



Transcript of Proceedings

CRIME AND MISCONDUCT COMMISSION

MR R NEEDHAM, Chairman

No 5 of 2005

PUBLIC HEARINGS INTO GOLD COAST CITY COUNCIL

BRISBANE

..DATE 10/10/2005

CONTINUED FROM 23/09/2005

..DAY 2

WARNING: The publication of information or details likely to lead to the identification of persons in some proceedings is a criminal offence. This is so particularly in relation to the identification of children who are involved in criminal proceedings or proceedings for their protection under the *Child Protection Act 1999*, and complainants in criminal sexual offences, but is not limited to those categories. You may wish to seek legal advice before giving others access to the details of any person named in these proceedings.

THE HEARING RESUMED AT 10.27 A.M.

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CHAIRMAN: Mr Mulholland, before we start, just a couple of housekeeping matters. I propose that this week, we sit all this week and we sit next week Monday through to Thursday, not sitting on the Friday; that in November we resume sitting on the 7th and keep sitting for at least three weeks, longer if necessary. I cannot sit on Friday, 18th November, and perhaps, Mr Mulholland, I ask that you perhaps liaise with other legal representatives as to whether people would prefer not to sit on other Fridays.

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MR MULHOLLAND: Yes.

CHAIRMAN: I'm easy on that. It would be easier with other commitments I have if I did have the time free, but if the number of witnesses and everything require it, well then, we can sit on those Fridays as well.

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MR MULHOLLAND: Yes.

CHAIRMAN: But certainly at the moment we will not be sitting on Friday, 21st October, or Friday, 18th November. That might assist people with their arrangements.

A couple of other matters: at the preliminary hearing on 23 September, I announced my ruling at that stage with respect to what filming and broadcasting of the hearings would be allowed. As part of that ruling, video filming was to be limited to the first few minutes of each witness' evidence subject to the consent of the individual witness. Media outlets had sought unlimited filming, but I was of the view that the very short duration of the evidence shown, which is generally considerably less than one minute for the TV channels news bulletins did not give sufficient exposure of the evidence to interested members of the public to either become a potential disrupter for the effect of continuous filming on the hearing.

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However, since that time, Queensland Television Limited - that's Channel 9 - through its Director of News, Mr Lee Anderson, has made further representations. Channel 9 has indicated that if allowed it will broadcast throughout South-East Queensland including to the Gold Coast one hour of edited highlights of each day's proceedings, commercial free, from 4.30 a.m. Mr Anderson has submitted that this will allow those interested in seeing extended coverage of the sittings an opportunity to do so at a reasonably convenient time and also provide the means for interested members of the public to record the broadcast to watch at a later time.

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I agree with Mr Anderson that what he proposes will provide that opportunity. The subject matter of these hearings has been a topic of interest to the general community at the Gold Coast and to a lesser but important degree to the communities in some other local government areas.

For these reasons and in light of Channel 9s intentions, I propose to amend my rulings with respect to the filming and broadcasting of the hearings. Those arrangements now will be that filming with sound to be made available on a pool basis will be allowed during the public hearing subject to any specific orders which I may make during the hearing including non-publication orders. Filming will be by means of a camera fixed in a static position in the hearing room and filming of individual witnesses will be permitted only if no objection is taken by that witness. Still photography to be made available on a pool basis will, if no objection is taken by the witness, be allowed during the first few minutes of the appearance of each witness - namely, while the witness is being sworn and is being asked formal questions about his or her name, address, occupation, et cetera.

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A room will be made available for journalists covering the hearing with a direct sound and video link to this room and recording of the audio link - of the audio from that link for rebroadcast will be permitted.

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Now, on the earlier, preliminary hearing, there was an application made by Mr Webb for leave to appear on behalf of the Gold Coast City Council. At that hearing, I indicated that I was minded to grant leave for the Gold Coast City Council to be legally represented for the hearing of the second bracket of evidence. That's in relation to term of reference number 2. I indicated I'd consider my decision in relation to the application and advise the Council in writing, and with my leave subsequent to that day, Mr Webb provided further written submissions.

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In those submissions, Mr Webb asked that if I was minded not to grant leave to the Council that I consider granting leave to the CEO, Mr Dickson, to appear. I've considered those submissions. I do not grant leave to the Council to be legally represented for the first bracket of evidence. I do grant leave to Mr Dickson as the Chief Executive Officer of the Gold Coast City Council to be legally represented at all stages of the hearing. I would mark as Exhibit 2 - Mr Bailiff - I would mark as Exhibit 2 my ruling in that regard.

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ADMITTED AND MARKED "EXHIBIT 2"

CHAIRMAN: Now, other appearances? Mr Temby?

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MR TEMBY: Chairman, Temby is my name. I seek leave to appear on behalf of Mr David Power at the hearing. I think leave was previously granted to those who instruct me to appear for Mr Power, but it seems appropriate that I should seek leave for myself.

CHAIRMAN: That leave is granted, Mr Temby.

MR TEMBY: Thank you. Could I add just this: it's anticipated that I'll be present today and later, at least at the time when Mr Power gives evidence but probably not at all times between now and then, and during the intervening period I imagine that those who instruct me will be appearing. I should also tell you that I'm instructed to assist in the making of submissions, we anticipate that will include written submissions, so far as the systemic issues are concerned.

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CHAIRMAN: Thank you, Mr Temby.

MR TEMBY: Concerning which Councillor Power is keen to make a contribution.

CHAIRMAN: Thank you, Mr Temby. Any other appearances?

MR T McBRIDE: Could I announce an appearance on behalf of Councillor Peter Young. My name is McBride, Terry, from the firm of Freehills. Mr Boddice has also been retained in this matter. He's currently caught up with the Health Inquiry Commission but will appear at probably in the November sittings.

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CHAIRMAN: Yes, thank you, Mr McBride. No other appearances? No. Thank you, Mr Mulholland?

MR MULHOLLAND: Mr Needham - Mr Chairman, there are some opening comments that it is appropriate for us to make at this time. This public hearing is being held as part of a CMC investigation into allegations of misconduct by councillors, candidates and other persons before, during and after the Gold Coast City Council election held in March of 2004. These matters are more fully set out in the terms of reference which have been published.

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When conducting a hearing on behalf of the Commission, the presiding officer must act quickly and with as little formality and technicality as is consistent with a fair and proper consideration of the issues before him. The presiding officer is not bound by the rules of evidence, may inform himself of anything in the way he considers appropriate, and may decide the procedures to be followed for the hearing. These matters are set out in Section 180 of the Act.

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The Commission resolved to hold the public hearing in this matter after reviewing information about the election provided to it from various sources. Some of the complaints made to the CMC allege that there were striking similarities between the conduct of certain parties during the Gold Coast City Council election and the conduct of parties involved in the Tweed Shire Council elections in 1999 and 2004.

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In the case of the Tweed Shire Council the conduct alleged resulted in public hearings, public reports and on the 25th of May 2005 the dismissal of the Tweed Shire Council by the New South Wales Minister for Local Government, Mr Tony Kelly. Mr Kelly had, on the 10th of November 2004, convened a public

inquiry into the Tweed Shire Council pursuant to section 740 of the Local Government Act 1993 of New South Wales. That inquiry had the powers of a Royal Commission and was required to consider the appropriateness of the relationship between elected representatives and proponents of development in the Tweed Shire Council area.

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I would, at this stage, like to briefly outline some of the findings set out in the Tweed Shire Council Public Inquiry, first report, of May 2005 that may be of relevance to this inquiry in light of information disclosed to date by this investigation. In his first report, Professor Daly found:

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1. The funding and organisational structures adopted by groups of pro-development and/or pro-business candidates in the 1999 and 2004 election campaigns for the Tweed Shire Council 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 personal group would be expected to follow certain principles or policies that the funding agent had proclaimed.

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2. It was 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. There was no strong evidence that the person responsible for organising the winning team in the Tweed in 1999 attempted to directly influence the policies or processes of the Council but the significance of the model adopted was that there was guarantee that in future elections in the 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. In Professor Daly's view the model opened the doors for potential corruption in council operations.

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3. In relation to the March 2004 elections for the Tweed Shire Council the model was applied so that a de facto political organisation incorporated in November 2003 under the name Tweed Directions and persons associated with Tweed Directions effectively put together a single team of pro-development candidates in a manner designed to maximise the chances of Tweed Directions preferred candidates being elected.

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4. Tweed Directions gathered some 98.4 per cent of donated funds from groups or organisations that were either developer groups or were in other sectors of the property industry that had previously or had or would in the future substantial development interests in the Local Government area. Queensland property interests provided 42.9 per cent of the donations to Tweed Directions.

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5. Tweed Directions based its team of candidates around currently elected pro-development candidates and

- implemented a process to vet the recruitment and selection of other candidates. 1
6. Tweed Directions effectively organised the day-to-day running of candidate campaigns, the candidate's announcement of candidature, the presentation of campaign material, candidate expenditure needs and gathered funds from persons or entities with significant property related interests in the Local Government area whilst its selected and preferred candidates presented themselves to the community as independent of each other. 10
7. Tweed Directions also undertook a campaign parallel to, and in support of, the day-to-day campaigns of its selected candidates and a parallel negative campaign attacking candidates who were not part of the Tweed Directions team.
8. Tweed Directions promoted the idea or belief among selected candidates that the candidates would not have any conflicts of interest because they would not know the details of the donors to the campaign - or to their campaign. The report suggested that this proposition was a nonsense for several reasons. In Professor Daly's view 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 would become public knowledge after the election because of statutory reporting obligations. 20 30
9. A critical feature of the Tweed Directions strategy was to have its nine groups represent themselves to the community as being independent of each other and of Tweed Directions. Professor Daly found that the claims of independence, which he described as loud and persistent during the campaign, were manifestly false. In his view the successful candidates were elected under false pretences based on a deliberate misrepresentation of their status. 40

Now, on the information available to the Commission here some of the persons found to have been centrally involved in the Tweed Shire Council election also had some involvement in, or connection to, those involved in the Gold Coast City Council election in March of 2004.

Mr Graham Staerk, of Winning Directions Pty Ltd and Directions Media Pty Ltd, acted as secretary treasurer for Tweed Directions. The inquiry's first report indicated that Mr Staerk was a central figure in organising the operations of Tweed Directions. The report stated that Mr Staerk had indicated that he personally believed that donations should be disclosed to the public but he was instructed by the people who 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". 50

Mr Staerk acted as campaign manager for Ron Clark's successful mayoral campaign during the Gold Coast City Council elections in March 2004 and, it appears on the material, provided some input into the campaign of at least one other candidate.

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Mr Paul Brinsmead, formerly a partner with Hickey Lawyers, was found to have been the central strategist for the Tweed Directions campaign having developed a strategy that the campaign be separated into two elements.

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The first element was the campaign for individual candidates or groups of candidates and the second element was a parallel campaign providing support for all the Tweed Directions groups of candidates, and also attacking the perceived weaknesses and faults of their opponents. Mr Brinsmead has informed the Commission that he has no direct knowledge of issues associated with the Gold Coast City elections.

Hickey Lawyers was involved in the allocation of funds from its trust account to certain candidates during the Gold Coast City Council elections, from a fund that has been described as a trust fund and has over time been known by various names including the Power Robbins Trust, the Lionel Barden Trust and the Commonsense Candidate Resource.

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Mr Brian Ray, the recently deceased property developer and businessman, was mentioned in the Tweed Enquiry first report as someone who had made a donation to Tweed Directions and offered donations to several candidates during the election. It seems on the information available to date that Mr Ray was actively involved in seeking donations from developers for the benefit of a group of like minded candidates who were to be funded through Hickey Lawyers trust account or a trust fund of some kind during the elections in March 2004.

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Mr Chairman, this is an ongoing investigation and it is not appropriate to attempt at this stage to provide details of specific acts that might be alleged to constitute possible offences. However, it would probably sharpen the focus of the inquiry to place on record at this time the general categories of breaches of the Local Government Act 1993 that may arise in the context of the evidence in this investigation.

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Chapter 5 part 8 of the Local Government Act provides a detailed scheme for the disclosure of gifts received by candidates and groups of candidates and by third parties for a political purpose related to a local government election in Queensland.

Section 427 requires candidates to disclose in the approved form the total value of all gifts received, the total number of persons who made the gifts and the name and residential or business address of each person who made a gift to the value of the prescribed amount of \$200 or more, either to the candidate or to their campaign committee.

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Under section 427A, if a group of candidates receives gifts then each candidate who is a member of the group must disclose

in the approved form the names of the candidates forming the group, the name, if any, of the group, the total value of all gifts, how many persons made the gifts and the relevant details for each gift made by a person to the group, where the total value of gifts given by the donor is the prescribed amount of \$200 or more.

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For this purpose, a group of candidates means a group of candidates formed to promote the election of the candidates for a particular local government but does not include a political party or an associated entity controlled or operated for the benefit of one or more political parties. One question that will need to be addressed in this inquiry is whether the funding and other assistance provided to what has been described by many witnesses as a group of like minded candidates, amounted to the formation of a group of candidates for the purposes of the disclosure provisions of the Local Government Act.

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Most people would agree that the legitimacy of an elected Council depends upon the integrity of the electoral process and that this is obtained through free and fair elections following open debate. It may be necessary for the inquiry to consider whether the public is entitled to be told during an election of any organisational or financial connection that might exist between candidates who have formed a group or other formal or informal association, and whether a failure to disclose such an association or false denials of such an association could result in the corruption of the electoral process.

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The disclosure of election gifts is obviously considered a serious issue by the legislation. In order to ensure that candidates are able to comply with their disclosure obligations, section 428 of the Act provides that it is unlawful for a candidate or person acting on behalf of the candidate to receive a gift the value of which is the prescribed amount of \$200 or more, without knowing the relevant details of the gift.

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If a person unlawfully receives a gift in contravention of this provision, then an amount equal to the value of the gift is payable by the candidate to the local government and may be recovered by debt action in a Court of competent jurisdiction.

Relevant details for a gift means the value of the gift and when the gift was made and relevantly for a gift purportedly made out of a trust fund or out of the funds of a foundation, (1), the names and residential or business addresses of the trustees of the fund or other persons responsible for the funds of the foundation, and (2) the title or other description of the trust fund or the name of the foundation, or the name an residential or business address of the person who made the gift.

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Gifts for third party expenditure are covered by section 430. That section places disclosure obligations on a person not associated with a political party registered under the

Electoral Act, who received a prescribed gift of \$1,000 or more and incurs expenditure for a political purpose related to a local government election of \$1,000 or more.

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It was pursuant to section 430 that Mr Lionel Barden publicly disclosed during the disclosure period after the 2004 Local Government elections that a trust fund bearing his name had received \$150,000 in donations to be used for a political purpose.

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The Commission has since been informed by the lawyers who administered the payment of money from the fund that they do not know of any trust document, or terms of trust, in relation to the Lionel Barden Commonsense Campaign Fund, that they hold no documentation of that kind and that they were told by Mr Barden that no such documentation exists.

The question may have to be asked in this inquiry is it permissible under local government legislation for candidates to accept donations to their campaigns without any clear knowledge of the source of those donations? It appears from information provided to the Commission in the present case that at least three of the candidates who received substantial sums of money from so-called trust fund did not even know the name of the fund until it was published in the media some time after the election.

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In fact, only one candidate who received the funding from the trust fund declared the receipt of gifts from the Lionel Barden Trust Fund, the only body to make a third party return after the Gold Coast City Council election. Other candidates referred in both their interim and final returns to gifts from Hickey Lawyers, the Commonsense Trust, Tony Hickey, Quadrant, Chris Morgan and Hickey Lawyers Trust Account. On the face of it, none of those entities had any connection to the Lionel Barden Trust Fund that had made a third party return disclosing that its funds were provided entirely by developers and an entity with significant property related interests.

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Another issue which is squarely raised by the information available in this matter to date is the extent to which it is lawful for a candidate to make false or misleading statements about the sources of his or her funding during an election campaign, or afterwards in electoral returns. There are several offence provisions in the Act relating to false, misleading or incomplete information, including:

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"Section 383: making false or misleading statements generally under chapter 5, Local Government Elections;

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Section 384: giving documents containing false, misleading or incomplete information;

Section 394: misleading voters;

Section 436 subsection (2): providing a false or misleading electoral return. Conviction for this offence

leads to disqualification and vacation of office, see section 222 of the Act;

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Section 438: a person required to give a return must take all reasonable steps to obtain the particulars required to complete the return."

In addition to these offences the inquiry will also be required to consider the provisions in the Act that relate to:

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"Councillors' duties to ensure no conflict of interest arises between private interest and the honest performance of his or her role."

Section 229(2) (b) and subsection (3). And the provisions relating to:

"Declaring and dealing with material personal interests."

Sections 244, 246 and 247 subsection (3).

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It should be noted, however, that the obligations in relation to material personal interests are confined by the way in which the term is defined in the Act. The inquiry may be required to consider the provisions of section 385 of the Act in relation to electoral bribery. That section provides that:

"A person must not, in order to influence or affect another person's election conduct, give, or promise, or offer to give property or a benefit of any kind to anyone else.

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In this provision election conduct of a person includes:

"The person's nominating as a candidate for an election or the person's support of, or opposition to a candidate at an election."

The section also provides that:

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"A person must not ask for or receive, or offer, or agree to ask for, or receive property or benefit of any kind on the understanding that the person's election conduct will be influenced or affected."

An analysis of the elections returns for candidates in the 2004 Gold Coast City Council elections shows that 55 candidates out of 56 declared gifts totally \$867,412 from a 1,009 donors. Of this amount at least \$404,015 could be identified as coming from 75 donors involved with the property development industry. This is a minimum figure as it takes into account only those donors who could readily be identified as in that category and the figure may actually be higher.

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In percentage terms 7.4 per cent of the donors provided 46.6 per cent of total donations, and when like entities are grouped together, for example, when subsidiary and parent companies are counted as one donor, 5.2 per cent of donors

provided 46 per cent of total donations. The identified donors from the property development industry provided funds to only 13 candidates.

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It is obvious even from this simple analysis for funding for the election that developer funding is a significant factor in the election process on the Gold Coast. It is also obvious that the source of funding to some candidates during this election has created substantial public concern and created at least the perception that developers may have made donations in the expectation of favourable treatment.

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This is a complex area and the question generally of the potential for developer donations to dominate the electoral funding process may be a matter for detailed consideration in the second term of reference of this inquiry.

That completes, Mr Chairman, our opening comments. May I just at this stage mention something else?

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Two witnesses have raised concerns in regard to the information which they provided to the Commission being provided to other witnesses. Now, what needs to be said is that the information which was provided to other witnesses was provided on the condition that the information remain confidential until, if this happens, the information is tendered in the course of this inquiry. Should it not be tendered at the inquiry that information which was provided to other persons with a view to them being able to properly represent themselves here will never be disclosed.

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In this respect section 230 - 213(1)(c) of the Act provides - that is of the CMC Act, the Crime and Misconduct Act of 2001 -

"This section applies to a person who is or was a person to whom information is given either by the Commission or by a person mentioned in the relevant paragraphs on the understanding expressed or implied that the information is confidential."

And subsection (2) of section 213 provides,

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"A person must not make a record of or wilfully disclose information that has come to the person's knowledge because the person is or was a person to whom this section applies."

In case it is necessary, I mention at this point those secrecy provisions and the fact that if, in breach of those provisions, information is disclosed that would constitute an offence under the Act and having referred to the provision it may be appropriate, Mr Chairman, if you were to add something as you see appropriate at this point.

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CHAIRMAN: Yes. My memory is, Mr Mulholland, I referred to this back on the 23rd of September when it was-----

MR MULHOLLAND: Yes, you did.

CHAIRMAN: -----indicated by you at that stage that material would be made available to each person who had a proper interest in the matter to enable them to properly consider their own interest before this hearing. I indicated at that time that release of that material would be an offence under the Act. I reiterate what you have said here and it would be treated very seriously if people were to improperly use any of that material that has been provided to them. At the conclusion of this hearing that material will either have to be returned to the CMC or an undertaking given with respect to its proposed destruction.

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MR MULHOLLAND: Thank you, Mr Chairman. There is at this point now a need to tender some material and I'll ask Ms Hamilton to do that.

MR O'GORMAN: Mr Chairman, just before that's done, could I be heard briefly on behalf of Mr Clarke?

CHAIRMAN: Certainly, Mr O'Gorman.

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MR O'GORMAN: I simply wish to place on record that the statement provided by my office to the Commission on behalf of Mr Clarke has noted that Mr Clarke's campaign manager was Gardner Brooke not the person Mr Staerk and because Mr Clarke is not intended to be called until the 7th of November block I seek to place that on record so that what we contend is an inaccurate assertion that Mr Staerk was in fact the campaign manager doesn't develop a life of its own.

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CHAIRMAN: That you're saying that it was a Mr Cameron Brooke or is that a firm, Cameron Brooke?

MR O'GORMAN: No, a Mr Gardner Brooke-----

CHAIRMAN: Gardner Brooke.

MR O'GORMAN: -----was in fact Mr Clarke's campaign manager and we provided that information to the Commission in a seven page letter of the 31st of August 2005. In fact Mr Clarke's position will be that Mr Staerk was part of a entity that provided media promotional assistance during the campaign. He was never at any stage Mr Clarke's campaign manager. That's all I seek to put on the record.

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CHAIRMAN: Thank you, Mr O'Gorman. Yes?

MS HAMILTON: Yes, thank you. Mr Chairman, some of the material in this matter will be of relevance to several witnesses and will be referred to throughout the hearing. It's proposed to tender material in this category now so that references can be made to it during the questioning of each witness.

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The first item is a folder of media articles. Some of these articles are of interest because they indicate when certain matters were announced publicly or became public; other, because they contain statements allegedly made about relative

issues by witnesses. The folder has an index of the articles and they've been numbered within it for ease of reference and I would tender that folder of 101 media articles as one exhibit.

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CHAIRMAN: Now, Ms Hamilton, a copy was given to me on Friday. I presume that's the same as the one you're producing?

MS HAMILTON: Yes, that's correct.

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CHAIRMAN: Yes, thank you. So that will be marked Exhibit 3.

ADMITTED AND MARKED "EXHIBIT 3"

MS HAMILTON: The second item are three folders which contain a statement by CMC principal financial analyst, Mr Karel Weimar, a spreadsheet prepared by Mr Weimar which summarises relevant details from all of the electoral returns relating to gifts lodged by candidates in the 2004 Gold Coast City Council election and all of the electoral returns relating to gifts that were lodged. And I would tender those items as one exhibit also, Mr Chairman.

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CHAIRMAN: Is that electoral returns of every candidate at the elections?

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MS HAMILTON: Yes, there are 55, I believe.

CHAIRMAN: 55?

MS HAMILTON: Yes.

CHAIRMAN: Okay.

MS HAMILTON: Copies are available.

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CHAIRMAN: That will be - that statement by Mr Weimar, the spreadsheets and the electoral returns will be marked Exhibit 4.

ADMITTED AND MARKED "EXHIBIT 4"

CHAIRMAN: Is there a set of those for me or perhaps later?

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MS HAMILTON: Perhaps later, Mr Chairman.

CHAIRMAN: Yes, thank you. It might be necessary at some stage that perhaps the original go in the hands of the witness and it might be handy if I could have one to follow as well.

MS HAMILTON: We will certainly have copies of relevant electoral returns for other parties to follow if a witness is being referred to a particular electoral return.

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CHAIRMAN: Thank you.

MS HAMILTON: And, Mr Chairman, the third item is a statement by CMC principal financial analyst, Mr Karel Weimar, and two schedules of financial information prepared by Mr Weimar. The first schedule summarises all payments into and out of the Hickey Lawyers trust account relevant to electoral gifts to candidates during the 2004 Gold Coast City Council election. The second schedule is based on account statements and invoices relevant to Mandra Proprietary Limited trading as Quadrant and reconstruct activity on the accounts for each of the candidates for whom Quadrant provided services and for the Southport Citizens for Change whose account was also paid from the trust account.

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These schedules are based on material that was produced to the CMC by Hickey Lawyers and Quadrant and that material has been or will be provided to interested parties with the statements of the parties who produced the material.

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So I would tender a statement of Karel Weimar and two attached financial analyses.

CHAIRMAN: Yes, that statement of Mr Weimar and the attached spreadsheets relating to the Hickey Lawyers trust account and the Quadrant account will be marked as Exhibit 5.

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ADMITTED AND MARKED "EXHIBIT 5"

MS HAMILTON: And, Mr Chairman, I-----

CHAIRMAN: Is there a copy of that available now for me, or perhaps later.

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MS HAMILTON: I'm sure there are additional copies available. I'll have one handed up to you.

CHAIRMAN: Again I can get it later if need be.

MS HAMILTON: No, there is one available. And, Mr Chairman, could I just indicate that the Commission does not propose to call Mr Weimar at this stage. However, interested parties may of course apply to have Mr Weimar called for cross-examination if they wish to do so after reviewing the material and his statements.

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CHAIRMAN: Yes. Thank you.

MS HAMILTON: Thank you.

CHAIRMAN: Yes, Mr Mulholland.

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MR MULHOLLAND: I call Robert Molhoek.

ROBERT MOLHOEK, SWORN AND EXAMINED:

MR MULHOLLAND: Would you state your full name, please?--
Robert Molhoek.

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Mr Molhoek, you are a Gold Coast City Councillor?-- I am.

And having been elected to Division 4 at the March 2004
election; is that correct?-- That's correct.

That election was held on the 27th of March?-- That's correct.

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You have attended here today in answer to an attendance
notice?-- That's correct.

Would you have a look at this document, please. Is that the
notice?-- That's correct.

I tender that, Mr Chairman.

CHAIRMAN: Yes, that will be marked Exhibit 6.

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ADMITTED AND MARKED "EXHIBIT 6"

MR MULHOLLAND: Now, Mr Molhoek, were you issued with a notice
to discover material under section 75 of the Crime and
Misconduct Commission Act?-- Yes, I was.

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And did you provide information in response to that notice?--
Yes, I did.

First of all, look at this statement, please. Is that the
statement that you provided to the Commission?-- Yes, it is.

And what's the date of that statement?-- 20th of August 2005.

I tender that statement.

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MR TEMBY: Chairman, may I see that before it's received?

CHAIRMAN: Yes, you can show that to Mr Temby, thanks. Yes,
all right, that statement by Mr Molhoek will be admitted as
Exhibit 7.

ADMITTED AND MARKED "EXHIBIT 7"

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MR MULHOLLAND: Now, Mr Molhoek, that statement, you I take it have had the opportunity of looking at it in recent times?-- Yes, I have.

And are the contents of that statement true and correct?-- Yes, they are.

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Did you together with that statement provide a large volume of material to the Commission?-- Yes, I did.

Now, did you subsequently provide a further statement to the Commission?-- Yes, I did.

Have a look at this document, please. Now, could you tell - oh, wait, I'll tender that.

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CHAIRMAN: Is that the statement and the supporting material?

MR MULHOLLAND: Yes, and the supporting material.

CHAIRMAN: Yes, that will be admitted as Exhibit number 8.

ADMITTED AND MARKED "EXHIBIT 8"

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MR MULHOLLAND: Now, are the contents of that statement correct?-- Yes, they are.

And do you explain in the second statement the circumstances under which you came to supply that to the Commission?-- I believe so.

What happened that caused you to supply a second statement?-- Well, a couple of things. I decided that - in preparing for this I hadn't sought legal counsel in preparing the original statement. I subsequently did so. And in the course of reviewing my earlier statement I realised that there were a couple of details that I'd overlooked. In addition to that there was information that I wasn't able to find on my first - when I lodged my first statement which I subsequently located. And the third issue was there was an article in the Bulletin which alerted me to some other information that I wasn't aware of and I felt it was necessary on advice just to provide some further information about that.

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Now, are you satisfied that you have provided all relevant information to the Commission?-- Yes, I am.

There's nothing that you would wish to add to anything you have said in those two statements or to the material that you have supplied to the Commission?-- No.

Now, do you have a copy of the first statement that you provided?-- Yes, I do.

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Can I ask you to look at that statement? You say in paragraph 3 in relation to a request for a written statement of information detailing all donations, gifts et cetera received either directly or indirectly during the course of your campaign - you say that "In May 2003 my wife Melinda and I agreed that I should run for the Gold Coast City Council in 2004. The decision came after a great deal of soul searching and counsel from family and close friends." Is that the time at which you decided to run?-- Yes, it was.

10

Did anything further happen in relation to that decision until July 2003 when you take up in your statement that you started preparing plans for the 2004 election?-- Nothing that comes readily to mind but - apart from just some ongoing dialogue with family and friends about the way that I should perhaps approach the election, the wisdom of running for Council, whether that was a good decision regarding my family, and just talking generally with close family friends and colleagues in the business community and broadly as to my aspirations and thoughts.

20

Yes. Now had you met during this period any person who you knew or thought might be running for the 2004 election?-- In the period July - March to July?

In the period from the time that you started to run for the Council election, which was May according to your statement-----?-- Yeah.

30

-----and July. Had you spoken to any other person who, to your knowledge, was also minded to run?-- Not - not to my recollection, no.

Now you say later in your statement that you had known Mr Lionel Barden for approximately five years. That is you'd known him?-- Yeah.

40

-----prior to the time of your statement?-- Yes.

You say that in paragraph 4, and you there say that you'd known Mr Barden for five years, having been introduced to him by Mr Paul Wyatt, the general manager of Southport Sharks, at a strategic planning afternoon for the Abused Child Trust conducted in a meeting room at the club approximately 2000. Is that right?-- That's correct.

And that's the first time that you met him. You at the time were general manager of R G Capital Radio Gold Coast at the time, according to your statement?-- That's correct.

50

Now you have said that you were re-acquainted with Mr Barden in early 2003. You say that in paragraph 4 of your statement, have you found that?-- Yep.

Just read that paragraph to us, please?-- In early 2003 I was re-acquainted with Lionel through a promotional function for the Innovation Showcase and responded to an invitation for lunch at Coolangatta and inspection of events from Coolangatta Airport.

1

Now is that a venture that Mr Barden is associated with?-- Yes, it is, or was.

Right. So you met him; you can't say - can't give us any more detail about it except that it was in early 2003?-- The meeting was in response to an invitation to take out display space in the Innovation Show centre - Showcase Centre at the Coolangatta Airport, and during the course of discussions I was invited down to inspect the facility and Lionel suggested we have lunch.

10

Right, and as a consequence of that you go on to say you "encouraged my client Bell Legal Group to take display space at the Showcase and also introduced my account to the concept." That should be, I suppose, "my accountant"?-- My client, yes, yeah.

20

My accountant to the concept?-- Yes.

That's the concept of the Showcase?-- Yes.

Yes. You go on to say in relation to Mr Barden on the same page, "Later in the year I introduced Lionel to a lady interested in developing a welcoming program for newcomers to the Gold Coast as there was some synergies between her internet business and the Showcase"?-- That's correct.

30

Who are you referring to there?-- Oh, I can't actually remember the lady's name but she used to run a program called "Welcome to the Gold Coast"-----

Yes?-- -----and she approached me while at Bells for sponsorship of her program and I suggested to her that she should probably meet Lionel Barden because he was running a Showcase at Coolangatta which was designed or developed as in part an introductory service for business people to the Coast, and I felt there may be some opportunity for them to work together and on one occasion I actually invited them both into the boardroom at Bells, where we-----

40

So this was associated with the Showcase?-- Absolutely.

The dealings that you had had-----?-- Absolutely.

50

The dealings that you had with Mr Barden in this period up till the middle of the year were purely and simply related to the Showcase?-- Absolutely.

So there had been no discussions between you in relation to your consideration of running for the Gold Coast City Council election?-- Oh, I'm sure I would've mentioned to Lionel that I'd decided that I was going to run for Council.

1

When would you have mentioned or when did you mention that to him, to your knowledge?-- Oh, possibly at - over lunch on that occasion or - or-----

Which occasion?-- On the occasion that I went and inspected Showcase down at Coolangatta or it may have been at the subsequent meeting at Bells with this other lady.

Well, we've got early 2003 being re-acquainted with him?-- Sure.

10

Can you put a closer date on it than that?-- No, I can't.

Right, early - it was before you had decided with your wife to run?-- No, I would've - I would've thought it was after that but I couldn't give you an exact date, no.

I take it that even though you've said that you decided with your wife to run in May, you had been considering it before that time?-- I'd probably been considering it for the last decade.

20

So you may have mentioned-----?-- With many people.

Would this be correct, you may have mentioned to Mr Barden before May of 2003 that you were thinking of running for the Gold Coast City Council election in 2004?-- I may have but I don't recall that I did.

30

And you've got no record in relation to that meeting?-- If I went - I may be able to locate it through my diary, but I've always - I've run an electronic diary for the last few years and some of those records are not always readily available.

All right. Well, if you would do that at the first opportunity-----?-- Sure.

-----to see if you could locate any meeting that you had with Mr Barden. So what is the situation then, Mr Molhoek, you don't know whether or not you did mention it to Mr Barden that you were thinking of running? You may or may not have mentioned it to him?-- Oh, look, I was there to discuss with him a sponsorship opportunity for a client that I was representing. At that - at that stage-----

40

That'd be a good opportunity for you to mention if you were thinking of running for the election next year, wouldn't it?-- Oh, it may have been, but Lionel is not someone that I would have considered a close enough personal friend or contact to be sharing that sort of information with until it came to a point of making an absolute resolute decision. So if - if there had been any discussion it probably would have been in fairly general terms.

50

What's the earliest time that you recall having any discussion with Mr Barden in relation to your candidature?-- I would have - I would - I would imagine it would have been some time in

that early part of 2003, possibly around May or June of that year, but I don't - I don't specifically recall.

1

And can you tell us what you discussed with him about running for the council?-- Oh-----

Did you ask for his support perhaps?-- No, I didn't actually.

Well, why did you raise it with him?-- Oh, because at the time Lionel was - I think he was the - president of Robina; he's certainly a well known business person on the Gold Coast. Certainly have always respected and admired Lionel because of his involvement through the Abused Child Trust, and I would have felt comfortable speaking with him, or probably any other business contact or colleague, having once made the decision that I was prepared to run for council.

10

Well, let's concentrate on Mr Barden. He would have been, by virtue of his position on the Chamber of Commerce - which chamber was he associated with, do you recall?-- It was my understanding he was the president of Robina Chamber at the time.

20

Yes. And did he remain president of the Robina Chamber until the end of that year to your knowledge?-- I don't know. I have no knowledge, I don't know.

Any rate, he was a person who, by reason of his position with the Chamber of Commerce, would have been to you quite an ideal candidate to - to speak about your candidature for the following year, wouldn't he?-- Oh, certainly be worth speaking to, but I was running for a division that was outside of the jurisdiction of the chamber, so there's no strong advantage in speaking with him in my mind.

30

Well, did you - did you ask him for his support - any support that he could give you, for example?-- Not that I can recall at that time.

Would that not be something that, in relation to a person in his position, you considering running the election the following year, that you would say to him?-- Oh, I think - I think if you were - I think any person speaking with any business associate if they were planning to run for an election would make some reference to the fact that, you know, "Be great to have your support, your encouragement." It's - it's the degree of that support, I guess, that's really at issue.

40

Well, we can deal with the-----?-- Yes.

50

-----degree of the support, Mr Molhoek, but let's concentrate not any other person but Mr Barden-----?-- Yes.

-----and the contact that you had with Mr Barden, and all I'm asking you is this; did you, at the time that you were considering running for the Gold Coast City Council election - that is prior to May of 2003 - or around about that time,

discuss with Mr Barden that you were thinking of running the following year and asking for his support?-- My recollection was that I would have discussed it with him. I don't specifically recall asking for his support until probably later in that year when I, in fact, invited him to my campaign launch along with a group of other people.

1

Now, so far as Mr Barden was concerned, by virtue of his position on the Chamber of Commerce, he was in a position where he could perhaps give you information that may assist you in running the following year, wasn't he? Put you in touch with people who might be able to assist you?-- Oh, look, he may have, but I already had formulated fairly significant plans of my own. Having been the general manager of the two radio stations on the Coast I already had plenty of contacts of my own. I certainly wouldn't be beholden to Lionel or dependent on someone like Lionel to establish contacts within the community.

10

I'm not suggesting you'd be dependent upon him-----?-- Yes.

20

-----but I'm asking you whether or not, in the discussion you had with him you've mentioned that you were running as a candidate and asked him for support if he could give it to you; that sort of thing?-- Oh, look, if that were the case it would have been in very general terms at that stage.

You don't remember Mr Barden saying anything to you if you did raise it with him?-- Oh, I certainly recall him being very encouraging. I certainly - certainly recall him being, I guess, somewhat critical of the current council; I certainly recall that he was keen to see, you know, more businesslike people run for council and that there was a need for change. He certainly had, I guess, a great many frustrations, as did many business people in the community at that time, and myself, and that was one of my motivations for running, but that wasn't the purpose of the meeting.

30

Right. Now, what time are we talking about?-- Oh, I'm sure we would have discussed some of that at lunch on that occasion, earlier in the year.

40

You see, Mr Molhoek, without meaning any criticism, this doesn't - is not a flavour that we get from reading your statement, this meeting that you had with - or discussion that you had with Mr Barden?-- Sure.

Now, you understand the importance of telling us everything that you can recall of any contact, any discussion with Mr Barden? You understand that, don't you?-- Yes, I do.

50

Right. Now, you've said to us various things that he mentioned to you, his unhappiness with the existing council; is that right?-- In general terms, yes.

Right. So he was happy that you were running?-- Oh, yes, as were, you know, many of my colleagues in the community.

Yes. And what else did he mention to you apart from being unhappy with the existing council?-- Oh, going back that far I don't know what we made that much on it. He certainly - there was certainly a conversation at - which I referred to in my statement at "The Gold Coast Bulletin's" Honours Dinner.

1

Leave that - leave that aside at the moment; we're talking about the - any discussion that you had with him at an earlier point in time and I have understood you to say in answer to the questions that I've asked you that you do recall having some discussion with him in relation to your running as a candidate at an earlier time?-- I don't understand the question, sorry.

10

Earlier in the year, I mean?-- We've already - I've already acknowledged that I may have discussed it with him at some point but in very general terms.

Right. Now, was there any discussion at all in that period, round about May, being a date that you do remember having decided to run-----?-- Yes.

20

-----after a discussion with your wife; was there any discussion at all about financing, or the funding of your campaign and how you would go about that? Any discussion of that kind with Mr Barden?-- To the best of my knowledge, absolutely none.

Did you have at that stage any idea as to how you would fund your campaign?-- I'd obviously started putting some plans together and I assumed that I would raise some money through a campaign launch. I had a friend who owns a printing business on the Gold Coast who had offered to print for me, and I hadn't really formulated any clear plans as to how much money I would need to run a campaign. I assumed that I would probably have to spend \$20,000 or \$30,000 of my own money. It really wasn't until about July/August of that year that I started to nut out any concrete plans in terms of a campaign strategy.

30

When was the first time that you directed your attention to what would be required so far as compliance with the Local Government Act in relation to the election campaign; when did you concern yourself with that sort of detail?-- Well, my first campaign meeting was in about August, and on that occasion there were about 20 people in the board room at Bells, and in the course of that meeting we basically, I guess, established who was going to be responsible for various roles within the campaign.

40

Yes?-- And both my accountant at the time and one of the lawyers from Bell Legal Group agreed to look into any electoral issues that I needed to concern myself with and provide me with further detail on that.

50

So, did you seek some legal advice in relation to what your obligations were?-- Not formal legal advice. I just sought-----

Did you seek informal legal advice?-- I think that would be over-stating it.

Well, how would you describe it?-- Kevin Nichol I think rang the Local Government Association and made some inquiries about disclosure of electoral gifts and all the various ground rules and I think purchased a hand book on line in the end.

Right?-- Which we duly read and worked out what our obligations were.

All right. Now, Mr Nichol you've mentioned. How long had you known Mr Nichol?-- Just trying to think when I first met him but certainly probably would have met Kevin maybe '99, 2000, 2001.

Right. So you engaged him as your campaign manager?-- No, Mr Nichol was responsible for my campaign finances.

When did you engage him in that regard?-- Fundamentally, at that first meeting in August.

All right. Now, that meeting is a meeting that you refer to in your statement as having been held on Tuesday, 12th August 2003?-- That's correct.

And you nominated, you say, the function of each member and appointed teams with responsibility for the various aspects of your campaign; is that right?-- That's correct.

Yes?-- Well, that was the start of it. It probably took us a few more weeks to nut out the details and specific roles.

Right. Now, all of those details that you give in paragraph 4(f) of your first statement in relation to your campaign team - your personal assistant, co-ordination, accountant, fundraising and all the rest of it - when did you engage those people?-- On or about the date of that meeting of August 12.

So-----?-- I'd certainly had conversations with some of them prior to that as to whether they'd be willing to be involved, but that was the first occasion that we had determined to meet, and that was probably the first formal setting where, you know, we started to nut out some of the logistics and the actual roles that people would take in being part of my campaign.

Did you - had you given thought as to which division you were going to run in?-- I'd already determined that I would run for Division 4.

When had you determined that?-- Well, actually, back in - earlier in the year - the earlier decision was whether I'd be prepared to run for Council. The obstacle to that was that there was already what I thought was a very good candidate in the role but there was rumours that Margaret was to run for State Government.

This is Councillor Margaret Grummit?-- Grummit, and my determination was that if Margaret did run for State and wasn't going to seek re-election, then I would run for Division 4. If she had decided to continue on, well then, I probably would not have run for Council on that occasion.

Right. Well, when you held your first campaign meeting, you hadn't decided whether you'd run in Division 4 or not?-- No, I had because I'd spoken to Margaret previous to that and in fact I think it was about 28th July or - actually, it was early July, I think it was about 10th July, and she indicated to me then that she was going to run for State and that if she - win or lose that she wouldn't renominate for Council; she'd had enough.

10

And did you know at that stage whether or not she was going to resign prior to the election?-- She indicated that she would have to if she was going to run for the State election, but it would depend when that - when the election was actually called.

20

All right. So, this first campaign meeting in the boardroom of the Bell Legal Group was attended by the various people with each of those people and the appointed teams given their responsibilities; is that correct?-- Yep. Yes, it was.

They were the only people who were present at that meeting?-- To the best of my knowledge, there was one other young lady but she didn't stay on the team. She actually got a job offer and moved to Sydney.

30

Yes. Right. What's her name?-- I can't actually recall.

Well now, had you by this time determined how you were going to finance your campaign?-- Not - I hadn't actually determined how I was going to finance it. It was at that meeting that we started to have some dialogue about how to do it.

Right?-- How we would go about raising funds, and the general consensus was that we would have a campaign launch and see what sort of funds we raised from that.

40

Now, you spoke about speaking to a lawyer of the Bell Legal Group. Did you - it wasn't formal advice you got or even informal advice, but you just asked him or her, didn't you, to give you some breakdown as to what your responsibilities were under the Act?-- Well-----

Or what was it; you explain it, please; what did you do?-- Well, the lawyer was Jeff Smith who was one of the partners in the firm where I was doing some work. Jeff was more than happy to be part of the team and because I had no knowledge of how a candidate went about the process of nominating, what all the obligations were, basically left it with both him and Kevin to go and get all the information and find out what needed to be done to ensure that we complied with everything that needed to be covered.

50

Right?-- Both, you know, before, during and after the election.

And did you know at this time when you asked them to go and do that what the essential obligations were under the Act in regard to disclosure?-- I had some basic understanding, probably didn't know to the full extent how far you had to go in terms of disclosure, but in fairly general terms, certainly.

10

So would you have received this material at this time or did you get it later? You spoke about a -----?-- Oh, it came later.

So when would you have received that, do you think?-- Within - probably within three or four weeks of that meeting. Sometime in September I would have thought - possibly early October.

Have a look at this document, please? Now that item, I'm told, is the document that you sent in with your statement?-- Yes.

20

Do you recognise it as-----?-- Yes, I do.

All right. Just check it that it is the one?-- Yep.

So that's the document that you got. Now, when do you believe you received that?-- Probably around within a few weeks of that meeting.

30

Right. So this is within a few weeks of Tuesday, the 12th of August 2003?-- Yeah, I would have thought so - or maybe during the month of October some time.

And you received this online?-- No, I think I actually was given this by Margaret Grummit along with the folder of other information.

It's the handbook that you got online; was it?-- The handbook was actually that blue printed book with the Queensland State Government logo on it. I think it's called "Disclosure of Electoral Gifts."

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Right. Well first of all, in relation to this document which is the first document of this kind that you got; was it?-- Oh-----

In other words you got that before the handbook?-- I couldn't recall. I may have.

50

You got them about at the same time; did you?-- I'm pretty sure I got them around the same time.

And just before I tender that, if you go to the last page of it, you see in paragraph 16 and 17 reference first of all to Candidates Handbook and to Disclosure of Election Gifts. When you did receive this did you - did you note that on this

document?-- I don't - I don't actually believe I even read this document at the time. I put it in a file because it - because I was - it wasn't really a priority to me at the time and I'm pretty sure at that stage I'd received or - you know, they are all just sitting in a folder on my desk and I would have gone through the blue folder because it was the most recent document.

1

Right. So you paid attention to the blue folder as distinct to this one?-- Oh - yeah, probably.

10

You can't remember ever reading this document?-- No, I can't actually. I remember having it but I don't recall specifically, you know, trawling through it and reading it at the time.

I tender that, Mr Chairman.

CHAIRMAN: Yes. The Gold Coast City Council Information for Prospective Candidates booklet is admitted and marked Exhibit 9.

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MR TEMBY: When that's been marked could I see it, Mr Chairman?

CHAIRMAN: Certainly, Mr Temby.

ADMITTED AND MARKED "EXHIBIT 9"

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WITNESS: In fact I'm wondering whether I may have even received that a little later in the year - or an earlier version of it.

MR MULHOLLAND: Right?-- But it certainly wasn't - it wasn't something that I spent a lot of time on.

40

So the information for Prospective Candidates booklet - you're not sure whether you received it then - what - in October? Is that what you referred to?-- I think I may be confusing it with the 2000 booklet. I'm not sure that that publication was actually released until a little later in the year, for memory, so-----

To your knowledge did you ever read that document?-- Not in any great detail, no.

50

Did you read it to your knowledge in any detail at all?-- I would have - I would have scanned through it but I really don't recall. I had that many things going on at the time - I really don't recall.

And you didn't ever note the last page that I drew your attention to?-- Not particularly, no.

Now would you have a look at this document, please. You referred to a blue folded booklet. Are you sure that you gave with your documents a blue folded booklet to the Commission?-- Well it was this publication and I didn't actually lodge it as part of my evidence because I figured that it wasn't really material to the inquiry-----

1

Okay?-- -----given that it's a, you know, State Government publication.

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Right. So we can find it for ourselves?-- I could have - I would gladly have photocopied it if you'd wanted but-----

So you didn't have it?-- I know I did have a copy of this, yes.

All right, but you just didn't send it in?-- I just didn't send it in, no.

Is there anything else that you've got there that you didn't send in on the basis that you thought we'd have it anyway?-- Well nothing that I can recall. I mean I toyed with whether to send in all 400 copies of one particular letter that went to 400 different people but I just sent all 400 copies through. My campaign strategy document which I kept updated - I sent the updated version. I really didn't think there was a lot of value in you getting, you know, 15 versions of the same document.

20

Right?-- But -----

30

That's a copy of the document at any rate that you became aware of?-- Yes.

And when did you receive that book - that handbook?-- To the best of my knowledge around October of 2003.

Right. And how did you receive it?-- I'm not sure but I'm pretty sure either my secretary ordered it or my accountant ordered it for me online at the time.

40

Right. Yes, I tender that, Mr Chairman.

CHAIRMAN: How do you describe that document, Mr Mulholland?

MR MULHOLLAND: A Local Government handbook relating to Local Government elections.

CHAIRMAN: I see. So it's a Department of Local-----

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MR MULHOLLAND: Inside-----

CHAIRMAN: -----Government and Planning booklet on Disclosure of Election Gifts?

MR MULHOLLAND: And it's referred to inside, Mr Chairman, as a handbook.

CHAIRMAN: Yes.

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MR MULHOLLAND: So that's the handbook that you were speaking about earlier.

CHAIRMAN: All right. That's Exhibit 10.

MR MULHOLLAND: Thank you.

WITNESS: Yes.

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ADMITTED AND MARKED "EXHIBIT 10"

MR MULHOLLAND: Now, your best recollection in relation to when you received that was October 2003?-- That's correct, yep.

20

Now did you read the handbook?-- Yes, I did.

All right. Carefully read it?-- Yeah.

And you were satisfied that you understood your disclosure obligations under the Act?-- Yes, I am.

Now, you had this campaign launched on the 12th of August?-- No, that was my campaign meeting.

30

Campaign meeting. You had, prior to that time, announced your election intentions; is that correct?-- I'm not sure whether it was just prior or just after but-----

Well, do you remember-----?-- -----there was an article that appeared in the Gold Coast Bulletin around that time.

All right. Well, can I suggest to you that that was on the 7th of August 2003?-- Yep.

40

And in fact you say it on page 13 of your statement?-- Yep.

"I announce my intention to run" in the Gold Coast Bulletin on Thursday-----?-- Yep.

-----the 7th of August 2003?-- That's correct.

So that was your first public announcement; is that correct?-- Yes, that's correct.

50

Right. Now, by the time of that meeting on the 12th of August 2003 had you had any further discussion with Mr Barden, or anyone else for that matter, in relation to the way in which you wanted to fund your campaign?-- None that I can recall.

Just in relation to funding, what was your approach in relation to the question of funding: how you were going to do it - this is in this period I'm talking about. If you've changed your view over time we can get to that but just tell us what your views at this time were in relation to the question of funding and how you should do it and how you should not do it?-- Are you referring to in August timeframe?

1

Yes?-- I understood that I needed to stay as removed from it as I could in the lead up to the election.

10

Removed from the funding question?-- From active involvement in raising funds.

Right?-- I'd previously had advice that it's wise for candidates not to get directly involved in fundraising.

Right?-- And-----

Would you mind sharing with us who told you that?-- Well, again, it was earlier in that year and I think it may have been around February/March of that year, I made an appointment to go and meet with Paul Stevens, the then CEO of Council, just to discuss with him what was the process if someone was wanting to run for Council, just to get some insight, I guess, into how Council operates, how councillors function, what are the pitfalls, what's the up side, and on that occasion he gave me some strong advice that, "As best as you can, it's unwise to get directly involved in fundraising, and you should appoint someone to look after that for you."

20

30

Right. And you accepted that advice?-- Yes, I did.

And when you came to start your campaign or hold your first meeting in August, that was the attitude that you took?-- Absolutely.

So you weren't going to raise any funds yourself?-- No. Well, that was certainly not my intention.

40

Now, does that - well, just explain what this decision entailed: that you wouldn't speak to any donor or prospective donor directly?-- That was the plan; that's right.

So what would you do in the way of raising funds, leave it entirely in the hands of the fundraising manager?-- Well, that was the intention.

What, that you'd have nothing to do with it whatsoever?-- Well, that - yeah, fundamentally.

50

So what, did you-----?-- It would be unwise, though, to just be completely removed from it. You would want to have some sense of who was contributing towards your campaign and, you know, practically because there may be some people that you may have some misgivings about, whether you would want to receive their report or not.

Well, I'm just interested at this campaign meeting, the first campaign meeting in August?-- Yep.

Who was your campaign manager?-- Well, I basically ran the campaign myself.

Well, who was the fundraiser?-- At that point, Simon Mills.

Simon Mills?-- And Ben Parsons agreed to look after my fundraising, and Kevin Nichol was - agreed to look after the accounting and the bookkeeping side of it to provide a layer of transparency or protection.

10

Right. So you had Mr Mills and the other gentlemen looking after fundraising for you?-- Yeah.

At that time?-- Yeah.

So in allocating responsibilities, what did you instruct them to do so far as fundraising; what did you instruct them in relation to your attitude and what you wanted to happen?-- There wasn't - I don't know that there was so much - a lot of instruction given; it was rather we talked about the best way to approach that. We agreed at that meeting that we'd start putting a campaign launch together, that we saw that as the prime fundraiser for the campaign, and then we would see what came out of that.

20

So - but I'm just interested in you received advice that you should stay as removed as possible-----?-- Yeah.

30

-----from the funding question?-- Yep.

And you accepted that advice. So when it came to this first campaign meeting and you were allocating responsibilities, did you give anyone instructions as to how that question of fundraising was to be handled or not?-- The only instruction would be, you know, you guys need to, you know, talk to Kevin, and we need to get, you know, some further information as to what we need to do in terms of disclosure and make sure that whatever we do is done correctly and above board.

40

So you told them that you wanted them to comply with the obligations under the Local Government Act?-- Absolutely.

And you told them to get hold of any document that they needed to find out what those responsibilities were; did you tell them that or something to that effect?-- Well, probably not in those words, but that was certainly the sort of discussion we had.

50

Did you tell them that your view of this shaped from what you had been advised by the then CEO of the Council was that you should be removed as far as possible from the fundraising; did you tell them that?-- Yeah, I would have, or words to that effect.

Right. Well then, there must have been some discussion as to how you were going to do that. Did you say to them, "I don't want to know who is providing gifts or donations to me - to my campaign." Did you say something like that to them, "I don't want to know."?-- No, I wouldn't have said anything in those strong terms because at the end of the day I was completely aware that I would have to sign a disclosure statement and a return, and at some point I would absolutely know. I think the conversation was more than I really didn't want to get, you know, too embroiled in it. I wanted to a degree to retain as much independence as I could and just felt that there needed to be, I guess, some separation between campaigning activity as in just getting on with knocking on doors and running a campaign and the actual fundraising efforts of the campaign.

10

I don't know whether you'd agree with this, and I'm not wishing to be unfair to you, but I rather gather from what you're saying that there were very clear guidelines laid down to those people who were going to do the fundraising for you as to what they should and shouldn't do. Would that be correct?-- To a degree and in hindsight they were probably a little naive.

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Now, you knew that you would eventually have to know who the donors were?-- Yeah.

So did you ever consider, well, in that case, seeing that they have to be disclosed and I will have to know, there's no point in withholding it and I should make full disclosure, public disclosure; did you ever consider doing that?-- Well, I knew that we always would have to make public disclosure, and when I was approached by The Bulletin I think about three weeks prior to the election, I was more than happy to provide them with complete disclosure of any gifts that I'd received at that point.

30

Yes. I'm talking about back in 2003. We'll deal with the circumstances as to what actually happened, but I'm interested in how you approached your campaign and at that time whether or not you had any fixed ideas as to how this should be done and whether you considered at that time saying, well, seeing that these are going to have to be disclosed publicly in due course, I may as well disclose them publicly as I go along. Have you ever considered doing that; if not, why not?-- Well, it's not something that I considered at the time, but, as I say, I was more than happy to disclose it when it was suggested that I should several weeks before the election. It just - whether it was inexperience in terms of running a campaign or not, I don't know. It's just not something that we really considered all that strongly at the time.

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Did you have any concern about receiving money from developers at this time, 2003, at the time that you had your first campaign meeting?-- Only that I would want to know who the developers were.

You would want to know?-- And that what I was more interested in and in fact fundamentally pursued was support from the broader business community, family and friends.

1

So, did you tell those who were working with you that in relation to developers you'd like to know who they were if they were going to donate to you?-- I don't know that we even had that sort of dialogue. We were-----

Well, I'm asking-----?-- We were all-----

10

I'm asking you, Mr Molhoek, because you've said to me that you'd just like to - you'd certainly want to know who they were?-- Yeah.

If you'd certainly want to know who they were, did you take steps to ensure at that time that you would find out as soon as any developer looked like they were going to donate?-- No. I mean, the people-----

20

Well, why wouldn't you do that if you had the attitude that you've just told us?-- Because the people that were on my team were all close friends. They're people that I've grown to love and trust over many many years. I would have assumed that they were astute enough and smart enough to highlight any pitfalls of any possible contributors if the need arose.

Now, from what you've said there were some developers who you wouldn't want to receive contributions from, is that correct?-- Yeah, absolutely.

30

What were the criteria for deciding on whether or not you accept money from developers?-- Oh well, in the first instance they'd need to be people that I knew and trusted.

So you had to know them and you had to trust them?-- Yeah, absolutely.

Right. And what, is it implied in that that there were some developers on the Coast that you wouldn't trust? Is that what you're implying?-- Well, you've got to know someone to trust them. If you don't have a relationship with someone, well then, it would be unwise to accept their financial support.

40

So the developers, if they were to develop - if they were to contribute to your campaign, had to be people that you knew and whom you trusted, is that right?-- Absolutely, and that - that's fundamentally why I withdrew from the opportunity to receive contributions from the Lionel Barden Trust Fund or the commonsense fund when it became apparent that it was predominantly developer funded and not a chamber or business-backed entity.

50

Well, we'll come to the circumstances under which that occurred but, having that view of money coming from developers, you didn't specifically address that with the people who were looking after funding for you, you thought that they should be wise enough to realise that that is the

way in which you wanted things done?-- Oh look, I think the reality was that - that everyone that was involved in my campaign, it was new territory for us all and probably one of the mistakes I made in putting a team together was we didn't really have anyone in there that had significant campaign experience or knowledge and that became apparent as the campaign progressed that - that, you know, we had lots of enthusiasm, we were great mates, lots of passion to get in there and have a go but no real direct campaign experience.

1

Were you - did you find as you went along that there were things that you didn't know about, the dos and don'ts if you like - and I'm talking here principally about legal responsibilities - that you didn't have the information that you felt you would have like to have had in advance of the election?-- Oh, well nothing - nothing substantive. I mean, the only - no, nothing substantive that I could recall.

10

Now, can I take you to your statement, page 7, where you speak about running into Mr Barden again and you say this, "I ran into Lionel" - have you got the paragraph?-- Yeah.

20

This is paragraph 4. "I ran into Lionel" - at, should that be - "I ran into Lionel at the Gold Coast Bulletin's Gold Coast Honours Gala dinner"?-- Yeah.

"Wednesday, the 12th of November 2003 briefly and he congratulated me on my decision to run for council and indicated there were some key Chamber of Commerce people I needed to meet." Just pausing there, so this is Mr Barden that you're speaking of, is that right?-- Yes, it is.

30

And you had met him in the circumstances that you've referred to earlier in the year, there had been some discussion at that time in relation to the fact that you were going to run?-- Or that I was thinking about running, yeah.

You were thinking of running and he spoke a little bit about his views of the council and so on, is that right?-- Yeah.

40

So on this occasion he knew - in this meeting he knew that you had officially declared that you were running?-- That's correct. Well, I think it had been published in the paper earlier so it would have been no secret at that point.

So did he - sorry, are you finished?-- Yeah.

Was there - did he revert back to the themes of the conversation that you'd had earlier in the year, his views of the council and so on?-- On that occasion there was hardly opportunity to, I was sitting at a table with a dozen or so people. It was a very crowded ballroom. I think he was just walking past on his way back from the toilets or something and he put his hand on my shoulder and said - made a couple of passing comments and said, "There's some people here, you know, I'd like you to meet."

50

Did you indicate at that time that you were going to run for Division 4?-- Yes, I would have.

1

Right. So had Councillor Grummit officially announced that she was not continuing?-- I don't - I'm not sure whether she'd publicly announced but she'd certainly told me that she wasn't continuing.

And you indicated you were going to run for Division 4?-- Yes, I had.

10

And Mr Barden would have known that?-- Oh, yeah, I'm sure he would have. There had been some - there'd been some other dialogue with Mr Barden about other things but he certainly knew I was hoping to run for 4 then.

Now, he indicated to you that there were some key Chamber of Commerce people that you needed to meet, did he say why you needed to meet those people?-- Oh, I can't recall the specific details but it was along the lines of - you know, that the Chambers are keen to see you know more businesslike people in council, there's a lot of support out there, you know, to see change in council and, you know, there's a couple of gentlemen here at the ball tonight if you get a chance I'd like to introduce you to them. That was about the extent of it.

20

So more businesslike people, change, what about you know complaining about the present council or commenting upon what sort of a job they were doing, anything like that?-- Oh I don't - I don't recall any comments on that occasion but it wasn't uncommon around that time to be running into all manner of people that were complaining about council and expressing views about some of the disruptions that were going on in council.

30

Now, these disruptions, as you understood it, that were going on in council, was that in any way related to any delays in development applications or planning?-- Well, if it was it's not an issue that I was particularly concerned about and not one that anyone had raised with me on any occasion.

40

Right. So it wasn't as though you had any view that the council was - you know, there was gridlock in the council, that people were not getting things done quickly enough, that developments weren't proceeding or things of that kind, applications were being held up, nothing whatever in relation to that ever came to your attention?-- No.

And no-one ever had any discussion along those lines with you?-- Oh I'm sure that there was - I can certainly recall comments in general terms about you know delays in council. I don't-----

50

Well, that's what I'm interested in, Mr Molhoek?-- I don't - I don't actually recall whether anyone mentioned anything to me about it at that time. The sorts of comments that I was getting from people were more about the city image, you know, indecision about the dam and the water supply and I guess

because I was a well-known media person and had sort of I guess a degree of involvement in marketing - and that's really my area of expertise - and financial management, they were more the sorts of issues that I would have discussed with people in terms of city image.

1

Right. What about Mr Barden, had he ever indicated to you that delays in council were a concern?-- It's not something we ever discussed.

10

Now these Chamber of Commerce people, you go on to say, "On that occasion he briefly introduced me to John Lang and Brian Rowe and suggested I meet with them as the Chambers - as the Chambers of Commerce generally were concerned about the performance of council and wanting to support quality candidates across the city," is that right?-- That's correct.

And these are the people you met later in the evening, were they?-- Yes, they are.

20

Are they the only people? Are there any other? You said some "key Chamber of Commerce people". Are they the only two or were there others?-- To the best of my knowledge they're the only ones I can recall having met on that evening. There was a thousand people in the room. There were certainly plenty of people coming up and, you know, patting me on the back and offering words of encouragement-----

Yes?-- -----but in terms of the Chambers specifically, they're the only people I can recall having met or having any discussion with in anything specific to do with the election or Council.

30

Now the way in which you've expressed it there, generally we're concerned about the performance of Council. Well, if they were concerned about the performance of Council they must have said why they were concerned about the performance of Council?-- Oh, the-----

See, it's not here?-- Sure.

40

What is it that was said about the performance of Council, Mr Molhoek?-- Well, there's - it - well, it was a very brief conversation. John and Brian were sitting over at another table with Lionel across the other side of the room. Later in the evening, I think after all the formalities were over, I wandered over there just to introduce myself and say hello. I recall John Lang saying something, you know, "We'd love to catch up with you at some stage and have a chat"-----

50

Well, Mr Barden introduced you-----?-- Yes.

-----to these people, so he went with you, did he?-- He was sitting at the table with them.

Yes?-- There - there was some - I think - the comments about Council were fairly general. It was more look, you know, "We've really got to do something about, you know, Council and

we want to see some decent people in Council. We think you've got a lot to offer," and that was probably about the extent of the conversation.

1

But, Mr Molhoek, look we all have conversations all the time with other people in relation to complaining about politicians, whether it be State, Federal or local-----?-- It's become a national sport.

And in relation to those complaints they are articulated in some way. We just don't simply say we can't-----?-- Yeah.

10

We don't like the performance. We speak about in what way we were unhappy with the performance. Now what you're asking us to accept on the basis of your statement here, and this is why I'm taking you through to it, is "I met with them as they were generally were concerned about the performance of Council and wanting to support quality candidates across the city"?-- Mmm.

Now, there must have been more to it than that and what I want you to do is to tell the Commission what was said about what the performance of Council they found it necessary to complain about and something more about these quality candidates but let's focus first of all on the performance. Now, what was it about the performance that they were unhappy about?-- Oh, I mean the general - the general environment back then was you had two Councils that had previously amalgamated. There was still - and I believe to some degree still exists a little - a sense of Albert versus the Gold Coast-----

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So this is the sort of thing they were saying?-- It was those sorts of general terms; water was a really big issue at the time and they-----

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So they said water was a problem?-- -----everyone was wanting Council to make a decision about getting on with the dam.

Right?-- I don't - the conversation was really in those sorts of terms but I wouldn't have spoken to them on that occasion for more than, oh, you know, two or three minutes. It was a bit like a wedding line in, you know, "It was great to meet you and yeah, can understand you feel a bit frustrated with Council too, we'll have to catch up sometime," and - and they've sat down and I've walked back to my table. I would - I don't think I would've been there for more than two or three minutes at the most.

40

So the performance is simply your word to describe the fact that they were unhappy with the present Council?-- Yeah.

50

They didn't actually say that? They didn't say they were unhappy with the performance but whatever words they used, that's what came through to you?-- Absolutely.

And they wanted to support quality candidates across the city. I suppose quality candidates; that's like motherhood, isn't it? Everyone's in support of it. What's quality candidates mean? How do you become a quality candidate, according to

this discussion that you had with these people?-- Well, I don't know whether I'm qualified to - to provide that sort of advice but I assumed that in reference to me it was because I was someone that had a business background-----

1

So would you-----?-- I had - I had an active involvement in the community, I was a passionate Gold Coaster, had some business acumen and - and wanted to see, you know, make a genuine contribution to improving our quality of life as a city.

10

Now judging by the way in which you've expressed that, they were wanting to support quality candidates across the city, so we're talking about financial support, are we?-- I have no idea what they were speaking of on that occasion and whether the reference was to supporting people financially or whether it was just to encourage people.

Did you consider whether or not this indicated that there was a group of candidates that they wanted to support?-- That was - so that certainly wasn't communicated on me on that evening. It was more of - a sense I had, it was just people talking. It was the same sort of dialogue that was going on in business circles all throughout the city, a general frustration with Council and politicians generally and the lack of spending in the city, you know, both at State and Federal levels. It was the sort of rhetoric that - and dialogue you'd have at any Chamber of Commerce meeting, any business meeting that you attended. I mean, I've certainly learnt over the years that, you know, talk's cheap. People have, you know, often - more than happy to offer you encouragement and say, "Oh, look, that's fantastic, we want to help you, or we want to support you, or we think you're doing a great job," but you know, it - there's a significant gap between reality and actually people getting like - getting down to tintacks and doing something to make a difference.

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30

Did you regard yourself as pro-business?-- Absolutely.

These qualities-----?-- And - well, and pro-community. I mean I've served on six or seven boards in the community for some 10 years-----

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Yes?-- I've been actively involved in seeking to get an NRL licence for the team because I believe that we needed something to bring the community together and create a greater sense of community. As I indicated in my statement earlier, I - you know, I was more than happy to be involved with a think tank with Lionel and others to help the Abused Child Trust and I've been involved in many other-----

50

You describe yourself in your election material as a local man, a community man, a family man and a businessman?-- Absolutely.

So those were the four appeals which you wanted to have in the electorate?-- Yes.

One of those was businessman; did you regard yourself as pro-business?-- Absolutely.

1

And were these-----?-- Also-----

-----people whom you spoke to that night supporting quality candidates across the city. Did you understand that what they were seeking to do was to support pro-business people - candidates across the city?-- I didn't really form any view as to what - what that meant from their point of view. I didn't - I hardly knew them.

10

Did you ask them?-- No, I didn't.

Well now, you said that your campaign launch was already in place Wednesday, the 19th of November 2003 and you invited them to that campaign launch; is that correct?-- Yes, I did.

And the - Ian Solomon from Southport Chamber - that's Southport Chamber of Commerce - also attended then with them?-- That's correct.

20

So John Lang and Brian Rowe were there; Ian Solomon from the Chamber was there; who else was there?-- I'd really need to go to my material-----

Of the people that we've spoken about. Take, for example, Mr Barden, was he there?-- I'm actually not sure to be honest. I've been trying to recall whether Lionel came or not.

30

Was any-----?-- There were 160-odd people there and it was a fairly - I was obviously focusing on the presentation I wanted to make. I was trying to round as many people as I could, and honestly, in compiling my material I can't recall he's - I don't believe he's on the list that I submitted, which my secretary compiled at the time.

Just have a look at this document, please?-- He certainly would have been.

40

Now, is this one of the documents that you have provided to the Commission?-- Yes, it is.

And is it - does it relate to your campaign launch?-- Yes, it does.

So there's the advertising, or the invitation; is that right?-- That's actually the draft.

The draft?-- Yes, there was a-----

50

Well, an invitation went out in that-----?-- There was a formal invitation that was printed that's very similar to that, that's correct.

Very similar to that, all right. And you've also included the - the RSVP attendee list. Now, having looked at that list are you able to recollect whether only - whether all of those

people attended, or some of them?-- Look, it - it was a little fluid. I'm pretty sure that these are all of the people that formally RSVP, even-----

1

So Brian Rowe-----?-- Even on the night there were one or two people - or there was probably more than one or two that didn't show, and there were a few people that turned up that I wasn't expecting, so it's not something that I particularly monitored on the occasion.

So there may have been others apart from those on this RSVP attendee list?-- Oh, absolutely.

10

You also have there-----?-- I mean there was a-----

-----a non-attendee list included; is that correct?-- Yes, that's correct.

All right. Well, the invitation pages, they're two pages, and the attendee list and the non-attendee list, I tender that material, Mr Chairman.

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CHAIRMAN: Yes, thank you, Mr Mulholland, that'll be marked Exhibit 11.

ADMITTED AND MARKED "EXHIBIT 11"

MR MULHOLLAND: Now, your position is that you don't remember, having looked at the list, whether anyone else - it doesn't help you at all to say whether or not Mr Barden was there or anyone else?-- Oh, look, I think he - he may have been there. I seem to recall that Tom Tait was - was planning to attend but I have a feeling that he didn't arrive. But I really don't recall.

30

Now, you go on to say, "Apart from running into Lionel at a couple of Christmas functions around town that Gary Baildon's campaign launch" - he being what, the mayoral candidate?-- That's correct.

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"Some months later at Southport Sharks I had little if any contact with him until after the March 2004 election when I called to inquire about his involvement in the Commonsense Campaign." Is that right?-- That's correct.

So this was your recollection at the time of this statement, "We agreed to meet for coffee as I was concerned about his well-being and curious as to his role and why the Chamber of Commerce had withdrawn from their proposed involvement with the campaign and allowed it to become predominantly developer backed." That right?-- That's correct.

50

Does all of that reflect your view in relation to what you were saying there?-- Pretty much.

Now - yes, do you want to add something?-- Oh, the reference I made to - I'm just trying to find it - oh, just running into him a couple of times, I'm pretty sure at some stage during that time I introduced my accountant to him as a prospective advertiser, or exhibitor in the Innovation Showcase. And, as I say, I ran into him at one or two functions. I wasn't actually - I wasn't actually aware of Lionel's direct involvement in the trust fund or the fact that it was the Lionel Barden Trust Fund until that was - until that came out in the newspapers, I think, a day or two either side of the election.

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Right. Well, we'll come to that. But here you're saying, "We agreed to meet for a coffee." Now, as I understand it, what you're saying there is this was - you agreed to meet for coffee after the election. In fact, you go on the next page to say, "Lionel and I met at Broadbeach Mall for a coffee about a fortnight after the election and spoke about the Commonsense Campaign."?-- that's correct.

Now, subsequently - you've got your second statement there, don't you?-- Yes, I do.

20

You might wish to refer to that. Is there anything further that you want to add in relation to any meetings that you had with Mr Barden in this period in the lead-up to the election?-- I don't think so. I guess the only comment that I would like to make is that - and I've made this statement in here - but I've always considered Lionel to be a fairly decent person. My motivation in wanting to catch up with him after the campaign was that - that I was concerned about his role in what had gone on with the trust fund-----

30

Well, we'll come to that. I'm just dealing with your - at this particular time, any meetings, any discussions that you had with Mr Barden in this period, apart from what you've referred to there?-- None that I can recall.

No telephone discussions, no further fleshing out of what he thought of the present council or anything of that kind?-- Nothing that I can recall.

40

You never got the impression from him that he wanted to support quality candidates as well as these other Chambers of Commerce people - nothing like that - that is, quality candidates such as yourself?-- Oh, only - only in relation to the comments I made earlier. The sense that I had prior to the election was that Lionel and other members of Chambers of Commerce or Presidents, and specifically John Lang and Tom Tait at the time, were wanting to support some sort of a push to see, you know, businesslike or - well, yeah, businesslike - more businesslike people run for council.

50

Right?-- But I don't have any - I had no real intimate knowledge of that apart from what I learned at that meeting at Quadrant that I've-----

So these are businesslike people-----?-- Yep.

-----that you understood Mr Barden was supporting, or wanted to support?-- I'd never really - I don't recall ever having any great conversation with Lionel about that. Most of the knowledge that I gleaned to do with that was - really came through that first meeting at Quadrant that I attended.

1

Well, let see-----?-- Any other dialogue was, you know, just general - in general - I guess in general terms.

Had you heard at this time any reference to a commonsense campaign, or campaign for commonsense?-- The first reference I heard to that was actually at that meeting at Quadrant.

10

At Quadrant?-- Yep.

Now, you go on to refer to a meeting held on or about the 28th of November 2003. Do you see that? This is on page 8?-- Yep.

Under Roman (vii). "I was reacquainted" - I'll read the whole of this: "I have known Chris Morgan since around 1996 having met him at a function-----"?-- "As a function".

20

Sorry, "met him as a function of my previous position" - well, you read it to us?-- "...having met him as a function of my previous position as general manager of R G Capital, Gold Coast. His agency occasionally placed advertising on the radio stations under my control. I participated in two Quadrant charity golf days and attended a couple of meetings and functions hosted by his firm over a period of approximately five years."

30

All right. Just pausing there. So that's a summary of the contact that you'd had with Mr Morgan in that period?-- That's correct.

You then go on to say - read the next bit?-- "I was reacquainted with Chris on or about the 28th of November at a meeting of-----"

2003?-- "...2003, at a meeting of aspirant candidates hosted by Councillors David Power, Sue Robbins, Ted Shepherd, Bob La Castra and Jan Grew."

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Yes. And you then say, "The invitation came about as a consequence of meeting John Lang and Brian Rowe at the Gold Coast Bulletin, Gold Coast Honours gala dinner and their subsequent attendance at my campaign launch at Harley Park." So this meeting that you recall, how is it that you recall that date? You say on or about the 28th of November. What is it that makes you think that it was around about that time?-- I'm not sure. I'm not sure whether I actually got that from a diary entry at the time or whether it - I'd referred back to some notes that I made.

50

I wonder if during the luncheon break you would mind checking that material. Do you have it with you?-- No, I don't.

Is it material that you've provided to the Commission?-- I would be.

1

So that if we were to provide a copy to you over the luncheon break you'd be able to go through it and see if you could find the document that you're referring to which, to your recollection, helps you fix this date?--That's correct.

Now, is that all you remember about it, Mr Molhoek?-- Sorry, about-----

10

At this meeting?-- At the meeting?

Those are the people that you can remember being there?-- Sure.

Were there any other people present?-- None that I can recall. There may have been but I don't recall if there was.

You say that-----?-- I-----

20

Sorry?-- I think there may have been a staff member from Quadrant that popped in and out with teas and coffees or something but - but I really don't - I don't have that clear a recollection of the meeting.

Well, those of the councillors who were present, they are councillors who came to be there because of your meeting John Lang and Brian Rowe and you've indicated to us that John Lang and Brian Rowe had been - you had met at that function on the 12th of November 2003; correct?-- Um-----

30

So these I take it were some of the quality candidates - that you took to be some of the quality candidates?-- Are you referring to the-----

These were existing councillors?-- Are you referring to the councillors or-----

Yes?-- -----or the other guests.

40

No, the councillors at this stage?-- Well, that was the first knowledge that I had that they were to be at the meeting so-----

Yes?-- So that was the first I knew of who was involved and who the other - who some of the other potential candidates were.

Also in attendance at the meeting were other aspirant candidates, Grant Pfor and wife Liz, Brian Rowe and wife Ann, Greg Betts and Roxanne Scott; is that right?-- That's correct.

50

Anyone else that you can think of?-- There may have been but I don't recall.

Mr Barden, definitely not there?-- I don't believe he was there. I don't recall him being there.

Any other businessmen there?-- None that I can recall.

Any developer present?-- No, not that I - I think I would have remembered that, but no.

Where was this meeting?-- It was in the meeting room at Quadrant Media at Robina.

And you're sure about this, are you?-- That the meeting was there?

10

Yes?-- Absolutely.

You're sure that this meeting actually occurred?-- Absolutely.

You go on to say, "At this meeting sitting councillors shared their concerns about council and expressed their desire to see some councillors removed and quality councillors in place across the city. They highlighted the need for councillors to maintain their independence but were committed to helping raise support and providing advice for those of us at the meeting. It was my clear understanding that this initiative was being supported by the business community and Chamber of Commerce." Now, what was your reaction to going there to this meeting. Why did you go by the way?-- Oh well, I was invited.

20

Well, it's not every invitation you'd accept. Why would you accept this one? Why did you accept this one?-- Oh, I'd never run for council before. It was an opportunity to hear from people that had direct experience in running elections and campaigns. It was a chance to meet some of the councillors that I really hadn't had much opportunity to meet. And I guess fundamentally, you know, being at Quadrant I've had - as I've already acknowledged, I've had some association with them over the years in the business sense albeit fairly limited. I really saw no down side in going. I mean in life you get presented with opportunities, you knock on doors, you see what's there and you can only get involved in something or decline an opportunity if you at least investigate it.

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40

Had you had contact previously with these people, councillors?-- Oh, well, in my additional information I - I had met I think about a fortnight prior to that with David Power for a coffee.

Yes?-- As far as the other councillors were concerned, oh, look, I might have bumped into them at a function or two over the years. I recall running into Jan Grew one day at the Nerang chambers. I think in fact on that occasion when I went and met with Paul Stevens she just happened to be walking through the building but nothing more than just, you know, a cursory passing and maybe some polite conversation at a cocktail party or something.

50

You say in your second statement in relation to Mr Power, "I met David at Waterlily's Café, Short Street in Southport for a coffee one afternoon in November 2003." Just pausing there

this is prior to this meeting on or about 28th of November 2003, is it?-- That's correct.

1

Can you give us any greater approximation than that, in November 2003?-- Oh look, I think it was about a week or 10 days prior to that meeting.

All right. "We discussed a range of Council issues, the March 2004 election and the possibility of Chamber of Commerce support for candidates with a more businesslike focus." Now, how long did that coffee meeting last with Mr Power prior to the meeting you had on the 28th - on or about the 28th of November?-- It was probably about half an hour, maybe 45 minutes, I would have thought.

10

And how did you come to meet him, whose idea was it?-- I've been searching the memory banks on that one and I've been struggling but I think it came as a suggestion of one of the gentlemen that attended my campaign launch that evening.

20

Do you know which one?-- No, I don't. But there was a suggestion that I should give David a call and it would be good for me to meet him at some stage.

Well, I take it when you met him you realised that this is one of those people who were spoken about as being one of the quality people across the - across the area?-- Well, I didn't really make any - I didn't jump to any conclusions, I just assumed that David was someone that I hadn't met, he was a longstanding councillor, I indicated in my statement earlier that I actually went and met with Councillor Crichlow and Councillor Grummit really just to do a bit of a recognisance in terms of what are some of the issues in Council and I just saw it simply as an opportunity to do that.

30

Well, was Councillor Crichlow and Councillor Grummit also one of these people who were concerned about the performance of Council as described to you back on Wednesday, the 12th of November 2003?-- Oh, they certainly expressed strong views about some of the frustrations they had with the current Council.

40

So that when you came to meet Mr Power for coffee you took it that he was one of the people that had been referred to in that discussion that you'd had on the 12th of November?-- Sorry, I missed that.

Well, these being the - being people who were concerned about the performance of the Council and wanting to support quality candidates. Mr Power, I take it, you regarded must be - once you came to meet him for coffee - that he must have been one of these people?

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MR TEMBY: I object to that question. It's all a question of perception and the witness is being asked his understanding of the perceptions of other people. Now, it's not fair, with respect, to ask him to get into the minds of other people. He can't do so in a manner that can possibly be helpful to this

Commission which is required to conduct a hearing which is an effective-----

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CHAIRMAN: I understand-----

MR TEMBY: -----application and no longer than is necessary.

CHAIRMAN: I understand what you're saying, Mr Temby. I - can you confine it to the perception of this witness?

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MR MULHOLLAND: Yes. That's what I'm interested in. I'm interested in your perception?-- Oh look, at that stage I didn't have any strong perceptions. I - I was in a mode of discovery. I'd made a decision that I wanted to run for Council. I was keen to meet as many people as I could, learn as much as I could and, frankly, any politician, any councillor, that may have been suggested to go and meet with them for a cup of coffee given that they had more experience than I had in never having been a councillor or run a campaign, I would gladly have accepted their invitation.

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After-----?-- And on this occasion it was an opportunity to sit and have a cup of coffee with someone that I really didn't know all that well, knew very little about and I you know gladly sought the opportunity to do so.

After sharing this coffee with him for half an hour or so did you, in the end, perceive that he was one of these people who might be supported by the Chamber of Commerce?-- Oh I don't - I don't know that I really drew any conclusions of that nature.

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Did you ask him?-- No, not that I can recall.

Did you say to him, for example, "Look, where do you stand in relation to this? John Lang and Brian Rowe seem to be concerned about the performance of Council wanting to support quality candidates," or something to that effect, "where do you stand"?-- I don't - I don't believe we even discussed that. I think we more just talked about Council in general terms, we talked about some of the issues. It was really more of a get to know you. You know, do you have kids, are you married.

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All right. Let's go to the meeting at Quadrant premises on or about the 28th of November. You had the aspirant candidates who were-----

CHAIRMAN: Before you go on to that, Mr Mulholland, can I ask you who it was who invited you to the meeting on the 28th of November?-- I don't actually specifically recall, I think it may have come out of that occasion with David or it may have - it may have come via a telephone call from the Quadrant's office to my secretary at the time but I don't recall, I just remember being invited and I gladly went - went along to see what was on offer.

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Yes, thank you, Mr Mulholland.

MR MULHOLLAND: Thank you. Now, also in attendance were the other aspirant candidates and you go on to say that they expressed their desire to see some councillors removed and quality councillors in place across the city." So here we have it again, a second time. Now, by the time that that was said at this meeting you would have had no doubt that these people were all part of this wish to have some councillors removed and quality councillors in place across the city?-- That's a fair assessment.

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And it would - you would also have very quickly realised, well, I'm obviously in this group - that is, one of the quality councillors that people want to support to get rid of councillors who they're not happy with?-- Oh absolutely.

So then, did - was there a discussion that asked for more information about it? You go on to say, "They highlighted the need for councillors to maintain their independence but were committed to helping raise support and providing advice for those of us at the meeting. It was my - my clear understanding that this initiative was being supported by the business community and Chambers of Commerce"?-- Well, my clear impression of the meeting was that it was still at a formulative stage, that there was - there was obviously dialogue going on with, your Honour, various business people and Chambers of Commerce representatives across the city, that the councillors that were represented there had I guess some frustrations with some of their colleagues and I was simply there really I guess as one of the - you know, new kid on the bloc, thinking, "Well, this is pretty flattering, there's a group of people here that think that I've got something to contribute, I'm hungry to learn and gain knowledge and I might - if I sit back I might learn something here."

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"They expressed the need to encourage like-minded candidates with no obligatory links but of a calibre and mindset to improve city image and council's perception in the community." That's what you understood?-- Yes, absolutely.

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That's pretty general; isn't it? "They expressed the need to encourage like-minded candidates no obligatory links but of a calibre and mindset to improve city image and council's perception in the community." As general as that?-- I think it was generally felt in the business community around the city that there were major issues within the life of our city that weren't being addressed or progressed adequately.

Yes?-- It was - there was a sense in the business community that there wasn't enough planning regarding water and our water futures.

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Was that discussed at this meeting?-- That was the sort of issues that were discussed absolutely.

It's not here but you remember that being mentioned; do you?-- Yeah, I do.

"I was concerned about my involvement even at this early stage as I'd always admired Councillor Dawn Crichlow and was reluctant about supporting Roxanne Scott out of loyalty to Dawn." Now you were "concerned, as you'd admired Councillor Dawn Crichlow." What does that mean, Mr Molhoek? Is this you took the presence of Roxanne Scott there as being, "This must be in part at least directed at Councillor Crichlow"?-- Absolutely.

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Right?-- Yeah.

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So this group of like-minded candidates - whoever else it included - it didn't - he did not include, from what you could gather from the meeting, Councillor Crichlow?-- That's correct.

Was that expressed? Did anyone mention other councillors by name? Did they mention Councillor Crichlow, for example, by name?-- Oh, there was certainly some dialogue but I don't recall the specific details.

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Well you don't refer to that at all here, Mr Molhoek. What you say - and the only conclusion there was something like that occurring - is, you say, "I was concerned about my involvement even at this early stage as I'd always admired Councillor Dawn Crichlow and was reluctant about supporting Roxanne Scott out of loyalty to Dawn." Now you seem to recall that something was said about Councillor Crichlow. Am I correct?-- Um, yeah.

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Right. Well what other councillor was mentioned adversely, apart from Councillor Crichlow?-- Oh look, there may - I don't - I really don't remember specifically. There may have been some comments about Peter Young. There may, from my recollections, have been some frustration expressed about the Mayor of the day. Look, I have to say - I mean, it was all new territory for me. It was something that I wasn't - you know, it wasn't an environment that I was used to participating in and I was really there just trying to get a sense of where this was going and what the focus of it was.

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You said that your clear understanding was that the initiative was being supported by the business community in Chambers of Commerce. So one of the things that these people were for, you would have quickly realised, was pro-business, to put it in neutral terms. Would that be correct?-- Yeah, absolutely.

Now, you go on to say that Sue Robbins spoke at length about her experience with past campaigns, "strongly suggested we move quickly to secure postal votes and showed us a draft brochure she'd prepared for mailing to residents. I asked for a photocopy and copied the concept. I also indicated that I would not need any assistance from Quadrant." Now who mentioned Quadrant providing assistance?-- Well there was a range of things that were on offer. One was specific creative support as in, you know, developing a strategy, putting together campaign literature - all the sorts of services you would expect from a typical advertising agency.

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This is Quadrant you're speaking of?-- Yeah, this is Quadrant. And then there was some general discussion about some fundraising that was to be done to support candidates in the room.

Right. So there was general conversation in relation to fundraising to support the candidates in the room. Now when that was mentioned I suppose you would have been interested to find out what that was all about; were you?-- Correct.

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Right. Did you ask some questions about it?-- Well at that stage I think that it would be fair to say it was unclear as to what degree of support was available and my sense was that it was that meeting - that out of that meeting they were going to initiate some fundraising activity. And at that point I think I said something like, "I'd like to sit down with" - or it was suggested that we should perhaps talk to Chris about our own campaigns and where we're headed and, you know, what needs, if any, that we have and I subsequently arranged - I actually made a time to go and talk with Chris Morgan about that.

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Can you tell us this, Mr Molhoek - I'm not clear on what you've said so far on this: did anyone in the room say, "Well, where are we going to get the money from?"-- I'm sure that question was asked and I seem to recall that Chris and David were going to - already had some indications of support from the broader business community.

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Chris, being Chris Morgan from the Quadrant?-- Chris Morgan.

And David, being David Power?-- Correct.

Right. This isn't in your response to the Commission, you see?-- Yeah.

You remember that quite clearly that there was something said in relation to what was going to happen, is that correct, from the business community?-- Correct.

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And that was David - that was Power and Morgan?-- Look, to the best of my recollections, it was them. Perhaps Sue Robbins may have indicated that she was to be part of that as well at the time but I really don't recall specifically.

Were you asked to be part of it?-- To be part of raising funds?

No, to be part of the beneficiaries of the funds that were raised?-- Absolutely.

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Right. Well, wasn't there more discussion? Weren't people interests, "Well look, how are Quadrant going to be paid?"-- Well it was-----

How were Quadrant - if they were going to provide these advertising services the first thing you'd want to know is,

"Well, how are you going to be paid?"-- Well, it was couched

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"I can't pay for you"-- Well, it was couched in terms of -
you know, "This is the first meeting. There's a lot of detail
to be sorted out. You know, we'll probably have another
meeting in a couple of weeks time and, you know, we'll be able
to, you know, give you a clearer sense of, you know, what sort
of assistance we can and can't provide." It was really, I
guess, a scoping meeting. It was -----

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Mr Molhoek, do you seriously tell us that at this meeting,
being the meeting that we've already referred to as described
by you, no one said, "Well look, do you have in mind who's
going to supply the money? Where are these funds going to
come from? Who are the people who might supply the funds?"
Weren't there questions like that asked?-- Oh, probably in
general terms and I would have assumed that at the point that
they actually had funds available and there was an offer for
funds then there would have been complete disclosure at that
time.

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Do you remember Mr Barden's name being mentioned?-- No, I
don't.

Was Mr Ray's name mentioned, Mr Brian Ray?-- Not at all.

Do you know Mr Ray?-- I know of him through the media but-----

You know of him?-- -----and I've met him, I think, maybe once
or twice in 10 years but-----

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Yes, the now deceased Mr Ray-----?-- Yes.

-----I'm speaking about. Any rate, you don't recall - you
recall that there was some reference to funding but nothing
specific that you can remember?-- Well, there wasn't anything
specifically offered at that point. There was - there was
creative support from Quadrant and my sense was that they were
still working out how they were going to progress this and how
they were going to move forward and my attitude at the time
was, well, let's see how this unfolds. If this is something
that I can - that I'll be comfortable with, well then I'll run
with it. If it's not well, then I'll indicate same.

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I take it from what you've said that you certainly came away
from this meeting that it was proposed that there would be a
group of candidates supported - let me put it in general
terms, supported by the business community?-- Absolutely.

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Would that be a convenient time?

CHAIRMAN: Yes, thank you, Mr Mulholland. We'll resume at
2.15.

THE HEARING ADJOURNED AT 1.00 P.M. TILL 2.15 P.M.

THE HEARING RESUMED AT 2.15 P.M.

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ROBERT MOLHOEK, CONTINUING EXAMINATION:

MR MULHOLLAND: Mr Molhoek, you were going to look over the adjournment for any record which assisted you in regard to a date, did you do that?-- I did and it's - I can't find anything in my records to support the date but for some reason it's - it's in my mind as the date and I'm pretty confident that was the date of that meeting.

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Right, and you thought that you did refer to something before estimating that it was on or about 28th November?-- Well, yes, but I can't recall how I came to that conclusion but I may have even subsequently confirmed the date based on what was in the Bulletin at some stage.

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Did you ever attend a meeting attended by Councillors at the Islander Resort?-- No.

Now, you have said that at this meeting in November you indicated that you didn't need any assistance from Quadrant. Refer to your statement if you need to, but you didn't need any assistance from Quadrant. What about any other assistance, apart from assistance from Quadrant?-- I certainly indicated that I was interested in financial support if there was some forthcoming, but that I would have my accountant or campaign accountant make contact with Chris. I also suggested that I'd like to sit down with Chris at some stage and just talk to him about my campaign, and that was pretty much it at that stage.

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Right. Now, you then, according to your statement, attended a second meeting on 16th December, is that correct?-- That's correct.

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What you say in your first statement is "A second meeting was convened on 16th December 2003 at the offices of Quadrant to provide an update on plans and fundraising. I was late and had to leave early as I had another function to attend. In attendance were basically the same people as at the first meeting." Now those basically the same people are Councillors David Power, Sue Robbins, Ted Shepherd, Bob Le Castra and Jan Grew, is that correct?-- I'm not sure that all of them were at the second meeting. I wouldn't - I couldn't say absolutely whether Jan Grew or Ted Shepherd were at the second meeting, or Bob Le Castra, but I certainly remember there being some councillors present at that meeting.

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Well, do you remember David Power and Sue Robbins being present?-- Yes, I do.

Would you have a look at this document please? Is that an extract from your diary?-- Yes, it is.

For the 16th December 2003?-- Yes, it is.

And what does it record?-- David Power, Sue Robbins, Bob Le
Castra, Ted Shepherd, Chris Morgan, 34 Glenferrie Court -
Street, sorry, Quadrant office, Robina.

Are you able to say from that record that certainly those
people were present that day?-- No, I can't because I think I
just put those names in from the previous meeting, or at some
time in the interim, and I can't recall whether all or - all
of them were at that meeting.

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Right. So the people that you can recall being present are
David Power and Sue Robbins?-- That's correct.

Anybody else that you can definitely remember?-- Oh, there was
some of the other candidates there.

Right. Well, the candidates that you referred to as being
present at the first meeting were Grant Pfor and his wife so
Grant Pfor, Brian Rowe and Greg Betts and Roxanne
Scott?-- That's correct.

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Right, so were they present at the meeting in December?-- I'm
pretty sure they were but I wouldn't want to say absolutely
that all of them were there, but-----

Can you remember any one definitely being there?-- I certainly
remember Grant being there and Greg Betts.

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Thank you?-- And I'm pretty sure Roxanne was there as well.

Right, I tender that entry, Mr Chairman.

CHAIRMAN: Mr Molhoek's diary for 16th December 2003 will be
admitted and marked Exhibit 12, thank you.

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ADMITTED AND MARKED "EXHIBIT 12"

MR MULHOLLAND: Now you go on referring to that meeting and
say, "Chris Morgan spoke about the overall campaign theme and
key messages that could be delivered, the main theme being
it's time to bring dignity and commonsense back into Council.
I in fact adopted this in my campaign as my own research from
door knocking clearly indicated there was significant
frustration in the community about the performance of the
current Council"?-- That's correct.

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All right, so by that time then, you had accepted that this
would be your theme message, one of-----?-- One of.

-----commonsense, bringing commonsense back into the
Council?-- That's correct.

Now you said that you left early. How long were you at this meeting?-- Oh, I would - I can't recall exactly but I would've said under an hour, maybe 50 minutes, maybe an hour, hour and five at the outside.

Just give us the best account that you can at this vantage point of what went on, as much detail as you can while you were there?-- Okay. Well, I arrived late and obviously was quite apologetic. As I recall, Chris Morgan was talking in general terms about campaign themes as I indicated, and key issues.

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So he was the what, the first speaker?-- I don't really recall. I just recall that a significant amount of the time was spent with Chris talking about major themes.

Was this a table that you were at?-- We were all sitting around a large boardroom table. There was some brochures and literature there from other candidates and you know some layouts and stuff - of artwork. I think there was some material there for Brian Rowe and Roxanne Scott, some draft material, and - and I think Roxanne Scott may have had business cards and there were a few other bits and pieces but I don't - don't specifically recall in any great detail.

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Now, what about the update? You describe provision of an update on plans and fundraising. What was said about those things?-- Well, not a - not a great deal, just that you know we're still working on it, we're not - you know, we're not quite sure you know where funds will be coming from at this stage. With Christmas on us and the pending State election there's a lot of distractions at the moment, haven't really made a lot of progress in that regard and it'll probably be the new year now before you know any real progress is made in that regard. There were no firm commitments made at that stage but just still talking generalities about wanting to seek support from the business community to help candidates with their election campaigns.

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Well, at the previous meeting you had indicated that you did not require Quadrant's support?-- I'd indicated that I didn't need Quadrant's support - and I probably should have qualified this - in a creative sense or a media direction sense because I already had an advertising agency that I had the support of but I indicated that I was certainly interested in some campaign support if it were to be organised.

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And did you indicate what you had in mind?-- In terms of what sort of support I wanted?

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Yes, what sort of campaign support?-- Oh not on that occasion but I certainly - at subsequent meetings that I had with Chris Morgan, which I initiated, I - I did sit with him and just go through some of my strategy-----

Well, let's just stay with the December meeting?-- -----and I spoke to him in specific terms then.

All right. Just stay with the December meeting at the moment. During the period that you were there, was there any reference to the amount of money that was hoped to be raised for example?-- Oh, gee, not - not specific. I-----

It would have been the sort of thing that surely would have been discussed, wouldn't it?-- Oh I can recall certainly saying well, you know, what sort of support are you talking, are you talking, you know, a few thousand dollars, are you talking 5,000, and I think the comment was, "Well, look, at this stage you know we're still in the process of talking to people, we're you know not completely organised yet. You know, it's two weeks, three weeks out from Christmas. It's a difficult time to be sort of you know approaching people with this sort of support and there was a lot of speculation about the timing of the State election and of course that - that would obviously put a demand on contributors and the sense was that you know we're really not going to be able to pull anything much together till the new year.

Yes. Just in relation to that, the State election was to be held in February, wasn't it?-- There was speculation that it was to be held in February.

I'm sorry, in the end, that's when it was-----?-- At that point. Yes.

So you said something about whether it was a few thousand dollars or however much you were speaking of - how much Chris Morgan had in mind. Was there any figure mentioned at all? Did anyone indicate that they hoped to raise \$100,000 for example or more?-- Oh-----

Or tens of thousands of dollars?-- I don't - I don't recall there being any - any reference to any amounts of that magnitude. It was very much a case of look, you know, we're in the early stages with - you know, we're still talking to people, we haven't really initiated you know a particular amount - you know, much activity at all in that regard yet, we're still getting our plans together.

Now, did Chris Morgan do most of the talking?-- Yeah, I would - on that occasion I would have said that was the case mainly because he was explaining some of the material that had been produced, he was talking about some of the key issues that - you know, that candidates should be talking about like transport, like - like the dam - you know, issues of that nature.

Do you remember Councillor Power or Councillor Robbins saying anything at this meeting?-- I'm sure they said something but I don't recall anything that they said on that occasion, no.

Do you remember them speaking while you were there?-- No, I don't actually. It was pretty much Chris running that meeting as I recall.

Did you gain any impression at all from what was said or from what happened whilst you were there, having in mind the earlier meeting that you'd also attended, as to who was going to provide the funds and how?-- No. I had no idea. As I said earlier it's something that I'm relatively new to and you know I guess the machinations of electoral campaigns and fundraising is not something that I had a lot of experience with and as I indicated I was there with an open mind to see what was on offer.

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You went on - or you go on to say in your statement, "Some progress had been made with material for Brian Rowe and Roxanne Scott. I sensed not much other progress had been made about fundraising" that's what you're referring to - "with things generally a bit held up waiting on an indication from the State Government about the State election"?-- That's correct. That's pretty much what I just said.

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All right. So what about any connection with the business community? You understood that there was some connection with the Chamber of Commerce or Chambers of Commerce?-- Yes.

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Having regard to that and the earlier meeting, was anything further said about that?-- Nothing that I can recall and I guess, to be quite frank, I was a little - even at this stage - I suppose, cynical as to whether support would be raised, if there would be any directed to me and my campaign given the climate and the fact there was a State election around the corner.

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Did you express that?-- Certainly not in that meeting but I subsequently expressed that to Chris Morgan when I spoke with him - I think it was early January.

All right. Early in the new year you go on, "My campaign accountant, Kevin Nichol, made a couple of calls to Quadrant about what, if any, support was intended for my campaign. It was becoming apparent that the Chambers were not visibly supporting the group. Both Kevin and I were growing more uncomfortable about how things were going and decided it was probably wise to distance myself from the commonsense candidates a run my own race as it was important for me to retain my independence and see how things shaped up after the election." Now that's what you wrote in your first statement. Can I suggest to you that you were there giving the impression that early in the New Year you, for some reason, decided that you wanted to distance yourself from the so-called commonsense candidates?-- Yep.

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Is that a fair way of putting it?-- Yeah, that's probably a fairly accurate assessment.

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What was it about what had occurred or the arrangements which made you uncomfortable?-- Well, quite simply, in spite of having attended now two meetings and a subsequent meeting with Chris Morgan and in spite of the fact that Kevin Nichol had made a couple of calls to Chris and I'd made, I think, one or possibly(?) calls to Chris myself during January/February just

trying to find out what was happening, we weren't getting any clear answers and - I mean, it was - I guess it was based on two things in one sense: we were trying to get on with our own campaign plans and trying to finalise our own media budget and we were doing it in a void of not knowing what was promised or if indeed anything was going to be forthcoming and so we determined that, "Look, if we're not getting clear answers then that's probably not something that we particularly want to be alerted to at this stage" and we made a decision to pull back. I did subsequently approach Chris again - or it was either myself or Kevin and we're both a bit hazy on this one - about some support a bit closer to the election.

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Well, I'll come to that?-- Yep.

I'm dealing at the moment with what was happening at this time in December and you - and then early in the New Year. Surely you said to Kevin, or discussed with him, asking Chris Morgan or whoever it was-----?-- Yep.

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-----that was in charge of things, what was the trouble, where was the money coming from and why wasn't it forthcoming?-- Yeah. And they're the questions that we weren't getting straight answers to.

So you had him ask those sort of questions; did you?-- Yeah, absolutely. And the sense that we had was that - that because I was particularly well organised with my campaign and was running, I guess, with a fairly strong profile and in an area where I lived perhaps I wouldn't need as much assistance and what our observation was that was - that either they were having difficulty raising funds from the business community or there was a priority given to candidates in competing seats and-----

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At this - yes?-- -----and at that point we just of thought, "Well, you know, somebody's not really playing a straight bat with us here." And it's at that point that we started to get a bit nervous about where it was going.

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When did you have the further meeting with Chris Morgan that you referred to a moment ago?-- It's in my - I think it was the 16th of January.

All right. By the time that you had that further meeting with Chris Morgan had you already started the distance yourself or was it only after the meeting?-- Oh no, I hadn't - I hadn't really done anything. I'd been away on holidays. With the State election on there was no point doing any campaigning in January. It's a hot time of the year. We decided that it was going to be a pretty big year for us. And so some time around the 20th of December my family and I went away to the family farm and I think we came back the 10th or the 14th or the 8th of January - somewhere around there.

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Yes. All right?-- Sorry, the 30th of January.

Yes. Would you have a look at this diary entry, please? Yes, is that the diary or the meeting that you had in January?-- That's correct.

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Or the 30th of January?-- That's correct.

Friday, the 30th?-- Yeah.

All right. And does it show "Chris Morgan, Quadrant, Robina office"?-- That's correct.

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So that indicates to you that you met Mr Morgan there at Quadrant office around about 11 o'clock?-- That's correct.

I tender that diary entry, Mr Chairman.

CHAIRMAN: Yes. Mr Molhoek's diary entry for the 30th of January will be Exhibit 13.

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ADMITTED AND MARKED "EXHIBIT 13"

MR MULHOLLAND: Now, Mr Molhoek, after you - when you ran your plans past Mr Morgan on that day did you refer to what I've already asked you about the question of funding: where the funding was coming from, what the hold-up was, why you weren't getting any funding. Did you take that up with him?-- Well most of the meeting was discussed just going through - I'd actually produced a strategy document that I was using for my campaign. So most of the dialogue was around that. We talked about - I think I had some samples of brochures or literature, artwork, that I'd had prepared so it was just getting some views from him. His comments were pretty much, "Well look, you know, I think you're pretty much on the right track and you seem to know what you're doing. You're a lot better organised than most candidates at this point. I don't know there's a great deal I can do to help you." I also had in my campaign document my budget for my campaign and I indicated to him on that occasion that, you know, this is sort of what - this is what I was hoping to spend on my campaign. I had most of that raised. And again I would have asked the question, "How much do you expect that you'd be able to contribute?"

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Well, did you tell him what you saw as your short-fall, what you would be looking for at that time?-- Yeah, absolutely.

What was that?-- I said, look, at this stage somewhere between \$10,000 and \$20,000, and the frustration I had in that was that we had fundamentally as a team not conducted any other fundraising because we thought there would be some support from this campaign fund.

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Yes?-- And my frustration was I just wanted a straight answer as to, "Well, are you going to support us or aren't you," and I couldn't get that answer.

You couldn't get that answer; so, he didn't say that he'd support you?-- Well, the response was more along the lines of, "Look, you know, it's been a lot harder than we thought. The State elections, are" - you know, I don't know whether - I think probably would have been announced by then, "We're not really sure how much money we're going to have, but, you know" - and to some degree I just felt that I was being strung along a little bit.

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Did he continue to indicate that you would, however, receive some funding, or did he indicate that he couldn't say whether or not you'd receive any funding or not?-- He indicated that there would be money there but would never quantify it.

Money where?-- That there would be some money made available to me.

How; from where?-- Through their fundraising efforts, but he never went into any detail on that.

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But you were asking him - telling him of the shortfall of somewhere \$10,000 to \$20,000-----Well, I was still trying to find out where the money was coming from, what money would be available, what was the basis of the money to be offered as was Kevin Nichol and we weren't getting answers to any of those questions. It was all, "Look, we're still getting organised; we're still not sure; we're not sure how we're going to handle it."

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So you were asking-----?-- We weren't getting straight answers.

Sorry. At this meeting in January, you were actually - you did ask Mr Morgan those questions?-- Absolutely.

And what, he didn't give you any idea at all?-- Well, he didn't have the answers himself, I don't think, at that point, and that-----

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Well, just what you recall him saying. I appreciate you may not be able to recall the exact words, but do the best you can. In relation to those questions that you asked him, what did he say? For example, "Where's the money coming from," what did he say about that?-- I don't really recall whether I specifically asked that question or whether he answered that question.

"How's it going to be done"?-- Well, the impression that I had all through this and continued to have at that stage was that there were people out in the business community and within the Chambers of Commerce that were keen to support candidates and that there was a fundraising effort going on behind the scenes to attract money and to support candidates. Whether that was to be on a direct basis or through some other mechanism, I had no idea at that stage.

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That was really my next question. Why not say to him, "Well, look, why can't you put me in touch with these people and I can receive the funds direct."?-- Well, I probably could have asked that, but I probably didn't and I didn't want to.

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You didn't want to?-- Well, if I'm going to go out and raise - if you're going to raise funds, I'd rather go and do it myself, and that's the point that I was coming to was just to say, well look, you know, all I really want to know is yes or no, what's happening; can I have some straight answers. And I wasn't getting them.

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Did you have any inkling of any trust fund being formed?-- Not at all.

And no mention of perhaps Mr Power and Ms Robbins being names that might be attached to that fund?-- No, the first I heard of the Robbins/Power Trust Fund was when I read about it in The Bulletin recently.

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Any - did you ever ask, well, who are these business people? Did it enter your head, for example, that it might be developers - this is at the January meeting?-- It didn't actually. I guess because, you know, when you dialogue with different Chamber of Commerce presidents on occasions and there's three or four of them involved, you naturally assume that, well, there's obviously a ground swell within the Chambers and there's a lot of support. So I was comfortable with that.

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Yes. I might just ask you to have a look at a document. Tell me whether or not you recognise this document. I can tell you that it didn't come from the documents that you supplied to the Commission. It's, you see, dated 16th December. Just as quickly as you can read through it. Does it look like a document that you have ever seen?-- I've definitely seen it.

You've definitely seen it?-- Yep.

Just think. It's dated 16th December. Did you see it at that meeting in December, do you think?-- Yes, I did.

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Right. And whereabouts did you see it; who had it?-- As I recall, it was circulated at the meeting.

Right. Did you receive a copy?-- Yes, I did.

And what, you have - you no longer have a copy?-- I actually used the back of it to make notes on about some comments from the meeting.

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Where is that?-- I think I threw it in the bin a week or two after the meeting.

You're quite certain you no longer have it, anyway?-- I absolutely - I'm certainly aware of the document-----

It might be interesting if you do have it?-- Yeah.

Because it might have some record of what went on at the meeting; do you follow me?-- Yeah.

But you're quite certain you no longer have it?-- I'm certainly aware of the document, and when I was compiling my data I was surprised not to have still had it because I do recall getting it, but it wasn't anywhere - with any of my records, and I do recall vaguely throwing it away shortly after the meeting.

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All right. Well, just - was this a document which was handed around by Mr Morgan or someone else?-- I couldn't say exactly, but I'm assuming it was handed around by Mr Morgan. I'm pretty confident that - in fact, I think it may have already been circulated prior to me arriving and there was a copy on the table when I walked in.

Now, just dealing with it quickly, it covers the five matters: one, objectives; two, strategy; three, consensus on issues; four, the resource; five, next action. And under objectives is stated: to achieve consensus among a select group of councillors and candidates that acknowledge public concern on five key issues at a top of mind to cross all divisions and most importantly to promote a desire on the part of this group that jointly work together to achieve prompt, cost effective solutions, et cetera, et cetera, including on the third bullet point: to adopt a joint common sense approach to solutions. Is that right?-- That's correct.

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Is there anything, now that I put that in front of you, that as you're looking through it that brings anything back to mind? One of the things you'll see - and, in fact, I think this is the only reference to it - on the last page under "Next Action" the penultimate dot point is "Funding" and the last one is "Resource Requirements". Any - anything that this document brings back to you that you haven't mentioned?-- No, nothing further to add from what I've already said, that my sense was - and I think that at that point there was still - there was still some effort going on to try and nail down some of those issues.

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What did you understand this document to be?-- Oh, just some advice on key messages that - that would - that were of significance in the city and frankly, there's nothing in that list that isn't already in my campaign document, that it was produced from interviews with Councillor Crichlow and Grummit and other - other people prior to the campaign.

Except-----?-- They're still the key issues.

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Yes, except it has to achieve a consensus among a select group of councillors and candidates; that's not in your-----?-- Well, I think any-----

-----campaign literature, is it?-- No, I guess not, but I would have thought any level of government could make that statement about wanting to achieve consensus on key issues.

I tender that document.

CHAIRMAN: How would you describe that, Mr Mulholland?

MR MULHOLLAND: "Advice on Key Issues."

CHAIRMAN: That's-----

MR MULHOLLAND: Dated 16 December 2004.

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CHAIRMAN: Yes, all right. That's Exhibit 14.

ADMITTED AND MARKED "EXHIBIT 14"

MR MULHOLLAND: Now-----

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CHAIRMAN: You said 2004 - 2003?

MR MULHOLLAND: Sorry, 2003. Sorry. No, it is dated 16th of December 2004.

CHAIRMAN: Oh, I take it that was a wrong date if that document was distributed-----?-- I'm assuming it is.

Yes, okay.

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MR MULHOLLAND: Now, did anything then of any note so far as the campaign was concerned, or so far as this group of Commonsense candidates was concerned, affecting funding or anything else, occur up to the time of the meeting of the 30th of January, you with Mr Morgan that you've spoken of? Anything else occur in that period?-- Nothing that I can recall.

Now, can I ask you to have a look at this e-mail, please? Perhaps whilst that's coming, did you ever receive any information which suggested to you that you were being assessed as a - as one of these like minded candidates?-- Yes, comment was made to me, I think it was - I think it was actually at that ball that I mentioned, and the inference was that, "We're still trying to determine whether we would want to support you in running for Division 4 or whether we'll run a candidate against you", or words to that effect. And at that stage I believe Brian Rowe was considering running for Division 4 and it was suggested that - that I'd surprised - surprised them and that they hadn't realised that I was running, or words to that effect.

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Right. So that's back at the time of the ball?-- Yes.

And so they were-----?-- I wasn't all that enamoured with the comment either, by the way.

Right. Well, did you tell them that?-- Oh, I probably didn't say it in those terms but I certainly thought that it was a little presumptuous of them, and I think - I'm pretty sure I - I replied by saying something, "Well, look, frankly, I don't - I don't really mind if you want to run someone against me, but I've - I've made a decision, I'm running and I'm - I'm fairly determined to run my race, so you decide what you want to do, but I'll be running for Division 4."

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So you understood it to be they hadn't decided whether to run someone against you in order to defeat you, if possible; is that what you mean?-- Well, to secure the seat, I suppose - or that - that division.

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Secure the seat. Right.

CHAIRMAN: Mr Mulholland, you say, "At the ball"; by that are you meaning the gala dinner that's referred to in your statement?-- Yes, the "Gold Coast Bulletin" Honours Award dinner.

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Yes. That's the 12th of November?-- Yes.

Yes. And who was it who said that at that dinner?-- That - to the best of my knowledge I think it was John Lang that made the comment. It may have been Lionel in that very brief conversation that I had with them, but I'm pretty sure it was John Lang.

Yes, thank you.

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MR MULHOLLAND: So - I'm not in a position at the moment to put this e-mail to you, but let me just read to you the - the substance of it and you can have a look at it afterwards, because I just want you to say anything you wish about it?-- Sure.

It's a - it's an e-mail from - of the 24th of November 2003 from Sue Davies to Tony Hickey. Now, you know Sue Davies? Do you know her as the personal assistance - or was the personal assistant of Mr Brian Ray? Did you know that or not?-- No, I'm not aware of-----

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And Mr Tony Hickey, the solicitors for-----?-- Yeah, I - I wouldn't - I would barely recognise Tony if I saw him in the street.

With a cc to Sue Robbins and David Power. "Brian asked me to forward the attached information to you." And then under "candidates" various candidates are referred to. I'll just read them to you and see whether or not you - this rings any bell in your memory or you wish to say anything about it. Attwood, 100 per cent. Power 100 per cent. Grant Pfor 60 per cent. Rob Mallock - M-A-L-L-O-C-K - and there's no Rob Mallock that you know of?-- No.

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Right. Well, let's take that to be a reference to you, 80 per cent. Brian Rowe 50 per cent. Roxanne Scott 50 per cent.

And then others - I won't mention all of them - Bob La Castra 100 per cent, Ted Shepherd 55 per cent, Jan Grew 90 per cent, Greg Betts 50 per cent, Sue Robbins 100 per cent. People who will help, Tony Parker, Brett Curry, Peter Bell, Scott Nind, is it?-- No idea.

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N-I-N-D, John Howe and Warren Mercer. Now, does that in so far as it refers to you, come as any surprise to you?-- Completely. I'm not aware of the email. I don't know many of the people - a significant number of the people mentioned in there, I've got no idea what - what that email would be referring to.

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I'm just giving you an opportunity to comment upon it-----?-- Sure.

-----while you're here?-- Sorry, when was the email?

The 24th of November 2003?-- I've got no idea. I don't know why they would have written that. I've got no idea.

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So apart from the occasion that you've referred to, you described it as a ball, when there was some mention to you which indicated to you that there was some sort of assessment process coming on - going on - it was never communicated to you what the result of that process was, they decided that you know they would support you and so on?-- Oh, well, obviously at the first meeting that I went to it was - it was clear to me that they obviously were no longer running - planning to run a candidate against me in Division 4 but - but really until that point - and certainly on the night of my campaign launch I recall - I think it was John Lang may have said something like, "Well, you know, you've done a great job and you should be very pleased with you know the way you've conducted yourself this evening and we certainly - it wouldn't be our intention to run anyone against you."

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All right. Would you have a look at this document please, headed The Gold Coast Bulletin, Thursday, the 7th of August 2003. It's by Peter Gleason, Chief Reporter. It's a copy. Was that the article that you referred to indicating your intention to run at the election?-- Yes, it is.

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I tender that.

CHAIRMAN: That Gold Coast Bulletin article of 7 August 2003 will be Exhibit 15.

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ADMITTED AND MARKED "EXHIBIT 15"

MR MULHOLLAND: Would you also have a look at this please, Mr Molhoek. Now, is that some election material of yours from the election that we are speaking of?-- It's some of the material, yes.

In it, it refers to, "It's time to bring dignity and commonsense back into our city's council," do you see that on the front page?-- That's correct, yes.

All right. And some of other things that you want to achieve. I tender those pages.

CHAIRMAN: Those pages of Mr Molhoek's election material will be Exhibit 16.

ADMITTED AND MARKED "EXHIBIT 16"

MR MULHOLLAND: What date could you say that this first appeared in your election campaign?-- Gosh-----

Was it 2004?-- Yes. Yeah, I think I may have started preparing the material before Christmas but the actual release of the material and printing of it was left pretty much to after the State election because there wasn't a great deal of sense campaigning while there was so many mixed messages in the marketplace.

Did you ever think of indicating in your election material that you were running as part of a group of candidates?-- I never - never considered that I was. I started out as an independent. I always saw the approach as just being simply another offer of support and never really considered it to be an issue.

All right. And you say that you gradually in early 2004 - this may not be your word - but you became lukewarm about it?-- That's correct.

And started to think that you wouldn't follow that course?-- That's correct.

So by the time that you had that meeting with Mr Morgan on the 30th of January 2004 what position after that meeting had you come to?-- Oh, sorry, when you say early in that year, up until the 30th of January I was still quite open to the support being - and accepting some advice and guidance. Probably for most of February I still retained I guess an open mind to it but in the absence of any firm commitment I started to wonder just where it was all going and by that stage some of the other candidates were out with their literature, it was apparent that there was a significant amount of funding being placed behind some of them and yet we still were getting no direct answer as to if or how much support was available for us so-----

This is-----?-- -----it's probably sort of during - during February I started - those feelings started to firm up a little more for sure but - but I was still - still open to

being part of it, I was still dialoguing with Grant and others that were involved in the campaign and still-----

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This is a group of candidates we're talking about?-- Yeah, and still - and still believed that the overall objects of what they were wanting to achieve were worth being part of.

So, when you say that you heard that they were getting funding and you weren't, how did you come to hear that?-- Oh, it was more by observation. I mean, the amount of material that Brian Rowe had, for example - there were die cut calendars and, you know, glossy brochures. You know, the material that was produced for Roxanne I just - it was more by observation than any sort of firm knowledge.

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So were you-----?-- It just seemed odd that, you know, that their campaigns were sort of rolling on and obviously there was money there for it but, no, we still weren't getting any straight answers.

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You must have been intrigued by how this money was being channelled to these people?-- Oh look -----

I mean, you were part of the group and you didn't have any idea?-- Well that was one of the - well, that ultimately was one of the reasons I withdrew from the group and chose not to accept any funding from them - because I had become more concerned. It was also a particularly busy time.

What were you concerned about? Apart from the question that you hadn't got any funding - if you can just put that to the side for a moment - what were you concerned about?-- Well, I've always played a very straight bat in life and that's one of the reasons I believe I've been reasonably successful in business and I'm a great believer in that saying that your "Yes" be "Yes" and your "No" be "No" and when you're not getting a straight "Yes" or a straight "No" I find that disconcerting.

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So even at this time, past the end of January and into February, you still have no idea how the money is being channelled, through who, where's the money coming from?-- Well I didn't even have any idea whether there was any money so-----

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But these are things that you're interested in. You've told us that those sort of questions were questions that you had raised with Mr Morgan?-- Yeah. But they weren't core issues for me. I had already raised about \$25,000 through my campaign launch. I already had a commitment from a friend of mine to do all my printing. I already had some in-kind support from an ad agency and I'd already earmarked about 25-\$30,000 of my own money that I was prepared to put in. I was also still working at the time. I was also still doorknocking, trying to doorknock two or three days a week.

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You still needed 10 to \$20,000 though, apparently?-- Well, I was open to receiving 10 or \$20,000 because I would have

preferred to have received some financial support than taken it out of my own bank account but I was becoming more of a view that that's just a fact of life and that I need to accept it and I went in at the start knowing I'd have to spend some of my own money and I - it really wasn't a major concern to me.

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Yes, all right. Well can I ask you to - do you remember there being a draft email prepared for Kevin Nichol, one of your people?-- Yes, I do.

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And do you remember that an email went from Kevin Nichol to Chris Morgan on your instructions?-- Yes, I do.

All right. And this was in February of 2004?-- That's correct.

And just tell us your recollection in relation to that. You mention in your second statement - is that what you were wanting to go to to deal with this? In your second statement you say this, "On February" - you might read it to us as your explanation for what happened at this time?-- Sure. "On February 10 2004 my campaign accountant, Kevin Nichol, received a message from Chris Morgan advising that he wished to deposit funds into my campaign account. Kevin subsequently provided via email my account details, copy attached. No funds were deposited. A subsequent inquiry about financial support resulted in a request from Chris that we forward one or two campaign invoices to his office for payment. An invoice for press advertising booked through Wordsfold Media was faxed. The request for payment of this invoice and/or any contribution was subsequently withdrawn."

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"Prior to the election when it became apparent that the campaign for commonsense was not as originally represented has been substantially backed by the business community and Chambers of Commerce but rather the development industry. Joe Sands from my advertising agency subsequently contacted Wordsfold Media and inquired about payment of the account. He instructed them not to process any payment from Quadrant as we would be paying the account from my campaign fund." Now first of all, before we go into the detail of that, is it the case that you supplied this in your second statement after you became aware of certain material?-- No, that's not the case.

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How did it come about?-- I actually sat with a solicitor and reviewed my original statement about two weeks ago - three weeks ago - and he suggested that I perhaps needed to provide a little more detail as to the circumstances around requests from us to Quadrant for support and then the chain of events that occurred. He also suggested that I put in an additional statement regarding the meeting that I'd had with David Power, because I'd forgotten that in preparing the original statement, and during the course of that meeting with my lawyer we were talking about an article that appeared in the paper that it indicated that Mr Raptis was involved in the Lionel Barden - contributing to the Lionel Barden Trust Fund -

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and because Mr Raptis was also a friend and a supported and I had received funds from directly I felt that-----

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Which you declared?-- Which I declared - I felt it necessary just to clarify the circumstances around that.

Yes. So in relation to this particular matter you speak first of all of your campaign account receiving a message from Chris Morgan. What sort - was that a telephone message?-- Sorry, can I just go back to the statement? I believe Kevin - after providing the bank account details and nothing was deposited - I believe Kevin then contacted, I think it was, Chris Morgan and inquired as to what was happening and again it was, you know, "Well, if you guys are going to provide us some support what's going on"-----

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Yes. This is reflected in the material, is it not, that you supplied with your statement; it's part of the exhibit?-- That's correct.

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So the emails indicate first of all - that were sent from Kevin Nichol to Katrina Gunders of the 10th of February indicating Chris Morgan from Quadrant wishes to deposit funds into the Molhoek campaign account and asking for drafts with those details of your bank account; is that-----?-- That's correct.

-----correct? Now, that occurred after, apparently, as indicated in the record, you have a telephone call from - between Kevin Nichol and Chris Morgan?-- Yeah.

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So that provoked the email?-- That's correct. I should point out I wasn't actually aware of that conversation at the time and I don't think it - I don't believe it was until about a week later that I'd actually become aware of the fact that Kevin had approached Chris Morgan and that that exchange of information had occurred.

Well, the reference here-----

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CHAIRMAN: Mr Mulholland, I think you might have had that email the wrong way around. You said it was from Kevin Nichol to Katrina Gunders. It seems to be from Katrina Gunders to Kevin Nichol.

MR MULHOLLAND: Well, there are two of them, I think, Mr Chairman. There is one from Kevin Nichol to-----

CHAIRMAN: Oh, I see.

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MR MULHOLLAND: -----Katrina Gunders, and then there is one-----

CHAIRMAN: Yes.

MR MULHOLLAND: -----the other way.

CHAIRMAN: I've got it the wrong way around. Thanks.

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MR MULHOLLAND: Yes, so there was a telephone call first. Just dealing with that-----

CHAIRMAN: Yes.

MR MULHOLLAND: -----in relation to what you have already told us you were obviously still trying to get this funding through Mr Nichol and other people working for you?-- Absolutely. We were still trying to find out what was happening.

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Still trying to find out what had happened or what was happening, and there was this telephone call and there was basically - well, a nominated account apparently, and that's what you then did; is that right?-- Well, that's what Kevin Nichol sent through, that's correct.

So you spoke to Kevin Nichol though and found out what-----?-- Not-----

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-----Mr Morgan had said to him?-- Not immediately. I think Kevin and I spoke about a week later or something and Kevin had indicated that he'd provided that information.

In telling you that he had - of this information, did he indicate to you if he'd got to the bottom of where the funding was coming from?-- No, he actually indicated to me that he was growing nervous about whether we should be accepting funds from this group and-----

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So this is round about the 10th of February 2004, is it?-- That's correct.

Yes. You say that you didn't speak to him for about a week?-- Oh, I can't remember the exact time frame but-----

All right. It appears that what happened, according to these emails - but you look at them and tell me whether this is your recollection. There's first of all a call; must have been round about the 10th of February because the message to Kevin Nichol from Katrina Gunders is Chris Morgan was returning your call; "please call him". So Kevin Nichol is trying to get him pursuant to your - what you've told us about?-- Well, I spoke to Kevin again the other day. He was trying to recall exactly, you know, what had occurred, and he said, "Look, I tried to get onto Chris a couple of times and was having difficulty getting, you know, returned phone calls." But I'm not sure as to the specifics of the time frame. I was endeavouring really to focus (a) on campaigning and - and keeping my business interests alive, and - and really trying to leave Kevin to sort of get to the bottom of it.

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So what then happened, if I can just quickly go through this then - so that message comes to Kevin Nichol. Some contact apparently is made, then Kevin Nichol sends an email to Katrina Gunders asking for a draft. She indicates in an email in reply "No problems" and then the email is prepared to

send to Quadrant in these terms - all at about the same time. This is Tuesday, the 10th of February 2004 - "Dear Chris, Thank you for your interest and support of Robert Molhoek's council campaign. For Internet funds transfers the campaign account details are as follows" and then giving your council campaign account with the bank and the BSB and account numbers; is that correct?-- That's certainly my understanding of what transpired.

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"And alternatively," the email goes on, "cheque donations to be made payable to Rob Molhoek's council campaign account and posted to" - giving the post office box address. Is that right?-- That's correct.

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Once again "Your support is greatly appreciated. Warmest regards." Now, that particular email which you have a draft of, did that - when you say you spoke to Mr Nichol some time after the event are you speaking of that email as well as the other things or not?-- I only spoke with Kevin in general terms.

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But did you know at the time, so, say, on or about the 10th of February, that that e-mail had gone with those details?-- the first I actually saw of that e-mail was about a fortnight ago when I inquired further of Kevin, and he was able to track it down through his history or deleted, you know, files system in his office. I was aware that Kevin had had dialogue with Chris and had made a number of attempts to contact him to try and establish what was going on and what support there would be.

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Yes?-- I wasn't aware that he specifically had sent that e-mail asking for money to be transferred or deposited into an account at that stage.

Right. So just focus on that. When did you become aware that those details in relation to the account number, BSB number and so on, when did you become aware that that had been sent?-- Oh, in the course of the last two or three weeks.

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So you didn't know at the time?-- I knew that Kevin had been trying to - that he'd had some discussion with Chris; I didn't - because nothing had been forthcoming there was really nothing to discuss.

Did you know that there had been a draft prepared, even if you didn't know it had been sent?-- No, I didn't. I - I only discovered that in the course of the last couple of weeks.

Well, when Kevin Nichol spoke to you and there was discussion in relation to you becoming nervous about this matter, did he not indicate to you that an e-mail had been sent with your details?-- No, he didn't. I think he said something like, "You know, Rob, are these guys for real? You know, we've rung them, you've been to meetings; are they seriously, you know, wanting to provide support, or, you know, what's going on?"

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Just-----?-- "I'm having trouble - you know, I'm having difficulty getting through to Chris." Kevin is a very black and white individual, tends to be.

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Sorry, I don't want to cut you off-----?-- Yes.

-----but can I ask you this? It just seems somewhat odd that having regard to the history that he would not tell you that he'd sent an e-mail with those details to Quadrant?-- Oh, no, I don't think that's the case at all.

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You don't find that surprising?-- Well, he's - well, he was empowered to - to look after the financial aspects of my campaign. He's been my accountant for a number of years. I have absolute trust in his ability and his judgment and frankly, at the time I was still working two or three days a week, I had an injured son who was backwards and forwards to hospital having tests, I was focusing all of my energy on door-knocking and visiting shopping centres and doing all the things that you do in the run-up to a campaign, and - and looking after some clients that I had in my consulting business. So-----

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This is the basketball injury?-- -----at that stage it wasn't a - it wasn't the end of the world for me.

All right. This was a basketball injury your son had?-- That's correct.

We in due course will tender those e-mails, Mr Chairman. I'd like to - not available at the moment. I'd like to show this document to Mr Molhoek. Have a look at this, please. Now, this, of course, is not your document but I want to again indicate to get your comment if you wish to offer one; it is an e-mail from Brian Ray to Chris Morgan dated Thursday, the 12th of February 2004, 3.58 p.m., "Subject, Re GCCC Campaign Funding, Chris, I spoke to David Power this afternoon, he's chasing \$60,000 in contributions. Tony and I are also on the job and we should liaise tomorrow afternoon." And you see from Chris Morgan an e-mail - this is the original message-----?-- Sorry, I don't - oh, sorry, yes.

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Immediately below?-- Yes.

See that?-- Yes, I do.

"From Chris Morgan, sent Thursday the 12th of February 2004 at 9.45 a.m. to Brian Ray", same subject, "Hi Brian, representatives of various campaign committees are urgently chasing confirmation of funds to confirm planning and I must respond to them today, e.g. and Brian Rowe requires a certain amount." We'll mention you here. He says, "Division 4, Rob Molhoek stopped fund raising on the promise of funding. Requires at least \$10,000 immediately." And goes on to say - this is Chris Morgan - "All the above pretty much in line with my earlier cash flow spreadsheet other than Brian Rowe. Many are unable to confirm main media spends and in some cases is already booking out on key days, e.g. radio. I know you're

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quite busy but we do need to move on this rapidly." Now, this is suggesting that so far as you were concerned you'd stopped fund raising on the promise of funding and - and furthermore it's suggesting that this had been conveyed to them. First of all, is that correct?-- Well, we'd certainly stopped fund raising because we were - we were of the understanding that there would be something for us. But again - and I've said it a number of times - there was never any clear commitment as to how much, when, where it was coming from and the quantum of it.

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Here-----?-- So I'm surprised to see those comments in this e-mail, but-----

Well, "Requires at least \$10,000 immediately", this is conveying that someone on your behalf, presumably Mr Nichol or someone else-----?-- Yes.

-----is conveying at about this time - and we've seen the draft e-mails-----?-- Yes.

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-----that - that you require at least \$10,000 immediately. Now, this is - does that tally with your recollection as to what you were wanting at that time?-- I - I think - I think it more tallies with - and I'm just trying to recall, but I seem to recall at one stage Kevin saying something to me like, "Look, we've got no idea what these guys are doing, why don't I just tell them we want 10 grand and see whether they deliver, because at the moment we're not getting any straight answers." And I'm assuming that that may have come out of that conversation that Kevin had with Chris Morgan at that time.

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Mr Molhoek, why would you do that when you hadn't got answers to these fundamental questions in relation to where the funding was coming from?-- Well, I think what Kevin was trying to do was simply flush out the intent and see whether there was any real genuine offer of support there and try and get some details as to where it was coming from and if it really existed because at this stage we still weren't getting any clear answers.

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You have conveyed in your first statement that early in 2004 you were uncomfortable, and so on; I won't go back over it?-- Yeah.

But here you are in February, around about the middle of February, apparently pressing for more than \$10,000 without having got any fundamental answers-----?-- Well, I would consider February to be-----

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Hold on; hold on. Without getting - put it another way: without getting answers to some fundamental questions in relation to the funding; why would you do that?-- Look, maybe an error of judgment. I don't know. But we just weren't getting the answers; we were trying to find out.

All right. Well, I tender that email - emails.

CHAIRMAN: Exchange of emails between Chris Morgan and Brian Ray on 12 February 2004 will be Exhibit 17.

ADMITTED AND MARKED "EXHIBIT 17"

MR MULHOLLAND: You recall I referred you to an email in relation to various ratings of candidates. I'm in a position now to show you that email or a copy of it. It also has handwritten notations on it which, hopefully, will be identified in due course, Mr Chairman. Have a look at this document, please. I put to you the relevant details I think earlier but cast your eye over it to just - I appreciate it's not from you or to you, but the information in it does concern you, and I want to give you the opportunity to say anything you wish at this point, Mr Molhoek?-- Well, I don't know how to - I mean, any comment I'd make would be entirely subjective. I mean, are they rating me on the basis of my chances of winning; are they rating me on the basis of my suitability for candidate? I have no idea. I mean, I-----

Well, you can't add to what you'd said earlier?-- No. I've no idea what that means. Is that an 80 per cent chance of winning or, you know, an 8 out of 10 for business likeness. I don't know.

It might be good looks, who knows?-- Good looks, yeah.

I tender that, Mr Chairman.

WITNESS: In fact, the spelling of my surname is a bit closer to Mulholland than Molhoek. It concerns me they don't even know how to spell my name.

MR MULHOLLAND: Okay.

CHAIRMAN: It's an email dated 24 November 2003 from Sue Davies to Tony Hickey with cc Sue Robbins and David Power. That will be Exhibit 18.

ADMITTED AND MARKED "EXHIBIT 18"

MR MULHOLLAND: Thank you.

Now, I want to ask you about this suggestion. I'll read it to you. This is a statement of Mr Pfor and I'll read the context of it. Just please listen carefully to it, "I contacted Mr Molhoek once prepolling commenced as having been at the Runaway Bay Library handing out how to vote cards, it became apparent that a good number of people visiting the library

were for his division. I rang Mr Molhoek and suggested he come down and organise representatives to that booth with how to vote cards to be handed out. At times my own prepolling supporters handed out Mr Molhoek's how to vote cards as well as my own cards." Do you remember something like that happening?-- Yeah, I do. In fact, I've made a similar statement to that effect.

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Right. Do you recall him going - whether this occurred, "I also received several phone calls from Mr Molhoek the week prior to election day asking if I had received any money from Quadrant as he needed to access some money immediately. I suggested each time that he contact Quadrant direct. Mr Molhoek offered his contacts in supplying my booth workers for election day with bottled water et cetera." So it's really that particular - those two sentences I'd like you to comment on. "I also received several phone calls from Mr Molhoek the week prior to election day asking if I had received any money from Quadrant as he needed to access some money immediately." So he's speaking about just prior to the 27th of March election. "I suggested each time he contact Quadrant direct." What's your recollection of anything like that occurring?-- Well, I don't know that I would have said, "I needed some money," I think at that point I was still trying to find out what was going on. We still hadn't received any financial support. We were given to believe that there would be some forthcoming and still nothing had come forth and I guess because of - I'd developed a little of a rapport with Grant during the polling - you know, during the campaign period - it would have been a logical thing to have run Grant and said, "What's happening," you know, "have you got anything, I'm still not getting straight answers."

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Mr Molhoek, just in relation to the question though, first of all do you recall making several telephone calls to Mr Pfor the week prior to election day asking if he had received any money from Quadrant as you needed to access some money immediately? Do you recall that?-- Um-----

Did that happen?-- I can vaguely recall calling Grant. I don't recall saying those - those - making those specific statements about needing to access funds.

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Would you deny that or would you say it could have happened? What's the position?-- It could have happened but I certainly wouldn't have said I needed to urgently access funds.

I suggested each time he contact Quadrant direct"?-- Um-----

What it - sorry, did you want to say something about that?-- No, no, it's all right.

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What it suggests is - I've referred you to the email exchange in - or the exchange in February - here we are a week prior to election day and if this is true it would suggest that you are still pressing Quadrant to provide money urgently so rather than - well, doesn't it? That's what it suggests?-- Well - well, what I was urgently wanting to do was get a straight

answer from Quadrant as to whether they were supporting me or not-----

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But only wanting a straight answer in the sense that you were wanting-----?-- I certainly-----

Hold on. You were wanting money from them and you were continuing to want them to give you money, isn't that correct?-- Um, I was certainly - I was still - certainly interested in some support at least a fortnight out from the campaign, from polling day, but I had pretty much abandoned any sense of achieving that and was still trying to get answers and I figured if - if what was starting to come out in the media were true then this is something that I needed to know about.

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What I'm suggesting to you, Mr Molhoek, and I'm wanting to give you an opportunity to comment on it, is that far from going cold on the idea this is conveying that you were right up to the week prior to the election on the 27th of May - 27th of March 2004 - pressing for money to be provided by - from Quadrant. That's what that suggests, doesn't it?-- I was pressing to find out what was happening-----

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No, no. No, no. With respect, what is conveyed by that, if it is correct, suggests that you were pressing for money to be provided by - from Quadrant, doesn't it? That's what it suggests?-- Well, I - then I have to - then I have to deny the accuracy of the statement made by Councillor Pfor.

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Well, don't deny it if it is - if it is true. The question is whether or not you did receive several phone calls - sorry, you made several phone calls to Mr Pfor asking if he had received any money from Quadrant as you needed to access some money immediately-- Well, I deny making that call. I recall contacting Chris Morgan about a fortnight prior to the election and trying to ascertain whether - whether I was being supported or not. I certainly recall a conversation with Councillor Pfor as to whether he had received any funds yet and what - what was happening. I certainly would deny saying that I was desperately trying to get money.

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And, of course, the other implication of this, if it were true, is that you were going ahead pressing for funds without being too bothered at all as to how the funding was being arranged?-- No, the truth is I was pressing ahead trying to find out if there was support there and where it was coming from and when it became apparent in the media the week before the election that it was all coming from developers, it was at that point that I made the decision to with - to decline the offer, and it was at that point that either Kevin or myself contacted Chris and said that we would no longer be requiring any funding from the - from their sources.

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Would you have a look at this, please? Now I asked you about the draft emails. If you look at that, that's the email which comes from the Quadrant records showing an email received from Katrina Gunders to Chris Morgan, Wednesday, 11 February 2004,

1.01 p.m. Rob Molhoek, Council campaign enquiry, and I've already read the details. It appears to be-----?-- Correct.

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-----the same as the draft, doesn't it?-- Correct.

I tender that, Mr Chair.

CHAIRMAN: That's Exhibit 19.

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ADMITTED AND MARKED "EXHIBIT 19"

MR MULHOLLAND: Shall I continue, Mr Chairman?

CHAIRMAN: Yes, thank you.

MR MULHOLLAND: Mr Molhoek, there's another matter I need to bring to your attention. You know a Mr Tony White?-- Yes.

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And what, how do you know him?-- I think he was the president of the Gold Coast North Chamber of Commerce at the time or was certainly a member of that Chamber.

Right, and so you had some contact with him during the course of your election campaign, did you?-- Oh, yeah, yes, I'm not sure what the degree of contact was but certainly.

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Let me just ask you about this. Do you remember an occasion being in company with Mr Pfor at Runaway Bay, one of the functions there? Do you ever remember that happening in the course of the campaign?-- I was in Councillor Pfor's company on a number of occasions. There were-----

At Runaway Bay, a function there?-- There was - there was at least two functions that I can recall, one at the football club and another function I think at the - the game fishing and you know, Runaway Bay Yacht Club or whatever it's called.

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Runaway Bay Junior Football Club?-- Yeah.

All right. Well, just concentrate on the Runaway Bay Football Club; you remember being there with Mr Pfor. Do you remember during that function also seeing Mr White there and having a conversation with him in private?-- Oh, I don't particularly recall the conversation but that's highly likely that I would've spoken with him on such an occasion.

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Let me just ask you about it and not hold you in suspense. Do you remember something like this happening, that he said to you, "Look, you know, have you got any dealings with this block?" and you said, "When we were asked to go to David Power's house for different discussions on how they were going to work things, you backed out of it." So in other words what do you say to the suggestion that he, Tony White, asked you if you were part of the bloc? Do you remember having a

conversation like that with him?-- Well, I certainly don't ever remember having been invited to David Power's house, and I certainly-----

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Well, anywhere else?-- -----I certainly don't recall that conversation with Tony White.

Would you have ever said to anyone that you were part of the bloc that pulled out?-- I was quite open about that in the closing days of polling and I was quite open about that after the election. I've never denied pursuing the opportunity to be part of - or to receive support from Quadrant or - by way of financial support.

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So you would have identified yourself-----?-- Um-----

-----as part of a block?

MR TEMBY: I object to that, your Honour. With respect, it's a question which is apt to mislead in view of what's gone previously. The witness has said nothing of that sort.

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CHAIRMAN: No, I'll allow the question. I thought the witness did say something consistent with that, but the transcript will show.

MR MULHOLLAND: Did you regard yourself as part of the bloc?-- Well, I wasn't aware that there was a block at that point in time and - and I-----

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When did you become aware there was a block?-- Well, again I don't - I don't - I've never maintained or believed that there is a block. That has more been a statement that - or a tag that has been given to that group of councillors by the media.

Let's go back to the conversation that I was asking you about. First of all, you said that you did recall an occasion when you did go to the Runaway Bay Junior Football Club. When was that? This is when Mr Pfor was there as well and also Tony White. Can you remember when that was?-- I'm trying to recall.

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Was it before or after - was it 2003 or 2004?-- I thought it was - it was close to the election, in the run-up to the election. There were two functions. The Chamber ran a candidates' function at the yacht club and then there was a subsequent function that I was actually involved in organising at Runaway Bay Football Club, and I think that was about a week or a fortnight around the election-----

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Before?-- -----but I can't - I can't remember whether - it was definitely before. I just can't remember how - I thought it was-----

A week or so?-- It may even have been the week of the election.

All right. Well, let's go to the conversation. What do you say to the suggestion that Tony White asked you were you part of the bloc. Do you remember him ever asking you a question like that at that function?-- Well, Tony White was, as I understand it, David Childs's campaign director.

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Does that matter? I mean I'm asking you about the conversation?-- Well - well, it probably does matter because there was in that closing week a lot of speculation about whether there was a block. There was another group of candidates that it suited to play up, some sort of an informal or formal alliance, and I would have - if he'd asked me about the bloc I would have denied its existence because, as I've said in earlier statements and has been well-documented in the media, there was never any intention to form any sort of political alliance with any obligations tied to it, but rather just to encourage businesslike people into council.

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Mr Molhoek, can we stick to the question. What in relation to that question do you say that you - you were asked by him were you part of the bloc. Do you deny that he asked you a question like that or do you say he might have asked you a question like that or what's the position?-- Well, he might have asked me but I don't really recall.

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Okay. And do you agree that you replied that you were part of the bloc and that you received money from the fund?-- I wouldn't have - I wouldn't have said that I'd received money from the fund because I've never received any money from the fund.

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So you deny having said that?-- Yes, I do.

What about saying that you were part of the bloc?-- Well, I wouldn't have used that language to describe it anyway so-----

Well, he asked you?-- Yeah, I certainly would have - I certainly would have acknowledged that I had attended meetings, that I had an interest in general support for the group and the intent of the group.

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So you would have referred to it as a group?-- But I would have - I would not have - I would not have referred to it as a block.

You would have referred to it as a group?-- In fact-----

Hang on?-- Possibly.

Possibly?-- Yeah.

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And you certainly never went to David Power's place?-- I don't even know where David lives.

Did you say anything like this, that it was a strange sort of meeting, a secret-type meeting, and you backed out, you weren't going to be in that sort of thing?-- I never went to a

meeting at David's so I don't know why I would even be commenting about a meeting at David's.

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Well, leaving aside whether it was at David's, did you ever say to him that you weren't going to be involved in a secret-type meeting?-- Doesn't ring any bells with me. I certainly don't recall making those comments.

Did you say to him that you'd never received money from the Lionel Barden Trust Fund but you did have your pamphlets printed by Quadrant, the publishers, free of charge, and that's the only involvement and you accepted it; anything like that?-- I may possibly have said I hadn't received any money and that my publicity - I think one of the questions that I was asked on that occasion was, "Well, how can you afford to have such great brochures printed," and I said, "Well, because a very good friend of mine runs a printing company and printed them for me free of charge."

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Yes. Now, do you remember an article appearing in the Gold Coast Bulletin on 26th February 2004 written by Mr Gleeson; do you remember an article appearing in which it said - went something like this: City Council election candidates allegedly linked to a so-called David Power ticket; they have rejected claims they are part of a voting block, and so on. You don't remember it?-- I don't recall the article, I'm sorry.

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All right. Well, you might recall it when I put it in front of you. Have a look at this. So, as they say-----

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CHAIRMAN: Mr Mulholland, there is Exhibit 3 which is the bundle of media documents. That's number 20 in that.

MR MULHOLLAND: Thank you.

CHAIRMAN: So we don't need to tender it. We can just have that as number 20.

MR MULHOLLAND: Yes, thank you. I should have identified it.

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So, just have a look at this article. Do you see reference to, "Runaway Bay candidate Grant Pfor said he was an independent funding his own campaign. Southport candidate, Roxanne Scott, said she was unaware of such a ticket." Keep in mind the date, 26th February 2004, a month out from the election, "If they want to give me some money, they'd better hurry up, she said." That is Roxanne Scott, apparently?-- She was obviously having some of the same problems I was having.

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"Parkwood candidate, Rob Molhoek said he met Councillor Power last November when Councillor Power had discussed the importance of councillors being independent." Did you say that to the reporter?-- I'm sure I made comments to that and a whole lot of other comments that probably weren't printed.

Right, "Mr Pfor said" - well, you can tell us about those if you think that they're relevant in due course, but let's

concentrate on what the article says, "Mr Pfor said his association with Councillor Power was through the Coomera Sports Club. 'I'm an individual. They won't be swaying my thoughts but I'll be asking decisions for the good of the Gold Coast,' he said."

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CHAIRMAN: "I'll be making."

MR MULHOLLAND: Sorry, "I'll be making decisions for the good of the Gold Coast," thank you, he said, "Being part of a ticket doesn't sit comfortably. I can work with all councillors. Mr Pfor said he was funding his own campaign and questioned where division 3 opponent David Childs was securing his council election funding." Now, you read that article, I suppose, at the time. You would have kept abreast of things?-- I don't know whether I did or not, to be honest.

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Well, let's go on then and see whether or not you would have read what was said about you, "Mr Molhoek yesterday said he met with Councillor Power last November to get as broad a perspective as possible on issues." Now, I take it that you would have been having conversations with journalists, and here it's been suggested that there was a conversation the previous day - that's 25th February - with you. Do you remember having a conversation with Mr Gleeson?-- Not specifically, but I'm sure I did.

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Well, do you agree that that's what you said?-- I'm sure I-----

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That you met Councillor Power last November to get as broad a perspective as possible on issues?-- I'm sure I did.

All right. I'll ask you about each of these. At no time did he suggest running a ticket. He said, "Did you say that?"-- That or words similar to that.

"He spoke of the importance of each councillor maintaining their political independence." Did you say that?-- Yes, I would have.

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"If we want people to take our city seriously then our public meetings need to be conducted professionally and with due regard for basic courtesy and protocol." Did you say that?-- I would have said something very close to that.

"'I felt Mayor Gary Baidon, handled the meeting well but I was appalled at the antics of some of the councillors,' he said, referring to you." Did you say that?-- Yes, I did.

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"I think some of our councillors forget this is a major city that they are supposed to be running. Is it any wonder there haven't been any sound decisions made about order in traffic? Is it any wonder that there doesn't seem to be a clear vision for our future. Some of them have too much time on their hands and haven't graduated from the playground. It's time for a new generation of councillors who know how to behave and whose conduct will be professional. In my opinion it's time

to bring some commonsense and dignity back into the council. Our city needs to be run in a more business-like manner." Now did you say all that?-- I've been saying that-----

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No, no, no?-- Yes, I did.

Right, thank you?-- -----and continue to say it.

Right. Now you - in this conversation that you had with the reporter you understood that this was a suggestion that you were part of some group essentially - a ticket?-- I actually don't recall whether there were questions about that at the time or not from the journalists in question.

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Well, you haven't disagreed with any of what I put to you as having been said to the reporter and what I wish to ask you, Mr Molhoek, is why didn't you tell the report who asked you about this what had in fact happened, to your knowledge?-- Well I'm not sure that I didn't.

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Well do you say that you did?-- I certainly spoke to him a longer than what it would have taken to ascertain that material.

Well you tell us anything else that you can remember relevant to the question that this was related to that you told the reporter that doesn't appear here?-- I don't know. My memory's not that good, I'm sorry, but-----

I mean, by 26th of February 2004 you knew that there was a group of candidates apparently receiving funding and you weren't. You were trying to get funding even at this time?-- Correct.

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And you're giving the reporter who's asking you about this to provide information. You're not telling him any of that; are you? Why not?-- Well there was nothing to tell at that stage. I was still trying to find out what was going on myself at that point and I'm not sure that there wasn't other information that I didn't pass onto on that occasion but it just didn't see the light of day because of - I don't know - the copy editors or whether it just didn't seem pertinent to him at the time. But there's nothing in those statements that I've made that's inconsistent with anything that I - any other statements I've made all through my election campaign, in most of my literature, and I've certainly made similar statements on a number of occasions since having been elected.

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Do you think that there would be any reason why - I'm just interested in philosophically here - that why you - anything you would have against letting the voters know about the group that you had been asked to be part of and understood that you were part of in the sense that you were going to receive funding which you were indeed pressing for? Is there any reason that you would have for not wanting the voters, that were going to consider whether or not to elect you, let them know that?-- Well I wouldn't have for one moment thought that there was anything by my actions that was misleading to voters

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and I would have assumed that any funding that I would - were to have received, had I received any, would have been disclosed in an appropriate manner through my electoral returns which was the legal way to deal with the matter. And at that point I still wasn't even sure whether I was getting funds or not.

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Right. So you thought that, what, that was a frank exchange you had with the reporter about what you knew of the so-called ticket?-- I don't think I'm ever anything less than frank in my dialogue with reporters.

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What I'm really concerned to ask you about is what information you are conveying to the public. You understand that, Mr Molhoek? And you were uneasy for the reason that you've told us that you couldn't get the details that you were seeking?-- Sure.

You pressed and you couldn't get the details about where the fundings were coming from, how they were coming and so on, how they were being channelled?-- And subsequently when I became aware of the source of funds I withdrew.

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Yes, but what I'm-----?-- And had I received funds, I would've sent them back-----

Mr Molhoek, please don't sideline the question that I'm asking you. The question relates to why you wouldn't tell a reporter who you know is disseminating this information through - among the people that are going to consider whether to vote for you, why you wouldn't give them a frank account of what the situation was?-- Well, I'm almost certain that I would've given him a frank account of what was going on at the time, but I can't be held accountable for what the paper chooses to print and not to print.

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They can't print something that you don't tell them?-- I'd have to say I think I had quite a bit to say as it was.

Well, do you think you might've gone on and told them about your unease and so on, how there had been a group and the meetings that you'd had and given the details?-- Well - well-----

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Do you think you might have told him that, do you?-- Look, I may have disclosed some of those details at the time. I don't - I don't recall the specific conversation and in the midst of everything that was going on both personally and on the home front and with trying to run a campaign, it really wasn't the centre of my universe.

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Would you have a look at these emails please? Perhaps return that one to me and I'll give you these emails to have a look at. Now if you go down to the foot of the first page I've given you there, you'll see an email of the 1st March. Do you see that?-- Yep.

From Graham, who is this Graham?-- Graham Staerk.

Graham Staerk, all right, and he asks you in this email, "Good luck, mate. Are you really not running with Power? I hope not. I think there's a clean-out of most councillors coming. Ron Clarke is coming home with a wet sail and is only a squeak behind with 25 days to go. Jim Soorley was 30 points behind at the same time. You wait till you see Ron's advertising campaign and publicity over the final weeks. Well done so far. Hope you're part of the new team." Did you receive that?-- Yes, I did.

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And did you send a reply to him of Wednesday, 3rd March 2004, "Hi Graham, Definitely aligned with any block!! Just want to get in and suss out the lay of the land when I'm there! Warmest regards." Did you send that in reply?-- Yes, I did.

So what did you mean by that; was that a joke or what?-- Well, it was - well, it was a typo for starters. It was actually meant to read "Definitely aligned with any block. Just want to get in and suss out the lay of the land when I'm in there," and this came in response to a conversation that I had with Graham prior to this email when he was trying to suss out the lay of the land in Council and - and how - and I suppose the functionality of Mayor Clarke's mayoralty; was trying to - he was - he was just digging for information.

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Now, definitely unaligned you say that should read, rather than aligned. So we read definitely unaligned. Now, would that be correct at that time, that you were unaligned with ay bloc?-- Well, I never considered - I never considered what was occurring to be any formal bloc or political alliance. It was always referenced as just being a push from the business community to try and get business-like people into Council and find support for them. The-----

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But it was a common group of - it was a group of candidates like-minded who were going to receive funding from a central source. You were aligned in that sense, weren't you?-- Well, that's an assumption. I had no-----

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Well, what's the assumption?-- I had no idea whether the funding was coming from a central source or whether it was funding that was to come from independent parties towards me or where the funding was coming at that point, and that was, as I've said a couple of times, that was one of the sources of frustration was not knowing what was going on and what the structure was.

So you didn't consider that these like-minded candidates that you were part of could be considered a bloc?-- No, I didn't. Like-minded is probably best described as probably how a lot of people in the business community are feeling. There's a lot of like-minded people in the community who were frustrated with Council and transport issues and water issues. You could walk into any business function in the city during that period of time and find like-minded people wherever you went.

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Now, would you have a look at the one at the top, the email from Graham Staerk to you. I won't read the details of this. Is there any comment you want to pass on that?-- I mean, he sent the email to me. I don't know how to respond to it. It was, "Thanks, Graham, terrific."

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Were you wanting to not to let Mr Staerk know - who was of course acting for Mr Clarke - you knew that, didn't you?-- Yeah.

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So he was part of the campaign in some way. Were you trying to convey to him that or keep him in the dark as to the existence of this group and your part of it and what had gone on. Were you doing that deliberately or-----?-- No. I was more just trying to highlight the fact that the intent of - well, what had been conveyed to me and my belief all the way through it was not that there was any formal bloc or group or political alliance, but it was just simply again a push from the business community to support clients - sorry, candidates that they considered to have some credibility.

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All right. Well, this shows some other contact through emails with Mr Staerk. I'm not going to read them, but you can have a look at the second page and if you want to add anything, please do so in relation to those emails, on the second page of the three pages I've given you?-- Only to say that it was a standard email that I spammed out globally to my contacts base wanting to get anyone or basically inviting anyone to come along to the candidates' breakfast at the Labrador Tigers Club.

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Thank you?-- Graham just happened to be in my Outlook directory.

I tender those three pages of emails.

CHAIRMAN: They will be Exhibit 20.

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ADMITTED AND MARKED "EXHIBIT 20"

MR MULHOLLAND: Can I ask you to have a look now at this document, please. Now, that is a - purports to be a letter from the Deputy Editor, Mr Carroll, of the Gold Coast Bulletin dated 9th March 2004, "Dear Councillor Candidate, in the interests of transparency, The Bulletin would like to request the funding donations by individuals and companies provided for your 2004 election campaign. We're asking all councillors and candidates to lodge their list by March 24th," and giving an email address. Did you receive a letter in those terms from The Bulletin?-- Yes, I did.

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I tender that, Mr Chairman.

CHAIRMAN: That's Exhibit 21.

ADMITTED AND MARKED "EXHIBIT 21"

MR MULHOLLAND: Did you in due course reply to that?-- Yes, I did. I sent an e-mail to Peter Gleeson and I may have copied it to someone else at "The Bulletin" but I can't remember who at the time.

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Yes. I'll come to that shortly. Would you have a look at this e-mail, please? Now, this is, as you can see, an e-mail from Brian Ray to Sue Davies, "Subject, candidate expenditure spreadsheet summaries, importance, high." See that? And then, "Original message from Chris Morgan to Brian Ray", importance, high. Brian, I've copied you independently on the attached which has been e-mailed this evening to David, Sue, copy to Lionel. Figures are self-explanatory but we do need immediate action from those who have pledged funding. I'm following up with your Sue", et cetera, et cetera. And speaking about cheques, "Various requirements of the campaign" - I won't read it all; "In relation to you" - and this is something that I mentioned earlier-----?-- Yes.

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-----"Division 4, Rob Molhoek, as promised, \$10,000 minimum. Rob has not received any assistance other than NC Quadrant advice." So here we are on the 10th of March, three weeks away from the election, and you still requiring, according to their information, \$10,000. Would that be correct? That you at this stage were still wanting \$10,000, 10th of March 2004?-- I'm not sure as to the specific amount, but we certainly were still, through Kevin, pursuing them for assistance, or an answer at least as to whether we were going to get assistance. And it basically confirms what I've been saying, that we still hadn't received any assistance.

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Well-----?-- And therein lies some of the frustration that we had with what transpired.

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Yes. Well, it suggests over - it's a month later from the time when the details were sent across - your bank details-----?-- Correct.

-----were a month later and despite apparently some considerable unease you felt about the whole thing you are still pressing the \$10,000?-- Well, as I understand it, this is an e-mail from Chris Morgan, he's still pressing for \$10,000 from Brian Ray, but-----

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But what I'm suggesting to you and what I asked you and I thought you agreed with, that you at this time were still after \$10,000?-- We were-----

Do you agree with that or not?-- We still had that expectation but still no answers.

So to your knowledge you were still prepared to persist in an attempt to get this funding even though you were quite unhappy with the fact that you didn't know anything about the arrangements?-- That's not quite accurate. We were still interested in accepting funding on the assumption that there'd be full disclosure as to who it was from and where it was coming from, and at that point we still didn't have those answers.

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I tender that.

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CHAIRMAN: All right. That's an e-mail, 9th March '04 from Chris Morgan, Brian Ray returned it, "Candidate expenditure spreadsheet summary."

ADMITTED AND MARKED "EXHIBIT 22"

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MR MULHOLLAND: Would you have a look at this email please. Now, this is an email the subject of invitation to booth captain briefing session. How to capitalise on the 20 plus per cent undecided. Wednesday, 17 March 2004. From Chris Morgan to yourself. Is that correct? "Hi Rob, on Wednesday evening next from 5.30 through 7.30 p.m. Lionel Barden and I will be conducting a briefing session on the do's and don'ts for first time booth captains, a kind of train-the-trainer session. On the day pointers will also be available. The location is the Lakeland's Golf Club, Gooding, Merrimac. If you would like to have - Gooding Drive, Merrimac - if you would like to have your key people participate could you please let Dana here at Quadrant know by Friday so we can plan numbers for the session. Looking forward to hearing from you. Regards, Chris Morgan." Did you receive that?-- Yes, I did. In fact, I think that's - that copy's from my records.

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I tender that.

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CHAIRMAN: That email of 17 March '04 fro Chris Morgan to Rob Molhoek is Exhibit 23.

ADMITTED AND MARKED "EXHIBIT 23"

MR MULHOLLAND: Now, this was a week and a half out from the election. Did you receive any information as to the people who were going to attend that day apart from Lionel Barden and Chris Morgan?-- No, and I in fact - I'm pretty sure it's in my records - but I sent an email back saying, "Thanks, but we won't - there'll be no-one from my group attending."

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So was there - why did you decide not to go to that?-- Well, in the first instance I already had a lady on my team that had

that sort of experience and - and we'd already made our own arrangements. In the second instance I - I still had that sort of growing disquiet I guess about the association and still at that point wasn't getting any straight answers so I didn't feel it was prudent to be there.

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So that was part of the reason that you were uneasy about being there?-- Well-----

Why were you uneasy, you weren't getting any answers?-- I just weren't getting - just wasn't getting any clear responses to?--

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So what did that tell you?-- Well, it was at that point that we started to you know reconsider what if any involvement we wanted to have or whether we'd even accept any funds from the group if they were forthcoming.

So could we just then address the question as to whether it was because they weren't giving you the funds or whether it was the unease that in part was resulted in you not attending this session?-- I think - I think it was all of the above. It was - it was a bit of - a bit of both but - but the bottom line was that we didn't really need that assistance anyway so it was a pretty easy decision to make.

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Did you have any conversations with anyone about you know you'd been trying for months to get details, you haven't got anything out of them, they're not telling you how they're structured, what they're doing, where the money's coming from, how it's going to operate, were you speaking to other people and saying, "Look, this sounds a pretty fishy sort of deal that's been going on here"?-- I don't know that I used the word "fishy" but I certainly-----

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Is that what you thought?-- I certainly had - oh no, I just - I just thought well welcome to the world of you know politics. Obviously there's a lot to be learned here and I've perhaps been a little I suppose too trusting in just sort of taking people at face value but - but it's not something that I would have broadly discussed with anyone. I think Kevin and I had a conversation about it. Joe Sands from the ad agency who's a longstanding friend and was significantly involved in the development of my campaign material, he and I discussed it and you know concluded that you know we really needed to get some clear answers as to where the funds are coming from and - you know before we take them.

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It must have been pretty frustrating. This has been going on for months?-- Oh, it was absolutely frustrating but you've got to look at it in context too. I mean I've had a son in hospital for a week, my wife and I spent a considerably amount of time at the hospital while he had his knee reconstructed; was trying to get out to pre-polling, was trying to tidy up last-minute details with my campaign; wasn't really in an environment where you were pushing those sorts of considerations up the priority list. It's - you know, just -

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there were more important things going on in my life at the time, to be quite candid.

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All right. Would you have a look at these documents, please. Now, is that the response that you made to Mr Gleeson following his request to you earlier in the month, March 2004; is this the information that he sought from you regarding funding? Did you provide that to him by way of email and also by letter?-- That's certainly the email that I sent to Peter and then subsequent - the subsequent letter.

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Now, was this intended to be a frank disclosure?-- Yes.

Or were you holding something back from the Bulletin?-- I don't believe I was holding anything back; I just didn't have any more information at that stage as to what was coming in.

Right. So is there any reference in here at all to the \$10,000 or upwards that you were trying to get through Quadrant?-- In the actual email, no.

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Well, did you mention it perhaps by telephone?-- I don't recall. I don't imagine that I would of, because at that stage there was still no clarity as to whether I was going to be receiving it or not.

All right. So there's no reference in here to that sum anyway?-- No.

So an email of the 17th of March 2004 from Mr Molhoek to Mr Gleeson along with the letter that went Thursday, the 25th of March 2005. I tender those documents.

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CHAIRMAN: Yes, that will be Exhibit 24. It says here, "I've received one large donation from a personal friend for 5,000. Source to be confirmed." Do I take that to be the one that's in your second statement that's from Mr Raptis, because that's \$5,000?-- I think that may - it was either - sorry, could I just see that statement again? No, I think on that occasion I was referring to a contribution I received from Michael King at MFS Group but I wasn't - I wasn't aware of the details at this stage.

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The MFS Group is what?-- It's a financial services company on the Gold Coast.

All right. That's Exhibit 24, thanks.

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ADMITTED AND MARKED "EXHIBIT 24"

MR MULHOLLAND: That might be a convenient time, Mr Chairman.

CHAIRMAN: Yes, thank you. Start time tomorrow? I appreciate
some people come from the coast. Quarter to 10? That doesn't
inconvenience anyone too unduly? Thank you.

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THE HEARING ADJOURNED AT 4.29 P.M. TILL 9.45 A.M. THE
FOLLOWING DAY

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WITNESS LIST

ROBERT MOLHOEK, SWORN AND EXAMINED	32	10
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EXHIBITS

ADMITTED AND MARKED "EXHIBIT 2"	20	
ADMITTED AND MARKED "EXHIBIT 3"	30	
ADMITTED AND MARKED "EXHIBIT 4"	30	
ADMITTED AND MARKED "EXHIBIT 5"	31	30
ADMITTED AND MARKED "EXHIBIT 6"	32	
ADMITTED AND MARKED "EXHIBIT 7"	33	
ADMITTED AND MARKED "EXHIBIT 8"	33	
ADMITTED AND MARKED "EXHIBIT 9"	43	40
ADMITTED AND MARKED "EXHIBIT 10"	45	
ADMITTED AND MARKED "EXHIBIT 11"	56	
ADMITTED AND MARKED "EXHIBIT 12"	68	
ADMITTED AND MARKED "EXHIBIT 13"	73	
ADMITTED AND MARKED "EXHIBIT 14"	77	50
ADMITTED AND MARKED "EXHIBIT 15"	79	
ADMITTED AND MARKED "EXHIBIT 16"	80	
ADMITTED AND MARKED "EXHIBIT 17"	88	

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ADMITTED AND MARKED "EXHIBIT 20"	99	
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ADMITTED AND MARKED "EXHIBIT 22"	101	10
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ADMITTED AND MARKED "EXHIBIT 24"	103	

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