on to our board of directors.*

MR BROAD: *When you passed the request on to the Board, did you make any recommendation?*

MR WILSON: *I probably did, yes.*

MR BROAD: *Do you recall what it was?*

MR WILSON: *Well, I think it was inclined to be a bit neutral. It certainly wasn't a strong recommendation to contribute significant funds. It was inclined to be a bit neutral, but I put the case, it was - - -*

MR BROAD: *Well, did you put both sides of the argument? Did you put a case in favour - - -*

MR WILSON: *Yes, I did.*

MR BROAD: *- - - of contributing?*

MR WILSON: *Yes.*

MR BROAD: *And what was the case you put in favour of contributing?*

MR WILSON: *Well, the case that I put in favour was that my understanding is that this group were a bit like the fundraising organisation that assist the churches and assist the service clubs and so on and that they employ people who do that as a profession and they raise money that wouldn't have been otherwise raised, and for the purpose of – whatever their purpose was. And the purpose - - -*

MR BROAD: *And the purpose was to secure the election of a number of pro-development councillors, wasn't it?*

MR WILSON: *Well, I would say "pro business". The - they – the purpose was to, as I understood it - was to promote the - a certain number of pro-business candidates, to mount a campaign to, hopefully, have the result of a Council that was prepared to be pro-business and give business a go. That's, in essence, my understanding of what they were about.*

MR BROAD: *You said you put both sides of the argument. What was the contrary argument?*

MR WILSON: *Well, the contrary argument is that the money that's contributed is not tax deductible. It has to be reported and so those people who have an objective that's the opposite to the pro-business objective, then there's a reasonable prospect that the company would be held up to ridicule. So that was the opposite side of the argument.*

MR BROAD: *Why would the company be held up to ridicule?*

MR WILSON: *I don't know whether you've read the local paper, but - - -*

MR BROAD: *No, no. You reported, at the time that there was a prospect that the company could be held up to ridicule. That was at the time you put a proposition to Richtech to subscribe.*

MR WILSON: *My comment was that after the election is finished - - -*

MR BROAD: *After this and other events occurred - - -*

MR WILSON: *Excuse me. Excuse me. After the election - my point was that after the election is over, there's a statutory requirement that all donations have to be reported and made public and the fear that I had was that Richtech would be held to ridicule by the anti-business lobby, if you like, because they were not anti-business.*

The land is currently zoned 2(f), anticipating mixed tourism and residential use. Under this zoning the extent residential yield is effectively governed by the intensity of the tourist use that can be established. The landowners have been seeking that the land be re-zoned for residential use. The potential lot yield from such re-zoning is significant.

The re-zoning process has been stalled by the outcomes referred to earlier in this part. Fundamental to the development opportunities associated with Seaside City is the continued support of councillors within the council to push forward a favourable result.

### **Kings Forest**

Kings Forest is another property that held the interest of the majority Councillors in the period from 1999 to 2004. Again, the support of the majority Councillors for the development of these lands was such that they instigated the complaint that led to the section 430 investigation carried out by Mr Robert Bulford.

The Bulford Report indicates a view held by Mr Broyd, council's former Director of Development Services, that it is one of the most important sites in coastal New South Wales. It contains an area of just over 1100ha.

Leda Holdings Pty Ltd, or a company associated with the Leda group is now the owner of this land, having acquired it from Narui Gold Coast Pty Ltd, although there are some claims being pursued by another company arising from the dealings of Narui's former representative Mr Barr.

In 1999 the council went about the processes necessary to draft a local environment plan for the land and appointed consultants to undertake a local environment study. Councillor Brinsmead was strident in his criticism of the processes that council staff pursued following the appointment of the consultant. His role was clearly an endeavour to undermine the staff.

Councillor Brinsmead has demonstrated a particular interest in this estate, far beyond that which might be expected of a Councillor.

During the Public Hearings the Inquiry heard evidence that concerns had been raised about clearing practices undertaken on the land. Interestingly, Councillor Brinsmead was to become involved.

Mr Hopkins gave evidence to the inquiry regarding clearing at Kings Forest and of an attempt by a local group to view the work:

MR BROAD: *Yes. In your submission in paragraph 2 you state: Tweed Shire Council is lax in prosecuting developers for wilful unauthorised clearing and/or protecting native vegetation from accidental clearing.*

*Are there circumstances that your group has seen where it can say, "Yes, we believe with some level of certainty there has been wilful unauthorised clearing"? Do you - have you seen instances where - - -*

MR HOPKINS: *Yes, I believe that King's Forest has a long history of deliberate clearing. Specially heath land, which is mown very regularly for no apparent purpose. And I think the main purpose is to degrade the site so that it has less environmental value.*

MR BROAD: *And has that been occurring over a short period, or a longer period? Or what sort of period?*

MR HOPKINS: *I think it has been occurring over a long period of time. And - - -*

MR BROAD: *Can you give some parameters for that?*

MR HOPKINS: *Well, it happened in the days of Narui Norren, who were the previous owners to the current ones.*

MR BROAD: *Has it occurred more recently?*

MR HOPKINS: *Has it occurred - very - quite recently, since Leader (sic. Leda) Development bought the property. And there's now an injunction over part of that property for creek side clearing. And there's been quite recent argument about whether the interim protection order should be extended, and whether it should apply to the northern part of the site as well as the southern part of the site.*

MR BROAD: *Did the council secure that injunction?*

MR HOPKINS: *No - well, I think they did, actually. Yes. But it was largely the effort of Henry James.*

MR HOPKINS: *Well, I should say that a lot of these places are hard to view. And we had a run-in with Councillor Brinsmead on the King's Forest site, where we were trying to see what the damage that was being done was. And - - -*

MR BROAD: *What was - - -*

MR HOPKINS: *- - - Councillor Brinsmead arrived with the police to order us off the site. But we were actually on a public road.*

Councillor Brinsmead was to give the following account of the event and his reasons for

becoming involved:

MR BROAD: ... *The inquiry has heard evidence in respect of a group who were concerned about some potentially environmental damage in the Kings Forest area and their evidence was that they proceeded down this road and they were met with the developer's representative and that shortly after you attended. Do you have any recollection of that matter?*

CR BRINSMEAD: *Yes. I heard it and I was - must confess I was a little amused by the anecdotal recounting of it by Mr Hopkins.*

MR BROAD: *I can't recall the gentleman's name.*

CR BRINSMEAD: *Yes, there was - this goes back several years.*

MR BROAD: *How long ago?*

CR BRINSMEAD: *I would say, it would be four or five years ago. There was a protest march. I don't want to misrepresent the group but it was more of a march.*

MR BROAD: *What I am more interested in - - -*

CR BRINSMEAD: *I suppose there was about 30 people there. I don't know whether there were placards. I think - I heard plenty of slogans and there was a - what do you call it - an easement road going around this certain edge of Kings Forest. Now, the project manager of Kings Forest had been for some time disturbed by and upset by unauthorised entrance of his property - of the Narui property and he had written letters and made certain representations to try and stop it because he needed that - the security that he was - and was able to secure his principles (sic) in Japan that he was looking after it. Now he was disturbed, apparently he was disturbed that people were in this march straying onto, again trespassing on the property. So he phoned me up and said, I just want you to come down and see what's going on. So I can see first hand that his property was being invaded and he was upset.*

MR BROAD: *So what were you, a witness?*

CR BRINSMEAD: *Well, I just come - because I'm a neighbour nearby. I'm the nearest Councillor nearby. So, I went down there and I don't know whether I arrived first or the Police arrived. I had nothing to do with the Police arriving.*

MR BROAD: *What role - - -*

CR BRINSMEAD: *Apparently the Police had been notified as well. I don't know how they got there. I didn't say anything. All I did is observe - the sergeant got out of the vehicle and he asked the - addressed the group. He told them they were at liberty to stay on the road but they were not at liberty to transgress or to trespass on the property.*

MR BROAD: *Or to trespass into his property - yes, that's - - -*

CR BRINSMEAD: *And I heard him distinctly say, because it was a sort of a memorable one, like memorable one-liner that was hard to forget. He shook his finger towards Councillor James and said, "Henry, if I see you trespassing on this property - if I catch you on this property I will throw you in this paddy wagon and take you away." Now, it was peaceful, they were good humoured. I never observed - they didn't go on the property again. They weren't trespassing and that's all there was. There was nothing too exciting about it. Nothing to - you know, to write home about.*

MR BROAD: *You just said, you were the closest Councillor living to the property. What role would you have as a Councillor in respect of this matter.*

CR BRINSMEAD: *Well, I brought it to the attention of Council one time, in internal Council because the role I had there was nil. But I was in the position that if this didn't settle down if there was some disturbance I could report to my fellow Councillors, this is what I saw.*

MR BROAD: *What would be their role then? But what would be their role? This is a trespass.*

CR BRINSMEAD: *Pardon?*

MR BROAD: *What you are talking about is a group of protesters who were walking along a road reserve, who if they'd stepped off the road reserve, could have caused a trespass.*

CR BRINSMEAD: *Yes.*

MR BROAD: *Now under New South Wales law, a trespass can be dealt with by the Police. That's true and that's why the police officer was there?*

CR BRINSMEAD: *Yes.*

MR BROAD: *And that's why he threatened Councillor James? Or alternatively, the landowner could bring a civil action for trespass.*

CR BRINSMEAD: *Yes.*

MR BROAD: *What possible role would the Council have?*

CR BRINSMEAD: *Well, Kings Forest is an important property. It's part of the strategic plan of the Tweed. Why shouldn't I be involved. If I want to go down there to look, the same way as I - if I have a lady phones me up and says my drain is plugged up*

*and the Council is not looking after my drain, maybe I'd go up there and have a look at the drain.*

*MR BROAD: But Council doesn't have an oversight in respect of a private property, does it to see if someone is trespassing?*

*CR BRINSMEAD: I wasn't there to be a policeman. I wasn't there to be an oversight.*

*MR BROAD: But you said you'd possibly report to Council about it.*

*CR BRINSMEAD: Oh, I would report to Council if there was further conflict in respect - if there was further conflict in respect to issues relating to Kings' Forest. Nothing further come of it so I said nothing.*

*MR BROAD: What possible issues would relate to King's Forest by people going down there and protesting?*

*CR BRINSMEAD: The issue was not going along the passage of the road but straying onto the King's Forest property. That was - - -*

*MR BROAD: But, that can only ever be a private right or a criminal right, a police right. Now, what possible interest does the Council have in a bunch of people straying off a road on a private property?*

*CR BRINSMEAD: Well, the same as - look, if there's a protest meeting down there and there's been a protest meeting on lot 490 and if people, a group of people get down there with a group of placards, I may go down there to have a look to see what's going on and I may not. It's just a privilege. I see it as a privilege and a right. Honestly, I can't see what you see in the issue in it. It's - - -*

*MR BROAD: Well, I'm just trying to ascertain - - -*

*CR BRINSMEAD: I don't see what you're trying to - I mean, it's, it's - - -*

*MR BROAD: Well, give me the opportunity to ask the question and I'll do so. I'm trying to ascertain what possible Council interest could be involved in this activity?*

*CR BRINSMEAD: Well, I'm interested - if I want to go and see a public protest, that's my right as a Councillor, whether it's on lot 490 or anywhere Sir.*

The Department of Environment and Conservation provided a submission to the Inquiry outlining their concerns regarding the manner in which the council has performed its functions under the EP&A Act and other legislation. Amongst these concerns was a failure by council to take steps to stop illegal clearing of the Kings Forest site.

The Department of Environment and Conservation's submission spoke of its numerous submissions to both council and to Leda identifying the natural, scientific and cultural values of the land; advising the land was subject to unauthorised clearing, including clearing of threatened species and their habitats when owned by Narui. The department advised that it had issued Interim Protection Orders to prevent further clearing until the draft local environment plan could be finalised. Further, that despite this, the department had become aware of further actions involving draining of sensitive wetlands and the clearing of threatened species habitat.

The department's letter suggested delays on the part of the council in dealing with their concerns. Mr Allen gave the following evidence:

MR BROAD: *Instances where your Department has become concerned about unauthorised clearing, can you give some examples again?*

MR ALLEN: *One example is the Kings Forest property, which covers an area of almost 900 hectares. On that property, there has been clearing, including recent draining of a SEP 14 wetland.*

MR BROAD: *That is more than just clearing, isn't it?*

MR ALLEN: *Yes.*

MR BROAD: *What sort of works were involved?*

MR ALLEN: *Tree removal of up to approximately 80 or over trees, native trees, as well as - - -*

MR BROAD: *To what sort of diameter?*

MR ALLEN: *Up to, I would say probably 60 centimetres, about so, in diameter.*

MR BROAD: *And your inspections, did that indicate that they had been deliberately removed; in other words, had they been cut down or perhaps knocked down.*

MR ALLEN: *Yes, they had been cut down. The concern that we have from our Department, which we are still investigating, has been threatened species habitat. However, the works were identified as - it was put to Council and it took a number of months to get - for the Council to finalise its investigations, but I understand the Council engaged a consultant to provide advice and it was - the Council resolved that the - although I don't think it was consensus - that the works were existing, were ancillary to existing and continuing uses on the land.*

MR BROAD: *You were saying that it is insensitive (sic. in sensitive) wetlands.*

MR ALLEN: *Yes.*

MR BROAD: *What sort of existing or ancillary use could be made of these wetlands?*

MR ALLEN: *The connection between - the way it was termed in the consultant report was that it was an ancillary use, and the connection that they had was the two key activities being undertaken on the property over the last - since the 1960s - were pine forestry activities through pine plantation, and grazing. And the annexure between the two is that - or the draining of the wetlands, that annexure is that it's draining the lands to make it more productive to facilitate forestry and grazing. So not specifically growing the trees on the - or grazing the cows in the wetlands themselves, but by putting a drain in you lower the water table and that means the adjacent lands aren't so sodden, and therefore, making more - - -*

MR BROAD: *So you effectively have a much wider spread than simply the area of the drain?*

MR ALLEN: *That's right. It's either - - -*

MR BROAD: *Now, the report you spoke about, was that a report obtained by the Council or was that a report provided by the owner?*

MR ALLEN: *I understand - I can't specifically answer that. My understanding was, yes, I am - I'm not too sure of the answer of that. It was either provided by the owner of the land to the Council as - I think - I think my understanding was the owner of the land was requested for that report for sometime prior to any works going on the land and what the situation was meant to be, and there was an agreement between our Department, the DEC, Council, and the land owner, there was an agreement that there would be no interim protection put - order put over the land, which is an order that our Department put over the land - - -*

MR BROAD: *Now, in respect of Council's response where unauthorised clearing has taken place, does the Department regard the Councillors having acted responsibly?*

MR ALLEN: *I would find that difficult to answer on behalf of the Department as such. Yes, I find that - - -*

MR BROAD: *Would you proffer your view?*

MR ALLEN: *The view of myself is I usually tackle, as in other Councils, to - I would normally prefer a co-ordinated approach, like a joint approach whereby we usually offer assistance to the Council and do joint investigations, and go down that line, and hopefully gain - basically do a joint investigation. For example, the Council, we might write a letter to the land owner. Council will - advising of the threatened species legislation and that this site might contain threatened species or Aboriginal sites, and we would seek the Council to write a joint letter advising them that it's breached the Local Environmental Plan, that these lands are environmentally sensitive*

*and go down that direction. So it varies from instance to instance, to answer your question.*

### **Kings Beach**

The Consolidated Properties Group Pty Ltd and Lenen Pty Ltd were the developers of Casuarina Beach ( Kings Beach). In December 1998, when approving stage 1 of the development of Kings Beach, the Land and Environment Court imposed conditions that required that a dune management plan be prepared to the satisfaction of council's Director Development Services. At the time that a plan was prepared and submitted to the council, Mr Broyd was council's Director Development Services. By virtue of the delegation provided by the Court, he was the person appointed to determine whether the plan was satisfactory.

On 19 January 2000 Mr Broyd reported to the council that the dune management plan was not satisfactory. Despite the terms of the delegation, Mr Broyd made a recommendation in his report that the council not accept the dune management plan.

Despite the determination and the recommendation of Mr Broyd the majority Councillors resolved that the council confirm its acceptance of the plan.

When subsequently advised, DLWC wrote to the council:

“The Dune management plan approved by the Council in January 2000 is not acceptable to the Department (DLWC).

A new Dune Management Plan should be prepared. It is recommended that the proponents and/or their consultants liaise with DLWC and Council staff to obtain detailed written criteria for the preparation of an acceptable Dune Management Plan.

DLWC seeks a consistent approach to dune management for all of Lot 500 between Kingscliff and Cabarita.”

### *Expo Park*

In late 2003 Expo Park Tweed Heads Pty Ltd and Calardu Tweed Heads Traders Way Pty Ltd lodged an application for the erection of a new light industrial development at Tweed Heads South. A principal of Expo Park was Alan Blundell. Mr Blundell was taking a major role in Tweed Directions, which was orchestrating and funding the campaigns of the “Balance Team” candidates.

Despite advices from the Director-General of the Department of Local Government that major or contentious developments should not be determined in the lead-up to the Local Government elections of 2004, the application was determined under delegation.

In the lead-up to the approval and subsequently, concerns were raised that the premises would be used for bulky goods retailing. Such use would contravene the approval. Other concerns were raised, including a lack of parking on-site and traffic generation.

The Mayor had been quoted as supporting the retail proposal and this issue was taken up with him at the public hearings. Mayor Polglase gave the following evidence:

MS ANNIS-BROWN: *Mayor Polglase, I'd just like to start by dealing with an issue, and that's a development called Expo Park, and that was put in by Mr Alan Blundell and Gerry Harvey. That development application was dealt with during Council's caretaker mode and that was before the results of the election had come through. I'm just wanting to take you through it, if I can, and that's in relation to a few comments that you were quoted as saying - and these are media articles in the Tweed Daily News, the first of which, and I just note for the record the application was received by Council in December 2004. On 9 January in 2004 the Tweed Daily News had quoted the developer as saying as follows:*

*Project spokesperson Terry Plant said the development would contain a mix of light industry, commercial and retail facilities. It will have a wide range of services. The philosophy is for a retail service centre, he said.*

*Were you aware of that article or that comment being made?*

MAYOR POLGLASE: *No, not really. I did make some comments later on about traffic issues. I'm aware of that.*

MS ANNIS-BROWN: *Yes, we'll come to that shortly, but you're not aware that those comments were made by the developer at that time?*

MAYOR POLGLASE: *No.*

MS ANNIS-BROWN: *Just to go on to your comments, and that was in the Tweed Daily News on 14 January 2004. You're quoted as saying:*

*Councillor Polglase told the Daily News that traffic movements would be a major consideration in the development application approvals process because the mini Harbour Town project would create tremendous pressure on local roads.*

*You go on to say, as you're quoted here:*

*Councillor Polglase said this latest proposal would attract more people to South Tweed from as far as Lismore and South Tweed's traffic problems highlighted the need for a regional shopping centre on the Tweed Coast.*

*If I could just come to that first quote, and that is the mini Harbour Town project. What did you mean by that statement?*

MAYOR POLGLASE: *Well, you're probably aware there's a project up in the Gold Coast called Harbour Town, which has many similarities to what I believe they were trying to develop down here. That's my relationship to that statement.*

MS ANNIS-BROWN: *What are the similarities?*

MAYOR POLGLASE: *Well, the similarities are they would have a series of boutique shops and outlets that cater for various garment manufacturers, bedding, all those sort of things that people want to buy. They buy them at sort of a discount price in some areas. It's like a multi-warehouse for products to be put forward by major suppliers, and that's the sort of concept I believe they were trying to develop down here. It's been very successful at Harbour Town up on the Gold Coast.*

MS ANNIS-BROWN: *You refer to shops and outlets. Is that not retail development?*

MAYOR POLGLASE: *Well, most of that stuff there is like a warehouse type of facility where you could buy stuff at warehouse prices. It's a mixture, I would presume.*

MS ANNIS-BROWN: *But you would agree it does include retail.*

MAYOR POLGLASE: *I wouldn't agree entirely, no. It has a mixture, as I said before.*

MS ANNIS-BROWN: *Yes, but it does include retail.*

MAYOR POLGLASE: *It has a mixture.*

MS ANNIS-BROWN: *A mixture of what?*

MAYOR POLGLASE: *Retail and wholesale.*

MS ANNIS-BROWN: *Right. Retail and wholesale.*

MR BROAD: *Does the local environment plan differentiate between a sale at a retail price and a sale at a wholesale price?*

MAYOR POLGLASE: *I don't believe that it's written in black and white in the environmental plan, no.*

MR BROAD: *You're differentiating the use on the basis of a perceived price, aren't you?*

MAYOR POLGLASE: *I made a statement that I believed this facility was very similar to the one that was being made at Harbour Town.*

MR BROAD: *I'm not asking you about the statement.*

MAYOR POLGLASE: *Yes.*

MR BROAD: *I'm asking you about your last answer to Ms Annis Brown's question.*

MAYOR POLGLASE: *My answer reflected what I thought the concept of the process was going to be.*

MR BROAD: *Some was going to be sold at wholesale price and some would be sold at retail price. And what you're saying is the use would be differentiated by the price at which the goods were sold.*

MAYOR POLGLASE: *What I'm saying is they're a mixture - they'll be selling at various prices, yes.*

MR BROAD: *Yes. And what I'm suggesting to you is, irrespective of the price, you are dealing with a retail use of the premises.*

MAYOR POLGLASE: *No, that's not correct. I think you misunderstand that before any of these premises can have tenants in them they must apply to Council with a DA for the process that they're going to be using. Council will then determine whether that use is permissible or not. I was reflecting a proposal which I thought was beneficial to the Tweed, but in the planning exercise we're under, each tenant will have to apply to the Council for his use and how it's going to be used. Council will then determine whether that meets the requirements of the zoning at that time.*

MR BROAD: *Yes.*

MS ANNIS-BROWN: *Were you aware that the application that was submitted to Council was for light industrial development?*

MAYOR POLGLASE: *No, I wasn't.*

MS ANNIS-BROWN: *Would you agree that retail use of that development, now that you know it was light industrial development, would be a permissible use within that zoning.*

MAYOR POLGLASE: *The applications that come before Council will be considered when they lodge a DA. We're not making any statements to say that we'll support one or the other. We've got to see what proposals come before us for consideration.*

MS ANNIS-BROWN: *Okay. If I could just refer you to a letter that was sent from Council to the applicant and this is from Lindsay McGavin and the letter provides:*

*Please provide further clarification as to the nature of uses within the proposed complex. It is advised that the traffic capacity of the surrounding roads is not capable of*

*accommodating any additional traffic burden generated by retail activity. As a result it is recommended that potential tenants be advised that subsequent development applications received for uses other than light industry would be considered unfavourably.*

*Council staff here are stating that any potential retail uses would not be permissible within that zone.*

*MAYOR POLGLASE: That's Council's responsibility to advise the owner of the property that when an applicant comes forward to take up tenancy there is a responsibility to respond to the conditions of the zoning.*

*MS ANNIS-BROWN: But you just suggested that if this application comes before Council, the Council will consider it and may well permit retail uses within that development.*

*MAYOR POLGLASE: I didn't say that at all. I said Council will give consideration to a DA that's lodged on the grounds that it's lodged under. I can't speak on behalf of Council how they will consider that DA when it comes before Council.*

*MS ANNIS-BROWN: But isn't Council duty-bound to consider its officer's recommendation that retail development is not permissible within that zone?*

*MAYOR POLGLASE: Council officers have put that point forward to the applicant. It has not come before Council.*

*MS ANNIS-BROWN: No.*

*MAYOR POLGLASE: Council officers do have a responsibility to advise the applicant of the requirements of the zoning.*

*MS ANNIS-BROWN: No, but what I'm asking you is if it were to come before Council, you're suggesting that Council may well make a decision which is other than the recommendation of the staff.*

*MAYOR POLGLASE: I'm suggesting Council will consider - I said that several times before. Council will consider what the applicant is putting forward.*

*MS ANNIS-BROWN: And that may well include retail uses.*

*MAYOR POLGLASE: It may not.*

*MS ANNIS-BROWN: It may not.*

*MAYOR POLGLASE: We will consider. We aren't making any direction - - -*

MS ANNIS-BROWN: *No, I'm not suggesting that.*

MAYOR POLGLASE: *And I'm giving - - -*

MS ANNIS-BROWN: *I'm suggesting it may or may not.*

MAYOR POLGLASE: *I speak on behalf of myself here, not on behalf of the Council. Council may or may not consider, but it's up to Council to make that determination, with the applicant being fully aware of his responsibilities under the zoning.*

Clearly, the comments of the Mayor had indicated a view favourable to the retail use of these premises. Despite questions over the legitimacy of the proposals the Mayor continued to strive for a way to facilitate approval of bulky goods retailing on industrially zoned land.

#### *Chiltern Hunt – Terranora Subdivision*

On 4 June 2003 the council considered a 56 lot rural/residential subdivision at Terranora Road, Terranora. The developer was Chiltern Hunt (Australia) Pty Ltd.

Chiltern Hunt was subsequently to donate to \$10,000 to Tweed Directions as was disclosed by Mr. Bolster in his subsequent electoral funding declaration.

The report to council recommended that the council defer consideration of the application and to invite the applicant to lodge an amended application with 2 fewer residential lots and with the provision of an open space allotment. The then majority Councillors did not act on this recommendation, voting to approve the application on terms that provided:

- An additional residential lot,
- A reduction in pavement widths,
- Removal of the requirement to construct kerb and guttering along the full frontage of the site and
- A reduction in the length of the footpath/cycleway.

On 2 July 2003, the then Director Development Services, Mr Broyd valued the savings to the developer as \$582,000.00.

Interestingly, no reasons appear to have been assigned for granting these concessions.

#### **4.2 Further Issues on Development Processes and Planning Matters**

The second report of the Inquiry will focus strongly on whether or not due process has been followed by both the 1999-2004 council and the council elected in 2004 in respect of their development processes and related issues in the sphere of land use and strategic planning.

There is prima facie evidence that the councils may not have followed due process in the following areas:

- The application and differentiation between applications for constructing buildings meant primarily for tourism purposes and residential purposes
- The application of Section 96 of the EP&A Act. Matters include
  - pressures on council to accept S96 applications because delays may occur because projects subject to SEPP 71 are subject to scrutiny by DIPNR
  - the use of S96 to manage commercial risk/opportunity
  - the use of S96 as solution to development conflicts
  - Serial amendments to projects through S96
  - Some general references to these matters are found in: TSC SIR 96, Pickering SIR 48, Wallace S201, Burgis S314, Wylie S256, Murray S282, Ostrenga S352, Gladwin S266, Batson S297, Boyd S359, S360
- The role and application off Master Plans by council (Ref. TSC SIR 96, Kielvale Chittick S358)
- The application of SEPP 1 by council
- The way in which council structures and applies its objection processes (Ref. Ward S254, Blom S270, Wright S271, Burgis S314, Boyd S360)
- Enforcement and compliance of development approval conditions by council (Ref. TSC SIR 96, Rouse SIR 34, S178, Murray S282, Cornford S294, S163, Schelling S188, S333, Boyd S396)
- The council's application of S94 & S64 of the EP&A Act (Ref. TSC SIR 96, Minutes TSC Cl meeting 16 April 2003, Townley S190, Bolster S318, McIntosh S190, Exec. Mang. S329, Cuthbert S. 193, Boyd S359 (Cedarwood Crt., SKingscliff, Kings Beach N., Wylie S256, Muarray S282, Cornford S294)
- The council's repetition of similar conditions within development consents on dissimilar projects (TSC SIR 96)
- The use of consultants by council (Ref. TSC minutes 16 July '03, Griffin S312, Ostrenga S352, Broyd S362, Bulford Report)
- The application of SEPP 25 by council (Ref. S389)
- The development of the Tweed Futures report (TSC SIR 96)
- The role of the council's Development Assessment Panel (Griffin S312)
- The issuing of construction certificates (Boyd S360)
- The council's practices in relation to building heights (Ref Polglase SIR 25, Murray S282, Robb S269, Cornford S294)
- Council's actions in relation to illegal works (Ref. Kempe SIR 33, Rouse SIR 33, Friend S40, Dejura/Friend S51, Carchpole S68, Mann S177, Reyson S215, S251, Brill S276, Schelling S333)

- The application of council's notification policy (Ref Nelson S13, Wright S271)
- Private Certifiers and council's use of them (Ostrenga S352)
- Council's role in the provision of infrastructure (Ref. Ferrier S65, Freberg S167, Jones S332, Malouf S179, Jones S228, Boyd S359, Griffin S312, O'Regan S331)
- The level and use of council's planning resources (Ref. Townley S122)
- Council's actions in relation to pre-clearing and drainage actions taken by developers
- Amendments to Development Control Plans and Local Environment Plans
- Council actions in relation to attempts by developers to by-pass SEPP 71

The Inquiry has evidence about these issues in respect of 37 major development projects in Tweed Shire.

#### 4.3 Other Matters

The Inquiry has a range of prima facie evidence on the following matters. These matters are assessed in detail in the second report of the Inquiry. The prima facie evidence suggests that:

- There is, and has been, a level of dysfunctionality in the operations of the council (Ref. SIR 29, Griffin S312, Davison S66, Reece S121, Wren S212, Hann S200, Cornford S294, Ostrenga S352, Fitzgibbon S369, Rogers S376)
- Some of the processes adopted by council have resulted in a low level of transparency in its operations. Issues include the use of closed sessions of council meetings (Ref. Cl. Minutes, LG Amendments Meetings Act 1998); application of Section 12 of the Act and Freedom of Information access to documents (Ref. Rouse SIR 34; Griffin SIR 98); access of the community to the council (Ref. Kent S85, ICAC Ostranega 14/10/03, Baldwin S274, Clinche/Daley S141; Murray S282).
- There is, and has been, an unsatisfactory relationships with some community bodies (Ref. Kent S85, ICAC Ostranega 14/10/03, Baldwin S274, Clinche/Daley S141; Murray S282)
- There has been unsatisfactory conduct of some Councillors and staff at public meetings (Ref. Murray S282, Polglase SIR 25, Reid S298, Aldridge S24, S89)
- There are several instances of Councillors belittling and vilifying members of the community (Ref. Harvey S123, Smart S260, Jones S332, Chittick S358, Fitzgibbon S369)

- The complaints and mediation system of the council has been unsatisfactory (Ref. Wales S32, Gill S72, Wright S271, Lyngsted S275, Sterne S281, Hogg S295, Schelling S333, Ostrenaga S352, SIR 98, Platt S60, Rouse SIR 34)
- The behaviour of some Councillors and some staff have involved intimidation and generated fear amongst community and staff (Ref. Hackney S38, Taylor S176, S301, Griffin SIR 98, SIR 35, S271, SIR 12)
- There have been a number of violations of the council's code of conduct
- The behaviour of some Councillors at council meetings has been unsatisfactory
- Councillors have made decisions on matters before the evidence is presented to council
- Councillors have consistently voted in blocs on certain issues
- Councillors have conducted pre-council meetings with each other, and with developers when matters affecting these developers have been on the council's meeting agenda
- Councillors have communicated with developers during council meetings when matters affecting the developers were being discussed
- Some Councillors have inappropriately been involved with the sale and purchase of property
- Correct procedures have not been followed in some senior staff appointments, promotions, and contract extensions

# Recommendations

## **Recommendations**

- 1. That all civic offices in relation to Tweed Shire Council be declared vacant.**
- 2. That an appropriately qualified Administrator be appointed for a period of two years or such further period as the Minister sees fit.**

This recommendation has been made on the following bases:

- In the 2004 Tweed Shire Council election, a group called Tweed Directions constructed a campaign funded by money primarily sourced from developers and intended to secure a pro-development majority in the council. The campaign was master minded by Graham Staerk, Alan Blundell and Paul Brinsmead. Tweed Directions controlled the selection of candidates, their groupings, their funding and the campaign strategy that they brought forward to the electorate. Tweed Directions, a de-facto political organisation, did not announce itself or its purposes to the electorate, nor did it indicate its role in the election. It remained a shadowy commentator misrepresenting its and its supported candidates to the electorate. Two of the three principals came from the Gold Coast. Two of the three principals were developers with interests in the Tweed Shire. The campaign was directed by principals with developer interests and from outside the Tweed Shire.
- In the period following the 1999 elections, the Balance Team councillors had both advocated and demonstrated a commitment to sanction certain developments without regard to expert advice from both within and outside council. Through approvals and concessions they were to grant substantial benefits to developers. This advocacy and commitment was to serve as the cornerstone for Tweed Directions' fundraising for the 2004 elections. By their actions, the former Balance Team councillors and the successful Tweed Directions candidates similarly bound themselves to an implicit obligation to the developers who donated to Tweed Directions. Developers supplied 98.4% of the Tweed Directions funding of between \$341,000 to \$632,000. The exact amount cannot currently be ascertained because of irregularities in the accounts of Tweed Directions. As well, donors outside of the Tweed Shire supplied 70.1% of the Tweed Directions funding. Despite the level of funding that was provided by Tweed Directions to the campaigns of the candidates, the candidates would not recognise their conflicts of interest based on a simple premise that they had not enquired about the source or purpose of the funds. The majority secured by Tweed Directions amounted to less than ten votes. The community voted, ignorant of the Tweed Directions structures, ignorant of the fact of large developer donations, and ignorant of the implicit obligations of the candidates that made up the Tweed Directions team.

- The candidates selected and supported by Tweed Directions effectively represented a single team of candidates in separate groups nominated by Tweed Directions in a strategy designed to maximise preference flows so that at least six candidates would be elected and give the Tweed Directions team a majority in the new council. Those candidates presented themselves as being independent. In those circumstances they were impostors and puppets of Tweed Directions. The actions of the candidates and of Tweed Directions corrupted both the democratic process and its transparency, misleading the electorate.
- Tweed Directions falsified the electoral debate by constructing and in turn misrepresenting the platform of each of its candidates. Candidates were portrayed as having wider interests in, for example, social issues or community issues, where in fact their platform was simply the Tweed Directions platform.
- The product of the Tweed Directions campaign, and of those who constructed it, provides a template for conducting campaigns in any local government area within New South Wales and to an extent in other states. This template showed that any entity, group or individual with sufficient resources, and the ability to put forward candidates who are willing to misrepresent themselves to the electorate, could achieve its singular aims in any election risking the disenfranchisement of the electorate. In the case of the Tweed shire, this risks a substantial and potentially improper material gain to developers supporting the candidates.
- The Inquiry has referred its concerns over the electoral funding and irregularities in the electoral declaration of Tweed Directions, and its concerns that they may constitute a breach of the Act and the Electoral Funding Act, to the Independent Commission Against Corruption.
- The Inquiry has also referred its concerns that the actions of candidates when declaring themselves as “independents” may also constitute a breach of the Local Government (Elections) Regulation and the Parliamentary Elections Act to the Independent Commission Against Corruption.
- The Inquiry has also referred its concerns that the actions of councillors may have involved serious breaches of the EP&A Act to the Minister for Infrastructure, Planning and Natural Resources and to the Independent Commission Against Corruption.
- The Inquiry echoes and reiterates the concerns of Commissioner Temby in the Independent Commission Against Corruption Report on his Investigation into North Coast Land Development (July 1990), p. 655

***“Corruption of the system is well on the way, when it allows favours even without payment, or payment without obvious favour.”***

- The integrity of the “Tweed Directions” Councillors is so undermined that the public can no longer have confidence that they can and will carry out their duties and functions to the standards expected of them.

## Appendix - Information on Election Results

## Appendix – Information on Election Results

In the 1999 election the Balance Team got 55% of the primary vote and won 64% of the council seats. In the 2004 election the Tweed Directions' team obtained 50.2% of the primary vote, just 0.35% ahead of what the press called the Community groups, and 55% of the seats. The primary vote figures are based on formal votes. There were a large number of informal votes, generally put down to voters' confusion over the new voting system. 3,310 votes were informal, or 7.8% of the total. The proportion of Tweed Directions team votes of the total number of people who tried to cast a vote was 46.5%. A further 6952 people, eligible to vote, did not cast a vote. The Tweed Directions team's vote was 35.6% of the number of people eligible to vote.

With such a large number of candidates and a large number of groups the process of coming to a final result was long and complicated. In some cases it took 102 counts before the outcome for a group was finalised. Mr. Brinsmead was the 9<sup>th</sup> candidate declared elected, Ms. Holdom was the tenth, and the final position was won by Councillor Lawrie by just eight votes. The candidate who came twelfth, Ms. Wright, called for a recount. When the recount was completed Mr. Lawrie moved ahead of Ms. Holdom, who had won her original tenth place by just three votes.

The result was desperately close. Seats were won by margins as small as 0.007% and 0.019% of the votes cast.

In terms of primary votes there was quite a shift in the voting pattern for incumbent Councillors who were part of the Tweed Directions team.. Mr. Polgalase's vote rose from 4.4% of the primary vote in 1999 to 15.1% in 2004. The other prominent incumbents, who were part of the Tweed Directions team, fell: Ms. Beck's from 12.1% to 8.3%; Mr. Brinsmead's from 5.6% to 4.1%; and Mr. Lawrie's from 4.5% to 3.2%.

Polling commissioned by Tweed Directions suggested that the Balance Team (and therefore its successor the Tweed Directions team) was not held in high esteem within the community (Baudino files). Their performance rating was considered to be poor or very poor by 40% of the respondents, and only 12% rated their performance as good or excellent. The spread of dissatisfaction (ratings of poor to very poor) ran from 55% in Kingscliff and 50% in Bogangar/Cabarita to 35% in Banora Point and 33% in Tumbulgum. Kingscliff and Bogangar/Cabarita are villages on the Tweed Coast where a great deal of controversy had arisen over various issues involving council decisions about developments. Banora Point is a densely settled part of Tweed Heads area, the largest urban centre in the Shire. Tumbulgum is a more rural area.

A proportion of the respondents stated that they did not know how they would rate the Balance Team's performance. Overall this was 15% of the respondents. In Kingscliff that proportion was 11% and in Bogangar/Cabarita it was zero. Clearly, the survey suggested that the Tweed Coast respondents were firm in their opinion that the Balance Team had not performed well. Banora Point respondents, who had given a the Balance Team a much lower poor to very poor rating than the Tweed Coast

respondents, were less confident of their judgements: 19% of them answered that they did not know. At Tumbulgum that proportion was 33%.

When asked to explain why respondents had rated the Balance Team of councillors' performance as poor or very poor one explanation dominated: in seven of the eight districts surveyed over-development was nominated as the prime cause of their dissatisfaction.

The survey also asked about voter intentions at the election. Table 4.2.9.1 shows the results. It is very clear that at that stage of the election campaign there were a large number of undecided voters.

Table 4.2.9.1

Voting Intentions, 2004 Election, Tweed Shire Districts  
% of respondents undecided

|                   |    |
|-------------------|----|
| Brunswick         | 71 |
| Murwillumbah      | 28 |
| Bogangar/Cabarita | 42 |
| Pottsville        | 29 |
| Tumbulgum         | 67 |
| Tweed Heads       | 51 |
| Banora Point      | 38 |
| Kingscliff        | 33 |

The Tweed Directions team's own polling indicated that the level of dissatisfaction with the Balance Team was high, and that the proportion of voters that were uncertain about how they would vote was also very high. On these bases the indication was of a closely run election, with a large number of voters still to make up their minds. The election campaign of the Tweed Directions team (both the individual groups' campaigns and the Tweed Directions parallel campaign) would be vital. The Tweed Directions team had a distinct advantage in mounting a campaign to convince undecided voters. They had huge resources of money and skilled campaign professionals at their disposal. These resources would mean that their messages would get through to more voters more often than their opponents could. They had the capacity to swamp the electorate with their messages. The strategy, according to the evidence, was to present positive messages of future benefits to the community by the groups. The strong community reaction to levels of development that had been promoted by the Balance Team had to be countered. Hence the positive theme was to counter community concerns about over-development by pointing out the economic, social and infrastructure benefits to the community of development and growth in a balance with good management of the environment. These themes were to run in the Tweed Directions campaign as well. But that campaign was also designed to put out negative messages which would be reinforced by allied third party groups.

The result was a victory for the Tweed Directions team but by the slimmest of margins.

It must be concluded that this victory was won through two primary aspects of the campaigns. First, there were the massive resources provided by developer and property interests funding to Tweed Directions, and which were critical to the outcome. Second, was the false presentation of independence by the groups whose very existence was owed to the recruitment and selection of candidates by Tweed Directions, whose campaigns were monitored and shaped by Tweed Directions, and whose funding flowed primarily from Tweed Directions. The real role of Tweed Directions was never revealed to the electorate during the election, and has never been revealed since the election. The secrecy and duplicity of the Tweed Directions campaign corrupted the democratic process.

The great danger of the methods adopted by Tweed Directions, and the funding base that supported them, was that the donors stood to benefit directly, and potentially hugely, from their support. Unlike other areas of government, Local Government has a very direct decision-making role in enabling developments to be made. Councillors can make significant decisions about the zoning of an area and whether it changes. They can act as advocates of development proposals. They are the ultimate consent authority in terms of development applications. Developers face a number of risks associated with councils. The zoning might constrict their vision for a development project. The community might oppose the developer's scheme. The council might not approve the scheme, or might apply conditions to an approval which are costly and so reduce the developer's profit margins.

These are substantial risks. In some places and at certain times, developers have resorted to offering Councillors or council staff inducements to support their developments. In the case of Tweed Shire Council there was no evidence before the Inquiry and no suggestion that this had taken place.

Communities, rightly, are conscious of the possibility that the planning and development approval processes of a council can be corrupted, and are generally alert to any signals of that. The Balance Team majority in the 1999-2004 council at Tweed openly and strongly supported development. As evidenced by the Tweed Shire pre-election polling, and more generally by community concerns about particular developments, and particular actions or lack of action by the council on certain related matters, the Tweed community had a special focus on the ways in which a pro-development council operated. There is no doubt that the community's attitudes towards development, positive or negative, were the principal theme of the 2004 election.

There can be little doubt that the outcome of the election, so narrowly won by the Tweed Directions team, would have been different if Tweed Directions had not adopted a cloak of secrecy over its funding sources, and its effective control over the groups of candidates that ran as "independents", but whose funding base flowed from Tweed Directions. The individual candidates who accepted large sums of money from Tweed Directions compromised themselves.

Councillor Murray (**T. 17/2/05 p.229**) agreed that the negative campaigning of Tweed Directions had an influence on the outcome of the election. If the electorate had a true understanding of who was a chief strategist of the campaign (Paul Brinsmead) and who was funding the campaign (property interests) the very, very slim victory of

the Tweed Development team might never have happened. The potential outcome of the election can only be a matter of conjecture. What is of great relevance to the Inquiry, however, is that there were so many areas of deceit in the Tweed Directions campaign that the processes adopted can only be judged to be wrong.

*PROF DALY: But would you agree that some of the material that was put out in this other campaign, as it were, directly attacked people and some of the attacks were quite strong?*

*CR MURRAY: I would go along with that, yes.*

*PROF DALY: And that would have had some sort of influence on the total electoral outcome, I imagine; would that be right?*

*CR MURRAY: Well, I'm sure that there could have been an effect, my word, yes. I'm not sure it affected me though positively because, as I say, I didn't run that sort of campaign. I ran a very positive campaign.*

Ms Hoskisson, in her appearance at the Public Hearings, enunciated the kinds of concerns that were expressed by some members of the community when the Electoral Funding Authority released the details of donations to the 2004 election. This revealed the substantial financial base that supported Tweed Directions, and the major source of that finance, property and development interests.

*MR BROAD: Yes. In your later submissions - you've put two submissions to the inquiry, and we thank you for that. The first one was in respect of the Tweed District Residents and Ratepayers Association. The other, I assume, is a personal submission which was very much an analysis of the Bulford Report, that is, the Section 430 report and its relationship with potential - or the relationship with electoral funding and councillors' roles.*

*On page 2 at point 6 you note that:*

*The Bulford inquiry followed the classical pattern of the two bureaucracies working together to ensure that council is essentially a government of the bureaucracy and by the bureaucracy and then continue the old boys' club.*

*MS HOSKISSON: That's a quote<sup>1</sup>.*

*MR BROAD: I realise that. I realise that. It's the commentary that follows that I was going to raise with you and you continue:*

*If Councillor Brinsmead gets his way the developer-funded team will appoint its own bureaucrats and "Yes, Minister" will become reality.*

*And that's a concern of yours.*

<sup>1</sup> "A Case Study in Local Government: Democracy Subverted" by Robert Brinsmead.

MS HOSKISSON: *In the 1999 election one of the aims of the finally elected majority councillors was to revamp the management team at Tweed Shire Council and it was common - and a management restructure, in fact, took place in the term of the '99 council. The bureaucrats are there to provide professional services to councillors but councillors, in fact, do decide the contracts and the management structure of the organisation, and, therefore, can control the bureaucracy, in my opinion.*

MR BROAD: *We've heard a lot of evidence over the last few days regarding the roles that the staff play in considering and reporting to council, say, on developments, which are probably the most contentious issues affecting this inquiry, and then the role of the councillors in making decisions in respect of recommendations. The Local Government Act appears to strongly separate the role of the staff from the councillors. Would you agree with that?*

MS HOSKISSON: *That is the intent of the Local Government Act, yes.*

MR BROAD: *Yes. And to create independence in the staff?*

MS HOSKISSON: *Yes.*

MR BROAD: *The council at a Local government level differs from the way that government operates at a State level, doesn't it?*

MS HOSKISSON: *Yes.*

MR BROAD: *At a State level those in Parliament don't make on the ground decisions, do they?*

MS HOSKISSON: *They act on the recommendations from Ministers' staff.*

MR BROAD: *Yes, the departments act on, is it, recommendations or is it policy? Is something that falls outside your - - -*

MS HOSKISSON: *Yes, sorry.*

MR BROAD: *Within Local government though the politicians, as it were, the candidates, the elected body, can make decisions; is that correct?*

MS HOSKISSON: *The councillors are responsible for the governance of council.*

MR BROAD: *They are the decision-makers?*

MS HOSKISSON: *If so - yes. And setting up the administration structures.*

MR BROAD: *And staff in turn exercise any decision-making role only by way of delegation.*

MS HOSKISSON: *Yes, that's right.*

MR BROAD: *Now, your concern, I assume, is that there must be clear separation in the roles.*

MS HOSKISSON: *Absolutely.*

Dr. McCrory (S. 75) raises the issue in more blunt terms. He argues that Councillor Lawrie's narrow victory in gaining the last place amongst the 11 Councillors may not have happened because "unsuspecting ratepayers may well have directed their vote elsewhere".

**Sally Sanders**

**From:** dr graham mccrory [gmccrory@austarnet.com.au]  
**Sent:** Friday, 14 January 2005 8:33 AM  
**To:** InquiryCommissioner@dlg.nsw.gov.au  
**Subject:** Tweed Shire Council Public Inquiry



Submission to the Tweed Shire Council Public Inquiry.  
Concern; Misleading Electioneering by Cr Lawrie

I have concern regarding the misleading advertising campaign Cr Gavin Lawrie undertook during the last council election. Funded by Tweed Directions, Cr Lawrie headed Group H. His election placards and brochures which saturated the Tweed carried the prominently placed slogan " Group H, Middle of the Road, Middle Of The Ballot Paper". Cr Lawrie is a member of the pro-developer, right leaning " Balance Group". The slogan implies that he did not hold such an affiliation. Considering he scraped in by a mere nine votes, I believe unsuspecting ratepayers may well have directed their vote elsewhere, had they been aware of his political affiliations. It is widely known in the Tweed that there is a group of councillors that vote in a block supporting pro-development issues. " Middle Of The Road", in the context of a bitter election campaign between the " Balance Group" and others candidates is misleading and I believe contributed to Cr Lawrie's re-election.

Dr Graham McCrory  
8 Surfside Crescent  
Pottsville Beach 2489 NSW  
Ph 0419789803

In his written submission to the Inquiry Councillor Lawrie argued in the following terms.

**(S. 330)**

4. I am unhappy to be on trial before you, having twice successfully stood 'trial' before the electorate, and succeeded.
5. The closeness of the March 2004 election is as irrelevant as is the closeness of an Olympic gold medal win and a Melbourne Cup (any) horse race (with the consequent financial benefit to the winner). We have had an unsuccessful re-count. Olympic Games races and horse races are not re-run despite the closeness of the winning margin.

The conclusion of the Inquiry is that Councillor Lawrie, and the other members of the Tweed Directions team of Councillors, won their places by deception, camouflaging the source of their campaigns and their structural links with Tweed Directions, and posing as independent candidates.

# Appendix – Additional Material

(Extracts from Baudino Files)

## B. Practical Assumptions Regarding Local Authority Elections

1. Practically under the new voting laws, all voters will, in fact, be voting for 1 Councillor only, not for a team of Councillors.
2. The majority of voters (probably something in the vicinity of 80%, if not more), simply have a limited or no interest in local authority elections or politics. They will usually have very little recognition of any Councillor's names and usually little or no understanding of policies. Quite a large percentage of people actually resent even having to vote.
3. Local authority elections do not have the intense media scrutiny of a federal or state election where policies or groups and candidates personalities, records of government, etc. are analysed and highlighted.
4. Consequently, a large percentage of voters simply vote for someone who they recognise. If they do not recognise anyone, then a large percentage of voters will often vote for a group or party that has a name that they may be familiar with or comfortable with, such as "Labor party", "Liberal party" or "Greens" or some other name of a group with which they can associate, eg. "Banora Point Residents Group" may be something they can identify with if they live in Banora Point.
5. The percentage of voters who are strongly into policy, personalities and who have a clear understanding of Councillors and what they stand for, their past records and what a new Councillor may bring are very small in number in a local authority election and are probably less than 20%. It is probably more like about 10%. This group has probably made up their mind well before a campaign begins.
6. It is largely the voting patterns of the 80% group that determines the outcome of an election.

## 5) RECOMMENDATIONS

After conducting an analysis of the voting patterns in the Tweed local government area and taking into account the new voting system the following actions are recommended:

### a) GROUPING OF CANDIDATES

Recommendation

- **That all “Balanced Team” candidates be “Grouped”**

Reason

i) Because there is likely be a substantial increase in the number of candidates running and a high degree of voter apathy, it is recommended that voting instructions be kept as simple as possible, the best way to achieve this is to run in Groups to allow for above the line voting.

ii) 82.5% of people who voted for the “Balanced Team” at the last election done so by voting above the line, it would be difficult to re-educate the voters to number six squares below the line.

**From:** Katrina Kerkow [KerkowK@hickeylawyers.com.au]

**Sent:** Thursday, 15 January 2004 5:10 PM

**To:** 'GRAHAM STAERK (graham@winningdirections.com.au)'; 'Kimberley Hrastovec'; 'baudinob@pacific.net.au'; 'jegan@bmcc.nsw.gov.au'

**Cc:** 'jeff.egan@flagship-communications.com'

**Subject:** Tweed

Please note that I am today advised that the 3 Chambers of Commerce in the Tweed have held a joint meeting. The 3 Chambers of Commerce are the Tweed Heads Chamber of Commerce, the Kingscliff and Tweed Coast Chamber of Commerce and the Murwillumbah Chamber of Commerce.

The Chambers of Commerce have agreed to form a body to be called the Tweed Business Council. The Tweed Business Council has been formed to also be a participant in public debate and particularly, to make appropriate press releases and comments, letters to the editor, etc. in support of the Balance Council and pointing out the deficiencies of the Greens, Boyd and Labor.

John Penhaligon has been appointed the spokesperson and the person responsible to run this.

Accordingly, I believe that Winning Directions need to add onto their PR campaign another heading for the Tweed Business Council.

We need to produce a further press release announcing the formation of the Tweed Business Council and John Penhaligon as the spokesperson. Winning Directions need to get in contact with John Penhaligon. You can get his contact details directly from Idwall Richards.

I also understand that John Penhaligon has a further idea that he would like to run a number of advertisements drawn up like a job application. This job application would indicate that it is an application for a job with the following characteristics:

- a senior executive position
- in charge of a budget in excess of \$100 million per annum
- business and management experience essential
- history of management and performance of the applicant will be critical

It will then go on to list all of the requirements that are clearly not met by the Greens, Max Boyd and the Labor Party.

Following on from this job application advertisement, he then intends to run some further advertisements, together with press releases and commentary about the lack of qualifications and the quality of people running for the Greens, Labor, etc.

Accordingly, can you include this organisation as another body that we should take account of and actively encourage and manage.

Regards

Paul Brinsmead

Direct Email: [brinsmeadp@hickeylawyers.com.au](mailto:brinsmeadp@hickeylawyers.com.au)

Direct Line: 07 5556 7401

(15.01.04)

## **WHY INDEPENDENTS MUST BE ELECTED ON 27<sup>TH</sup> MARCH, 2004**

**“The current Council has brought the Tweed to record levels of opportunity, growth and employment.” – BIG BOLD**

Welcome to the first edition of the Tweed Business Council’s ‘messenger’. We have formed to promote the views of the business and wider local community ahead of the March 27 poll.

The body of the group consists of the Tweed Heads, Kingscliff/Tweed Coast and Murwillumbah Chambers of Commerce. As a group of reputable citizens and businesspeople, we will express opinions on the current Council, future Councillors and any other parties or groups, without fear or favour.

Our aim is to ensure the Tweed doesn’t fall into the wrong hands while raising issues of concern.

In order for the Tweed to stay protected and continue to flourish, it’s important to strike a balance between the environment, development, economic sustainability and the quality of life.

In this issue we show results of an in-depth study conducted by professional analyst, Mr Alan Midwood and briefly examine our current Council over the past four years.

The current Council is led by Mayor Warren Polglase and consists of two factions: the majority group: George Davidson, Lynne Beck, Bob Brinsmead, Phil Youngblutt, Gavin Lawrie and Wendy Marshall; and a minority faction of Max Boyd, Henry James, Bronwynne Luff and Barbara Carroll.

The Polglase-led Council and in particular the pro-business Councillors (Davidson, Beck, Brinsmead, Youngblutt, Lawrie and Marshall) were elected in the last elections to bring responsible financial management, the highest quality of business and development opportunities to the Tweed, to create opportunity, growth, employment and wealth.

As the minority faction (Boyd, James, Luff and Carroll) resent any business and development opportunity, the majority Councillors have led the way over the past four years and gained several credible accolades on behalf of the Tweed.

Both factions in Council strive to protect the natural environment of the Tweed, however the majority group have proved that to establish and maintain a balanced cycle in the environment, a need for sensible economic infrastructure and development is a necessity. High quality development does bring new projects and a modern touch to a village, but it also revamps the environment with millions of dollars. In most cases, what is dying bushland is soon turned into world-class landscaping and flora.

The Tweed Business Association (TBA) do praise the minority Councillors for having such a heart-felt concern for the environment, but must emphasise, like most greenies, their attitudes lie in not progressing and thinking of the future of our children. With such negative and ‘anti-everything’ attitudes, the TBA would not like to see people like this try and plan for the future when they themselves cannot adapt to change ..... remember change is inevitable, why fight it when we should be planning and catering for it. A perfect example of a greenie-led (Boyd-led) Council is the Byron Council – in dire financial straits and near dismissal. The Tweed has been there before when it was led by Max Boyd, it was considered for sacking – lets not go there again.

The majority group (Polglase, Davidson, Beck, Brinsmead, Lawrie, Youngblutt, Marshall) are responsible for improving and igniting the Tweed. The TBA would like to point out what a pro-business Council has done for the Tweed:

- When the majority group took the reins in Council, they raised it from being ranked dead last (176<sup>th</sup>) to 5<sup>th</sup> position! (It’s also a fact that other NSW Council’s have approached the majority Councillors to find out their secrets of success!)
- Ensured the highest quality community infrastructure surrounding projects that were approved by the State government such as Salt and Casuarina.
- Put in place a new regime to collect contributions and cash from developers and businesses. Many Councils in New South Wales have actively set out to study and follow Tweed’s example on how to extract such contributions for the benefit of all ratepayers.

- Unemployment has been reduced from high double digit figures down to close to the national average.
- Approved a diversity of projects, ensuring different socio and economic needs are met and prides itself on not rezoned any land so as to allow further development. It has instead ensured that land available and previously zoned for development is developed to the highest standards and quality, benefiting all aspects of the Shire.
- The Council has overseen, in partnership with the State Government, the development of new road and other infrastructure. The new national highway was opened during the period of this Council. Focus has now been turned onto alleviating traffic in South Tweed – a result of destruction from the previous Max Boyd Council. The Council is also working on plans for Tugun and Sexton’s Hill in conjunction with the State Government.
- Instigated a new planning vision by way of a new strategic plan for the whole of the Tweed. The Mayor, Warren Polglase, has been active in meeting community groups and putting in place a new strategic plan for the intention of more definitively and stringently defining development rules and standards.

The TBA wishes to congratulate the current Council, in particular Warren Polglase, George Davidson, Lynne Beck, Bob Brinsmead, Gavin Lawrie, Phil Youngblutt and Wendy Marshall, on picking up the pieces of a mis-managed Council (Max Boyd) and setting new precedents in economic and environmental conduct. The majority Councillors have given the Tweed a future and proven time and time again their professionalism and experience is second to none.

Don’t take our word though, see the following factual report and see just how far the Tweed has progressed and the secure future is holds, all due to a pro-business business Council.

ADD IN REPORT FROM ALAN MIDWOOD!

## ANNEXURE A

### **Objects of Association**

#### **Tweed Community Vision Inc.**

#### *‘A community vision based on fact’*

---

1. To gather information that represents the true facts relevant to the state of the natural and built environment of the Tweed and the state of commerce and business and community issues generally and to provide a forum of timely, accurate information that the local community and other interested parties can rely on.
2. To engage in and provide a balance in public debate.
3. To present timely and accurate information concerning the Tweed through public debate and the media.
4. To oppose entities disseminating information that is misleading or deceptive.
5. To promote Tweed business and community issues and the natural and built environments of the Tweed in order to assist in maintaining a platform for further economic growth of the Tweed Shire.
6. To promote and protect the quality of life for Tweed residents.
7. To protect, preserve and improve the natural and built environment within the Tweed Shire.
8. To propose strategies and innovative solutions to Local and State Government relating to its objects.
9. To provide innovative and best practice solutions and ideas to best achieve its objects and to promote those practices and ideas in public debate.
10. To promote, oppose and resource political parties, groups or candidates at Local Government, State Government or Federal Government level who the association believes will help it to best achieve its objects.