

QUEENSLAND  
CRIME AND MISCONDUCT COMM

OP GRAND

EXHIBIT No. 258  
CLERK

Gold Coast City Council Inquiry

Statement of Anthony David Scott

I, Anthony David Scott, of 9 Tanjenong Place, Burleigh Heads in the State of Queensland, make oath and say as follows:

Personal details

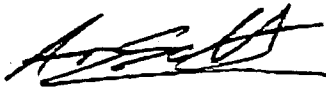
1. I am the majority shareholder of Mandra Pty Ltd, trading as Fifth Quadrant Advertising ("Quadrant"), of East Quay Corporate Park, 34 Glenferrie Drive, Robina in the State of Queensland. I am the CEO of Quadrant.

Provision of information to the Crime and Misconduct Commission

2. On about April 18, 2005 it was drawn to my attention that a notice was served by the Crime and Misconduct Commission ("CMC" or "the commission") on a fellow director of Quadrant, Chris Morgan. At the time Mr Morgan was overseas. At his request I caused for all documentation covered by the notice to be sent to the commission. I produced that documentation to the CMC on 19 April 2005 under cover of a letter of that date.
3. On 27 October 2005 I received an attendance notice from the CMC requiring me to attend as a witness and give evidence at the commission's inquiry into the Gold Coast City Council. I have only a limited knowledge of the work performed by Quadrant in relation to this election campaign as it was in the main attended to by Chris Morgan.

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Signed:



Before:



Statutory Declaration of Tony Scott

BOE LAWYERS  
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### The referral of work by Brian Ray

4. As at late 2003, I had an association and friendship with the late Brian Ray going back some 25 years. During that time I have been associated with the provision of advertising and marketing services to his group of companies ("the Ray Group"). The business of the Ray Group has been substantial and I regarded them as a valued client.
5. As a result of these projects I was often in regular contact with Mr Ray. At the conclusion of one unrelated meeting in early November 2003, Brian approached me about the potential involvement of Quadrant in a new project. I recall that he said that he was putting together an advertising budget to assist candidates to run in the then upcoming March 2004 Gold Coast City Council elections. The discussion did not descend into any great detail. I indicated that Quadrant would be interested in being involved but that I would not work on such an account (as I have no knowledge base in that area) but that another of our directors, Chris Morgan, had a keen interest in local politics and would be able to assist.
6. Following that meeting, I discussed this new business opportunity briefly with Chris Morgan. Chris expressed interest and a capacity to pursue this opportunity and undertook to make a follow up call to Brian directly.
7. I am aware that Chris Morgan has produced a diary entry for 3 December 2003 indicating that I attended a meeting with him and Brian Ray, Councillors Robbins and Power. From my own recollection I do not believe that I actually attended any such meeting. I recall that Chris asked me if I would attend such a meeting however as it was a busy time and because I did not think I could add any value by attending the meeting I told Chris that I would not attend the meeting and that he could run it himself.

### Setting of the fee structure for the candidates account

8. I expected that Chris would run this account himself.
9. Chris and I essentially run discrete practices within the Quadrant structure. Each of us is responsible for delivering services to individual accounts. We do not usually collaborate on accounts. However, as CEO, I have an involvement with setting fees on some accounts that Chris and other directors are responsible for and maintain a watching brief over the financial aspects of all accounts in my review of the monthly billings and income reports.

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Signed:

Before:

10. In this context I suggested to Chris in or about December 2003 that, an "open billing" arrangement, whereby we charge a monthly retainer and provide outside services at cost, would be most suitable. Quadrant has entered into this type of arrangement with many other clients.
11. Open billing involves Quadrant charging a flat fee in addition to the cost of services provided externally or internally. Under this arrangement, the flat fee was to cover:
- Chris's time and services;
  - A charge in lieu of a service fee (traditionally 10% added to the total amount billed by Quadrant); and
  - A charge in lieu of Quadrant being paid commissions from external suppliers (for services like printing and sign writing). Quadrant does retain any media commissions less broker fee.
- Services from external suppliers were to be provided at cost and Quadrant's internal hourly rates (for work done by people other than Chris, for example by artists and copywriters) would be recouped at our normal charge out rates like any other service provider.
12. I suggested that a monthly flat fee or retainer of \$10,000 per month for three months would be appropriate.
13. After Chris and I had agreed on the fee structure, I did not have any further involvement with the day to day management and direction of this account. By the end of January 2004 I became aware, through our monthly billings reports, that the billing entity for this account, which was styled "Robbins Powers Trust Account", was care of Hickey Lawyers. However, I was not aware of any of the arrangements associated with this invoicing or accounting process.
14. I had no discussions with Brian Ray, Tony Hickey or even Chris about the establishment of any trust account or other billing arrangements in respect of this account.

**Follow up of unpaid invoices for the candidates account**

15. At about the end of June 2004, after I had noted in our monthly debtors reports over consecutive months that we still had an outstanding debt of approximately \$22,000 for this account, I ascertained from Chris that he had been unable to get a straight answer

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Signed: 

Before: 

from Brian Ray about payment of the account. Finally, at about the end of June 2004 I told Chris that I would take over the debt collection process on this account, given my long standing relationship with Brian Ray.

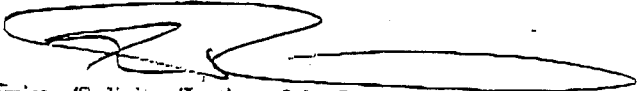
- 16. As far as I was concerned, Quadrant had provided professional services to the candidates pursuant to an agreement that the services would be paid for out of a fund that would be administered by Hickey Lawyers.
- 17. From early July 2004 my priority in respect of this matter was to recover all the funds outstanding on this account. We had paid all suppliers and our staff in good faith on the assumption that the funds would be paid as identified. I pursued Brian Ray on a regular basis for the payment of these funds usually through Brian's secretary Sue Davies.
- 18. In or about October 2004 I was informed that in order for Quadrant to be paid it would be necessary to restyle past invoices in the name of third parties who I had been told were willing to contribute to the fund previously set up by Mr Ray and Hickey Lawyers. I caused for our accounts section to issue replacement invoices (manually) pursuant to the instructions received from Mr Hickey's office. The replacement invoice drawn up for Framelgate was sent to Hickey Lawyers, however, on instructions the replacement invoice to Sunland was sent directly to Craig Treasure.
- 19. I regard the issue of these invoices as entirely appropriate. I was prepared to accommodate any lawful request to produce documentation required by Hickey Lawyers to facilitate payment. This was all done transparently within our own accounting procedures. Quadrant has met all tax liabilities (including GST) for the work performed under this account.

All the facts and circumstances above deposed to are within my own knowledge and belief save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my affidavit.

Sworn by Anthony David Scott on 10 November 2005 at 8 Petrie Terrace, Brisbane in the State of Queensland in the presence of:

Deponent



  
~~Barrister/Solicitor/Justice of the Peace~~  
Commissioner for Declarations

Signed:

Before:

Summary of Invoices and Payments received

| Account Name                          | Code       | Invoice                               | Date                            | Amount   | Payments From                   |         |  |
|---------------------------------------|------------|---------------------------------------|---------------------------------|----------|---------------------------------|---------|--|
| Division 9 Campaign Committee         | TED        | 817233                                | 29/02/2004                      | 6112.92  |                                 |         |  |
|                                       |            | 817234                                | 29/02/2004                      | 299.75   |                                 |         |  |
|                                       |            | 817235                                | 29/02/2004                      | 429.00   |                                 |         |  |
|                                       |            | 817236                                | 29/02/2004                      | 281.88   |                                 |         |  |
|                                       |            | 817237                                | 29/02/2004                      | 303.88   |                                 |         |  |
|                                       |            | 817272                                | 29/02/2004                      | 517.00   |                                 |         |  |
|                                       |            | 817314                                | 19/03/2004                      | 1709.95  |                                 |         |  |
|                                       |            | 817315                                | 19/03/2004                      | 344.74   |                                 |         |  |
|                                       |            |                                       | 4/03/2004                       |          | 7127.69 Ted Shepherd            |         |  |
|                                       |            |                                       | 18/03/2004                      |          | 816.75 Ted Shepherd             |         |  |
|                                       |            |                                       | 25/03/2004                      |          | 2054.69 Ted Shepherd            |         |  |
|                                       |            | 817340                                | 19/03/2004                      | 0.01     |                                 |         |  |
|                                       |            |                                       |                                 | 9999.13  | 9999.13                         |         |  |
|                                       |            | Lionel Bardon Trust Account - R Scott | TEE                             | 817238   | 29/02/2004                      | 429.00  |  |
|                                       |            |                                       |                                 | 817239   | 29/02/2004                      | 2087.25 |  |
|                                       |            |                                       |                                 | 817259   | 29/02/2004                      | 1198.73 |  |
|                                       |            |                                       |                                 | 817265   | 29/02/2004                      | 2083.13 |  |
| 817266                                | 29/02/2004 |                                       |                                 | 2357.58  |                                 |         |  |
| 817268                                | 29/02/2004 |                                       |                                 | 517.00   |                                 |         |  |
| 817316                                | 19/03/2004 |                                       |                                 | 2679.42  |                                 |         |  |
| 817317                                | 19/03/2004 |                                       |                                 | 286.00   |                                 |         |  |
| 817318                                | 19/03/2004 |                                       |                                 | 1279.65  |                                 |         |  |
| 817319                                | 19/03/2004 |                                       |                                 | 339.63   |                                 |         |  |
| 817320                                | 19/03/2004 |                                       |                                 | 1885.13  |                                 |         |  |
| 817331                                | 19/03/2004 |                                       |                                 | 6646.21  |                                 |         |  |
| 817336                                | 19/03/2004 |                                       |                                 | 1370.88  |                                 |         |  |
| 817337                                | 19/03/2004 |                                       |                                 | 88.00    |                                 |         |  |
| 817338                                | 19/03/2004 |                                       |                                 | 1234.75  |                                 |         |  |
| 817341                                | 19/03/2004 |                                       |                                 | 559.90   |                                 |         |  |
| 817346                                | 23/03/2004 |                                       |                                 | 0.57     |                                 |         |  |
| 817347                                | 23/03/2004 |                                       |                                 | 1630.99  |                                 |         |  |
| 817467                                | 31/03/2004 |                                       |                                 | -1279.65 |                                 |         |  |
| 817469                                | 31/03/2004 |                                       |                                 | 294.25   |                                 |         |  |
| 817482                                | 31/03/2004 |                                       |                                 | -0.57    |                                 |         |  |
| 817483                                | 31/03/2004 |                                       |                                 | -1630.99 |                                 |         |  |
| Q403006                               | 31/03/2004 |                                       |                                 | 1631.66  |                                 |         |  |
| 817487                                | 1/04/2004  | 985.30                                |                                 |          |                                 |         |  |
|                                       | 4/03/2004  |                                       | 8000.00 Roxanne Scott           |          |                                 |         |  |
|                                       | 19/03/2004 |                                       | 672.89 hickey - Part of \$45000 |          |                                 |         |  |
|                                       | 31/03/2004 |                                       | 18001.03 Hickey                 |          |                                 |         |  |
|                                       |            | 26673.72                              | 26673.72                        |          |                                 |         |  |
| Lionel Bardon Trust Account - B Rowe  | TEG        | 817044                                | 27/01/2004                      | 405.63   |                                 |         |  |
|                                       |            |                                       | 19/03/2004                      |          | 405.63 Hickey - Part of \$45000 |         |  |
| Lionel Bardon Trust Account - G Belts | TEF        | 817240                                | 29/02/2004                      | 536.25   |                                 |         |  |
|                                       |            | 817241                                | 29/02/2004                      | 2800.33  |                                 |         |  |
|                                       |            | 817242                                | 29/02/2004                      | 242.00   |                                 |         |  |
|                                       |            | 817243                                | 29/02/2004                      | 290.13   |                                 |         |  |
|                                       |            | 817244                                | 29/02/2004                      | 1564.75  |                                 |         |  |
|                                       |            | 817245                                | 29/02/2004                      | 1996.50  |                                 |         |  |
|                                       |            | 817246                                | 29/02/2004                      | 429.00   |                                 |         |  |
|                                       |            | 817281                                | 29/02/2004                      | 193.88   |                                 |         |  |
|                                       |            | 817282                                | 29/02/2004                      | 140.25   |                                 |         |  |
|                                       |            | 817283                                | 29/02/2004                      | 2083.13  |                                 |         |  |
|                                       |            | 817284                                | 29/02/2004                      | 1370.88  |                                 |         |  |
|                                       |            | 817267                                | 29/02/2004                      | 517.00   |                                 |         |  |
|                                       |            | 817271                                | 29/02/2004                      | 1288.03  |                                 |         |  |
|                                       |            | 817321                                | 19/03/2004                      | 1825.00  |                                 |         |  |
|                                       |            | 817322                                | 19/03/2004                      | 484.88   |                                 |         |  |
|                                       |            | 817323                                | 19/03/2004                      | 1690.15  |                                 |         |  |
|                                       |            | 817332                                | 19/03/2004                      | 341.00   |                                 |         |  |
| 817333                                | 19/03/2004 | 1235.03                               |                                 |          |                                 |         |  |

|         |            |          |                                  |
|---------|------------|----------|----------------------------------|
| 817334  | 19/03/2004 | 5661.87  |                                  |
| 817339  | 19/03/2004 | 577.50   |                                  |
| 817473  | 31/03/2004 | -140.25  |                                  |
| Q403003 | 31/03/2004 | 876.96   |                                  |
| 817486  | 1/04/2004  | -985.30  |                                  |
|         | 4/03/2004  |          | 8000.00 Greg Betts               |
|         | 19/03/2004 |          | 5432.13 Hickey - Part of \$45000 |
|         | 10/08/2004 |          | 11000.00 FramwelGale             |
|         | 16/11/2004 |          | 546.84 Sunland                   |
|         |            | 24978.97 | 24978.97                         |

Southport Citizens for Change      SCC

|         |            |          |                       |
|---------|------------|----------|-----------------------|
| 817348  | 24/03/2004 | 4618.10  |                       |
| 817488  | 31/03/2004 | 1279.65  |                       |
| 817470  | 31/03/2004 | 295.63   |                       |
| 817471  | 31/03/2004 | 199.38   |                       |
| 817472  | 31/03/2004 | 618.75   |                       |
| 817481  | 31/03/2004 | -4618.10 |                       |
| Q403024 | 31/03/2004 | 4618.10  |                       |
|         | 31/03/2004 |          | 1998.87 Hickey        |
|         | 19/08/2004 |          | 5000.00 Pronto Direct |
|         | 16/11/2004 |          | 12.64 Sunland         |
|         |            | 7011.51  | 7011.51               |

Lionel Bardon Trust Account - G Pflorr      THE

|            |            |          |                                  |
|------------|------------|----------|----------------------------------|
| 817045     | 27/01/2004 | 226.27   |                                  |
| 817046     | 27/01/2004 | 177.71   |                                  |
| 817247     | 29/02/2004 | 217.25   |                                  |
| 817248     | 29/02/2004 | 343.75   |                                  |
| 817249     | 29/02/2004 | 429.00   |                                  |
| 817250     | 29/02/2004 | 182.88   |                                  |
| 817251     | 29/02/2004 | 77.00    |                                  |
| 817252     | 29/02/2004 | 1892.65  |                                  |
| 817253     | 29/02/2004 | 386.75   |                                  |
| 817254     | 29/02/2004 | 0.00     |                                  |
| 817260     | 29/02/2004 | 1188.73  |                                  |
| 817325     | 19/03/2004 | 6037.35  |                                  |
| 817326     | 19/03/2004 | 1805.74  |                                  |
| 817327     | 19/03/2004 | 829.50   |                                  |
| 817328     | 19/03/2004 | 1877.15  |                                  |
| 817329     | 19/03/2004 | 182.88   |                                  |
| 817330     | 19/03/2004 | 266.79   |                                  |
| 817335     | 19/03/2005 | 5408.76  |                                  |
| 817474     | 31/03/2004 | -584.86  |                                  |
| Q403004    | 31/03/2004 | 838.50   |                                  |
| 817590     | 30/04/2004 | 104.01   |                                  |
|            | 19/03/2004 |          | 5143.89 Hickey - Part of \$45000 |
|            | 19/03/2004 |          | 345.66 Hickey - Part of \$45000  |
|            | 27/05/2004 |          | 10300.00 Hickey                  |
| 15/12/2004 | 503        | 919.36   |                                  |
|            | 16/11/2004 |          | 7140.52 sunland                  |
|            |            | 22930.07 | 22930.07                         |

Lionel Bardon Trust Account - Corporate      VOT

|        |            |          |                                   |
|--------|------------|----------|-----------------------------------|
| 817048 | 27/01/2004 | 11000.00 |                                   |
| 817049 | 27/01/2004 | 11000.00 |                                   |
| 817256 | 29/02/2004 | 11000.00 |                                   |
|        | 19/03/2004 |          | 33000.00 Hickey - part of \$45000 |
|        |            | 33000.00 | 33000.00                          |

Grant Pflorr Division 3 campaign account      TEHGP

|        |            |          |                      |
|--------|------------|----------|----------------------|
| 817281 | 12/03/2004 | 4306.50  |                      |
| 817282 | 12/03/2004 | 8915.15  |                      |
|        | 18/03/2004 |          | 6915.15 G & E Pflorr |
|        | 19/03/2004 |          | 4306.50 G & E Pflorr |
|        |            | 11221.65 | 11221.65             |