

Hurstville Councillors Fail To Disclose Donations

By [New Matilda](#) on September 6, 2012 [Australian Politics](#)

This weekend, most people in NSW will go to the polls and vote for local councillors. (Residents of the Shellharbour and Wollongong City Council areas had their turn last year.) The occasional local council news makes headlines — remember "sex for development" in Wollongong Council — but by and large, local government doesn't always get the media attention it merits. This is a problem because councils wield plenty of development power. When news stories do emerge about local councils, it's usually got something to do with property development.

In the south Sydney municipality of Hurstville, property development is booming. New Matilda investigated political donations in the municipality. Our investigation revealed that the former mayor and deputy mayor of Hurstville Council failed to disclose political donations from a company with direct links to a controversial Riverwood property development.

The council voted seven to four in 2009 to allow an amendment to a \$2m development in 260 Belmore Rd to go ahead — despite an report which recommended against it from their own council DA officer and a backlash from residents to the proposal.

By trawling council records and undertaking company searches, NM investigated the background to this development. Donations declarations and council minutes are all on the public record.

Initially the application was for a four storey mixed use building, but the company sought a modification to add an additional story. The \$2.5m development was found to exceed Hurstville Council's own local environment plan.

The Council development assessment officer, Karaman, wrote in the [Tiy Loy development application](#) (pdf) that "the proposed modification to the one additional storey is seen to be an overdevelopment of the subject site and uncharacteristic in appearance to the desired streetscape of Belmore Road" and recommended it be refused.

The company that applied for the controversial DA is also the controlling company of an organisation that donated to Councillor Clifton Wong and Councillor Vince Badalati's last election campaign.

Shun Li & Co Pty Ltd donated \$5970 in August 2008 to Badalati's last election campaign (see [Badalati's donation declaration](#) [pdf]), where both councillors ran on a group ticket. The company is held 70 per cent by Tiy Loy & Co (see [Shun Li company search](#)[pdf]), who are listed as the applicant and owner for the modification.

Neither Badalati, who was mayor at the time, or Wong, disclosed an interest in the items when they were initially brought to council or when the controversial amendment was put forward. Both voted for the development to be approved. (See [Tiy Loy DA division](#) [pdf].)

If councillors receive a political donation from an applicant they are required declare the interest at Council if they are voting on a development application from the donor. This didn't happen around the Belmore Road development.

Councillor Badalati told New Matilda he was not aware of the links between Shun Li and the other companies:

"Obviously we [Wong and Badalati] used the money from our campaign but as I say I was not aware of the association between those two companies. If I had been aware I would have declared an interest and not voted on it."

"I voted for the Belmore Rd development because I've always been a believer that along Belmore Rd at Riverwood and along King Georges Rd at Beverly Hills should be six stories. They're both busy roads and the state government always tried to get us to increase density around railway stations."

New Matilda asked Clinton Wong about the donations. He replied [by email](#):

"I wish to say at the outset nonetheless that to the extent that you may have concluded that I may be guilty of some wrong-doing in relation to a donation of about \$6000 to the ALP by a company that, unbeknownst to me at the time, turned out to be related to two companies that later sought development approval for certain developments, your conclusions are fundamentally misguided."

He continued:

"It is correct that, as one out of more than 7 councillors who voted to approve the two DAs, I did not disclose that a company related to the owners donated about \$6,000 in cash to the ALP election fund for Council elections. Also, it is correct that I was subject to legal and ethical obligations to disclose such matters. However, the simple fact of the matter is that I was completely unaware that the owners were related to the corporate donor."

The current director of Shun Li is Ching Wah Uy. The secretary of the company in 2009 who made the political donation was Ivan Ly, according to [Shun Li's EFA disclosure form](#) (pdf).

Another \$2m Riverwood development was also approved in December 2008 at 4-6 Coleridge St, several months after the donations were made. The owner is listed as Eastern Red Enterprises, which both Ly and Uy are directors of. Neither Badalati or Wong declared an interest in this development either and voted for its approval. (See minutes from the [Coleridge DA division](#) [pdf].)

Uy and Ly have enjoyed considerable benefits stemming from their development application. As well as being directors of the companies that lodged the DA's, they also then sold the newly built apartment properties through Hurstville Real Estate (see [Hurstville real estate company search](#) [pdf]), a real estate agent in which Uy is a director. Ly is also listed as the "sales and marketing director" on the website.

New Matilda contacted Ly, who is listed as the contact on Shun Li's donation disclosure form, but he did not respond before deadline.

This is not the first time Shun Li have made development applications in the Riverwood area. In 2005 Shun Li also lodged a [development application](#) (pdf) for a \$2.5m development at 8-12 Coleridge St Riverwood. Their parent company Tiy Loy now owns the adjoining block at 4-6 Coleridge St as well.

Tiy Loy appears to have expanded its operations, and is based out of Sussex St where it owns restaurants in Chinatown. According to a press release from CBRE the company also owned an investment property at 15-21 Morts Rd Mortdale, which was recently sold for \$4.6m. It also previously owned the Sylvania Heights Terrace Shopping Village.

As NSW voters appraise the promises and policies of local candidates this week, it's worth keeping the scrutiny on the relationship between councillors and developers.

Timeline

7/9/2005 — DA approved for 8/12 Coleridge St — Owner is Shun Li & Co.

16/11/2006 — \$5000 Hurstville Real Estate donation for 2007 NSW state general election.

7/5/2008 — DA Approved for 260 Belmore Rd — \$2m Dev. Owner is Belarus Investments (current directors: Ivan Ly and Ching Wah.)

18/08/2008 — Shun Li \$5970 Hurstville council ward ALP campaign donation (Wong and Badalati in this group together.)

1/10/2008 — EFA Disclosure amendments came into force. This put the onus on applications of developments to declare donations and submit a disclosure statements. Also means councillors should disclose as well.

3/12/2008 — DA approved for 4-6 Coleridge st — \$2m dev. Owner is Eastern Red Enterprises Pty Ltd, whose directors include Ivan Ly and Ching Wah Uy.

5/9/2009 – Controversial amendment approved for 260 Belmore Rd site despite recommendation of council assessor. – Owner is now Tiy Loy and Co.

2009 onwards — Coleridge and Belmore site houses gradually sold through Hurstville Real Estat