

# The Gold Coast Council Developers Bloc and Tate's Transit Centre Ambitions

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Developers swoop on councillors and the prime real estate they control like hungry seagulls.

Last week their concentration in Wollongong caused the entire council to be sacked following 10-days of explosive revelations about improper deals and relationships with developers in the NSW Independent Commission Against Corruption.

This week attention switches to the Gold Coast and Australia's second biggest local council where elections will be held on Saturday.

Tom Tate, the Liberal Party's colourful candidate for mayor, insists his campaign is an open book. "My team is more about being transparent than being Liberal," says the candidate with impressive property holdings. Tate is the director of 12 companies; his Surfers Paradise properties include the Islander Resort Hotel and the Commerce Club premises. The Gold Coast has been the subject of intense scrutiny over the relationship between its council and developers. Yet Tate and the Liberals are refusing to disclose the identity of their donors.

History shows that council candidates, elections and developers are a tight, if shadowy, threesome. A 1991 report by Queensland's Criminal Justice Committee concluded that developers tried to keep secret donations to council candidates in the 1988 elections. "One could not imagine that any developer would have contributed tens of thousands of dollars without the expectation of something in return," thereportsaid. Recommendations for reforms to state electoral laws were ignored.

Fast forward to the most recent Gold Coast

council elections in 2004. A Crime and Misconduct Commission inquiry found the poll was corrupted by a developer-financed fund that secretly bankrolled the campaigns of "commonsense" candidates. The fund was operated by senior local Liberal Lionel Barden. Nothing had changed. Jim Raptis was among the developers who made secret donations in both 1988 and 2004; the CMC commented on the "uncanny similarity" between the two inquiries.

The state Labor Government rejected the CMC's main recommendation: the forced disclosure of donors before council elections. The ALP has been the recipient of money from commonsense fund donors including Stockland, Sunland and the Roche Group.

A pro-developer majority of councillors known as the Bloc, which consistently sides with developers in council decisions, was elected in 2004.

Yet some Gold Coast councillors wear their relationship with the big end of town as a badge of honour. A function at the Gold Coast Turf Club last August raised \$64,000 for council planning chairman Ted Shepherd.

It was attended by a who's who from the Gold Coast developer brigade, with companies including Raptis's Raptic Contractors and the Ingles Group forking out \$1700 each for a table.

Developer John Fish paid \$10,000 into the commonsense fund before the 2004 poll, helping to elect councillor Grant Pforr, who was less than frank when he declared publicly before the election that he was independently funding his campaign. More recently, Pforr received \$400 worth of tickets to a Gold Coast Titans ball from Fish.

Once again property developers are circling Saturday's elections for what is Australia's sixth biggest city and fastest growing metropolis.

The Laotian-born Tate, 49, a civil engineer and wealthy businessman, denies that his campaign is developer-backed while at the same time insisting there is nothing wrong if it is. "I am underwriting 95 per cent of the cost personally," Tate says. "If there is other support coming in, then I welcome it."



**"Developer-backed" mayoral hopeful Tom Tate**

Tate's campaign, backed by a \$1 million Liberal Party war chest, suffered a setback when The Australian revealed two of his properties are included in plans to redevelop the council-owned Surfers Paradise Transit Centre. If the transit centre site is developed Tate could make a lot of money, although he denies he was aware that his properties were included in the plans by property financier City Pacific.

Proposals for a second Gold Coast casino on the site are controversial as it would dispense with the tourist strip's biggest public transport hub and 1600 carpark spaces.

Tate's main opponents are incumbent Mayor, Olympics track legend Ron Clarke, and councillor Rob Molhoek, the council's finance committee head. Molhoek expresses doubts about Tate's denial

of being involved with the transit centre plans. Revealing he (Molhoek) was present during a council presentation of City Pacific's plans last November, Molhoek says: "These were very detailed drawings and they clearly included Tom's properties. I can't imagine that properties would be included in plans like that without the owners being party to it." Tate declines to respond.

Tate's attempts to distance himself from developer backing suffered a further setback when The Weekend Australian revealed he is embroiled with his former campaign manager over a \$10 million property development in NSW. While Tate won't identify his financial supporters, he is being publicly backed by the Surfers Paradise nightclub fraternity. "Tom would make a very good mayor," says Mick Pikos, a close friend of Tate and owner of the Crazy Horse Nightclub, which offers nightly strip shows and private lap dancing. Pikos has twice been prosecuted for admitting underage patrons to his nightclub.

Molhoek is not part of the Bloc, but not through lack of trying, according to the CMC inquiry report on the 2004 poll. The inquiry heard that Molhoek "desperately" tried to obtain \$10,000 from the commonsense fund, and that he stopped fundraising on the understanding "there would be something for us". The inquiry heard that developer Brian Ray, who initiated the fund, gave

Molhoek a "rating" of 80 per cent. Molhoek, who usually votes with the Bloc, says he distanced himself from the fund when he became aware it was not going to be transparent. Unlike Tate, Molhoek, who is being quietly backed in the mayoral race by senior Labor figures including premier Anna Bligh, is disclosing his donors before Saturday's poll. Prominent among them are the founders of troubled investment giant MFS, Michael King and Phil Adams, who chipped in \$150,000. Molhoek says he is turning down offers from property developers.

Tate was also referred to during the CMC inquiry. He was present at the first meeting of developers called to discuss the commonsense fund before the 2004 poll. The inquiry heard that those present determined which councillors should be deemed

"dickheads". Like Molhoek, Tate says he opted to have nothing to do with the fund because it was secret.

Now, Tate and Molhoek have stitched together a preferences deal between the Liberals and Molhoek's United GC in a bid to topple Clarke and other independent councillors. With opinion polls putting support for Clarke at twice that of each of his main opponents, the Liberals decided that a deal with Molhoek, an evangelical Christian who has attended the leaders' retreat in recent years at Sydney's Hillsong Conference, was the only way Tate could win.

It is an uneasy alliance. Molhoek's Christianity has been used against him during the campaign by Tate's supporters. Surfers Paradise Chamber of Commerce president Paul Darveniza asked Tate at a public meeting in January if he would have to "consult the Bible" to cope with the pressure of being mayor.

Darveniza succeeded Tate as chamber president last year with Tate's support. Darveniza has a colourful history of his own. He was struck off the state's roll of barristers in 2000 for demonstrating a "disturbing willingness to engage in criminal activity", the Queensland Supreme Court found.

The court found Darveniza's conduct showed "persistence in attempting to sell unlawful money-laundering". Darveniza has two convictions for supplying methamphetamine drugs, which he failed to disclose to the Bar Association of NSW when seeking admittance.

Tate had promised to swap preferences with Clarke. Tate justified opting out of that commitment by falsely accusing Clarke of leaking confidential information to The Australian about the Surfers Paradise Transit Centre redevelopment.

The Queensland Liberals are desperate to win Saturday's council poll to atone for their disastrous performances in the federal election in November, when the swing to Labor in key seats was 50 per cent higher in Queensland than the national average. In the 2006 state poll just eight Liberal MPs were elected to the 89-member parliament.

The state Liberals' two top Queensland strategists, director Geoff Greene and his deputy Peter Epstein, have worked on the campaign for several months. Greene declines to respond to a claim by a Liberal source that 11 of the 15 Gold Coast council candidates were not members of the party until recently.

The contest for the Brisbane City Council elections,

also on Saturday, seems a low priority for the party as Liberal mayor Campbell Newman strives to retain office and wrest control of the Labor-dominated council.

Qualitative research conducted by former Queensland Liberal vice-president Graham Young for his On Line Opinion website shows development is regarded as the most important issue. In-depth interviews with 48 Gold Coast residents reveal that Tate and Molhoek are considered "too close to the development community".

Although the sample is small, 54 per cent say they would vote for Clarke, 24 per cent for Tate and 16 per cent for Molhoek.

Clarke is campaigning on an environmental platform, signaling new controls on developers and support for a Noosa-style population cap. His critics say he was less than vigorous in these pursuits during his four years as mayor. They say Clarke reneged on numerous promises he made before the 2004 poll.

Now, his opponents are targeting Clarke's age: he is 71. Molhoek accuses the mayor of regularly falling asleep during council meetings. Clarke responds he is "as fit as anyone can expect to be at this age".

Gold Coast players long associated with the development lobby have resurfaced during the campaign. Graham Staerk is a bankrupt whose company Winning Directions folded with debts of \$1 million in 2005. In the same year, the Tweed Shire Council, just south of the Gold Coast, was sacked following a NSW Government inquiry that concluded that evidence from Staerk, a key figure behind the developer-backed takeover of the Tweed council, provided the base for a "litany of lies and deception".

Now Staerk is the marketing director of Resort Corp, which has developments on the Gold Coast, and he has been hired by The Gold Coast Bulletin newspaper as an election commentator. Staerk has a good political radar, having been a former press secretary to premier Peter Beattie and private secretary to former Brisbane lord mayor Jim Soorley. A former senior Winning Directions employee, who asks not to be identified, says: "I didn't get a cent out of the tens of thousands he owed me in superannuation, yet he drives around in his BMW living the high life. It makes me sick." Staerk says the vehicle belongs to his wife, adding: "I've only got \$200 in the bank. I'm flat broke," says Staerk, who claims he has nothing to do with council candidates.