



Transcript of Proceedings

CRIME AND MISCONDUCT COMMISSION

MR R NEEDHAM, Chairman

No 5 of 2005

PUBLIC HEARINGS INTO GOLD COAST CITY COUNCIL

BRISBANE

..DATE 13/10/2005

..DAY 5

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THE HEARING RESUMED AT 10.17 A.M.

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GRANT JAMES PFORR, CONTINUING:

MR WEBB: Mr Chairman, might I raise a matter that has given me some concern overnight-----

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CHAIRMAN: Before you do, might I just apologise for the late start. I think I'm perhaps being over-enthusiastic in trying to start at a quarter to 10. It's not working out so I might learn from that. Yes, Mr Webb.

MR WEBB: The Court official has pointed out that the reason for the late start this morning was because I would be late which I was. I was in discussion with my fellow practitioners who are more experienced in this area than I have been in relation to the warning that was given to the witness yesterday and his claim of privilege. The jurisdictions that I'm more used to and are familiar with - unless the Tribunal and usually by that I mean a Court, says, "Well, you've made a claim for privilege. You don't have to keep making it, I'll take that on each occasion."

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And it was pointed out to me that perhaps that does apply in this Commission as it has in a number of other Commissions but, Mr Chairman, you said nothing about it and the witness may - I haven't spoken with the witness. He may not be aware that he has to continually, if that's required, make it. Otherwise, particularly in view of some of the questions that came later where he wasn't given another warning, it may be appropriate with the lay witnesses - I don't know if there are going to be solicitors or lawyers called or not - to tell them that if they do make a claim for privilege then that will stand for the balance of their evidence if you, sir, were happy to do that.

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CHAIRMAN: Yes. The approach I would take is that it wouldn't stand for the balance of the evidence in general but it should stand for all questions about that topic. So the way I would take it was that yesterday when Mr Pforr claimed privilege with respect to answers that he would make, that was about the topic of his election gift return. That was the topic that he was being asked questions about and I would see it that he claimed privilege on that topic.

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Is that correct? That you were-----?-- Thank you, Mr Chairman. Look, I do have some points of clarification and I believe that was one of the questions I have so I would like to ask those if I may. I-----

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I certainly wouldn't see it that once a witness claims privilege, that, thereafter, every single question on totally different topics is covered by - that, quite clearly, cannot apply that way. But I would be prepared to allow the witness

to claim privilege on the topic of answering questions about say - to take as an example - his election gift returns.

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MR WEBB: Yes, thank you, sir. That clarifies that because my experience, of course, is that you do have to make - have a warning and make a claim each occasion but it was suggested to me last evening that that's not necessarily so in Commissions.

CHAIRMAN: Yes, that is so these days. Mr Fynes-Clinton. I'll come to you, Mr Pforr.

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MR FYNES-CLINTON: Mr Chairman, very briefly at this stage with your leave, I've taken some further instructions overnight with respect to the matter which I raised briefly with the Commission yesterday afternoon. Mr Chairman, my client has a very serious concern with respect to the line of questioning concerning the issue about a candidate's duty to seek out the source behind trust funds.

Its concern is not with respect to this particular witness because that's not its interest at the Inquiry but it is concerned that questioning is taking a certain line which then reported in the media is giving rise to what it submits to be an entirely misleading impression about the statutory duties of Councillors.

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Its concern is that this will have broader flow-on effects. Mr Chairman, I've prepared some written submissions which I won't speak to now. I'd seek to hand up and ask you to consider perhaps during an adjournment during the day. They go to three propositions which the Association submits to be clear in the legislation.

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Firstly, that a solicitor's trust account is a trust fund within the meaning of the legislation. Secondly, that a candidate is required to know only the details of the trust and, thirdly, that it's the trustee's responsibility not the candidate's, as a matter of law, to disclose the ultimate sources of the funding.

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So Mr Chairman, with your leave, I'd seek to hand up the submissions, ask that you give them some consideration during the day and, at an appropriate time, I'll then seek to have them incorporated formally into the record depending on the view you take, sir.

CHAIRMAN: I'll incorporate them now but I - I will receive them as an exhibit seeing they are submissions from your client. That would be Exhibit Number 50, I think. Does everyone agree with me on that?

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MR WEBB: Yes, it is.

CHAIRMAN: So it will be Exhibit 50.

ADMITTED AND MARKED "EXHIBIT 50"

CHAIRMAN: I must say I've given a little bit of thought to the matter and I haven't, of course at this stage, got a concluded view. My preliminary view is not quite in accordance with what you've just said.

MR FYNES-CLINTON: Certainly, sir.

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CHAIRMAN: But that's a matter that can be sorted out and it will be a very relevant matter of course for the second phase of this Inquiry.

MR FYNES-CLINTON: That's so, sir, and it's certainly, ultimately, a matter for submissions but my client's concern is as to the intermediate flow-on effects, thank you.

MR WEBB: This is a matter in which, acting for the Chief Executive Officer, I do have an interest and I should clarify instructions but I should mention that for three elections, there has been debate between the local Government-----

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CHAIRMAN: I don't know that we need to go into this now. It might be a matter that perhaps your client might need to give, at some stage, evidence on the matter.

MR WEBB: Or introduce a document or-----

CHAIRMAN: Yes, yes. Introducing a document would be very good. I'd be very happy to receive something from Mr Dickson who, of course, would have had quite a deal of practical experience in this area. I'd be very interested to hear his practical views on it.

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MR WEBB: Yes, but it's not a matter that is, if I may say, set in concrete where views across Queensland are at idem or that one party's views are followed by other parties.

CHAIRMAN: Thank you, Mr Webb. Now, yes, Mr Nyst.

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MR NYST: Mr Chairman, a matter I wanted to raise, if I may. It really runs off the back in part of what both my learned friends have said. Overnight, there was some reporting of proceedings here, in particular, in the Gold Coast Bulletin that reported things such as the claim for privilege and reported them in the context of what I would submit is this kind of overall wash of witnesses ducking and diving and so forth and being intentionally forgetful and so forth.

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And it'd be my submission that the reporting has in that sense been unbalanced and unrepresentative of what, in fact, has been happening here. But if I could start by bringing your attention, sir, to a report - to the report in the Gold Coast Bulletin at page 5 - says this in part:

"In a day of dramatic developments, Councillor Pforr claimed privilege to avoid the possibility of criminal prosecution."

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That was put as a "dramatic development" and I wonder whether that's fair given that he was doing no more than availing himself of a right that is his and indeed was suggested to him by you, sir. But more particularly, what I wanted to bring your attention to was this:

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"In a further revelation, it emerged businessman, Lionel Barden, whom the trust fund was named after, appointed Quadrant advertising agency on December 10, 2003 to carry out marketing work for candidates he "may nominate from time to time". The appointment occurred before the first meeting of candidates and Councillors to discuss the business-backed push to have sensible like-minded Councillors elected with Councillor Pforr conceding it was "a great surprise" to him."

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Now, that seems to relate to the document that you recall was tendered yesterday - I think it was dated the 10th of October - under the hand of Lionel Barden and my learned friend, Mr Mulholland, made the point that it was a back-dated document. And I rose to my feet because he'd put it as being a back-dated document and one possibility - and this was a fair thing to put - one possibility was that it had been back-dated to reflect the reality of when the appointment had been made.

Now, I rose to my feet specifically because I was keen to ensure that people understood that that was not evidence and that another possibility was that that was backdated for billing purposes or accounting purposes. Now, I've read the Quadrant documentation. We haven't heard any evidence from the Quadrant people, but there's certainly no evidence before this investigation that Lionel Barden had appointed these people back in October and so forth.

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And that's a misreporting in circumstances where I did all I could to try to bring that clearly to a - to flag that, as it were, to say, " Well, let's not" - I mean, we've cross-examined people about documents that aren't theirs, we're putting in documents without the witnesses who might put them through in a trial situation, and I'm not criticising that - this is an investigation - but what I'm saying is one needs to be very, very careful. And it needs to be said that that - what is, in my submission, a clear misreporting - comes in the context of an overall reporting, a front page that has a photograph of Councillor Pforr with the headline, "Pforr's Faulty Memory" on page 1; it comes then over to page 4 with a photograph of Councillor Betts, Power, Scott, Rowe and Molhoek with the heading, "Memory Block for Details" - and this is this term, "the block" that you've heard, at least from Mr Molhoek, was something that was pushed by "The Gold Coast Bulletin" at one stage.

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"Memory Block for Details" in the first paragraph is:

"When it comes to the meetings that led to the so-called council block, Councillor Pforr has lost a lot of his memory."

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And then opposite there's a report headed:

"Councillor Pforr hit with barrage on funds."

And the opening paragraph:

"Councillor Grant Pforr was backed into a corner yesterday"-----

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CHAIRMAN: Mr Nyst, I can indicate that I don't take the Gold Coast Bulletin, but you wouldn't be surprised that the CMC gets clippings, and I generally each morning try to - and I certainly did this morning - run through the clippings, so I've read the article generally. But can we get to what you're asking?

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MR NYST: Okay. Well, can I - can I simply the point out that there was that kind of reporting which, in my submission, puts a completely misleading wash on it and it featured as one of the dramatic developments, the fact that Mr Pforr had claimed privilege, it repeated that later in the paragraph that talked about-----

CHAIRMAN: Yes, but what are you asking of me?

MR NYST: Well, what I'm asking of you, sir, is that you make some caution. I don't want - this - this investigation was open so that the public could be informed. Now, it might be - might sell a lot of papers to sell the story that there is corruption and great controversy happening here, but it doesn't necessarily inform in a balanced way.

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Now, I don't have a submission at this stage that you should close the investigation, but there may come a time - if this continues there may come a time when we may want to make a submission to you that this investigation should be closed.

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CHAIRMAN: All right.

MR NYST: And it was specifically-----

CHAIRMAN: Well, if we come to that we'll come to that, but in the interim-----

MR NYST: Well, it was specifically only opened-----

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CHAIRMAN: -----there's been a reporting that this witness couldn't remember a lot of details. It appears to me that that was not an inaccurate reporting. There's been a reporting of what is contained in a letter. There is evidence that that letter was backdated, we don't know the purpose for which it was backdated; what is reported might be correct in that regard, evidence might turn out later to show that it is different.

In the interim I don't see that that reporting is of such a nature that it requires any comment by me and I don't propose to make any. So-----

MR NYST: Sir, could I just - could I just, with respect-----

CHAIRMAN: Unless you've got something different to add to that we'll move on to the hearing.

MR NYST: Well, could I just say that it is clearly misreporting to say in a further revelation it emerged that businessman, Lionel Barden, did these things.

CHAIRMAN: Well, I hear your submission.

MR NYST: That did not happen.

CHAIRMAN: I hear your submission.

MR NYST: And I would ask that you'd caution the press that they need to be careful to ensure that the public is, in fact, informed and not misled and that if - that really this is open - these proceedings are open to the press for that purpose, so that they can inform rather than mislead and just - and use sensationalism to sell newspapers.

CHAIRMAN: All right. I've heard the submission and at this stage I don't propose to make any comment. Now, sorry-----

MR MULHOLLAND: Now, Chairman, could I just say something in relation to that?

CHAIRMAN: Yes. Yes, all right.

MR MULHOLLAND: In my submission, it would not do any harm to say, having regard to the context in which these matters are being dealt with, to indicate to the media that they would, of course, understand their obligation to be fair. That wouldn't do any harm at all.

CHAIRMAN: All right. Well-----

MR MULHOLLAND: And - and I - I think it might be an appropriate time to say it.

CHAIRMAN: All right. Well, the media will have heard that. I, of course, don't disagree with that comment. Mr Pforr?-- Thank you, Mr Chairman. Look, I seek leave. I was up at four this morning, I watched the hour long edited version of Channel 9, I have some points of clarification on that interview.

Well, you're saying there's some things that you said yesterday you would like to clarify?-- That's correct.

All right. Well, you can go through those with Mr Mulholland one at a time. Was there any other points?-- Yes, there are

some points that the learned counsellors have raised that I would like to clarify too, if I may.

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Certainly?-- I - I have a list here and I'll try and read through them one at a time and if I could-----

Yes, yes, that's all right. Go ahead?-- The first one was the obvious one at the start, Mr Chairman, in relation to Division 4 and Grant Pforr. Has there been any information on that line item, whether you were actually referring to Councillor Molhoek, Division 4, or was it Councillor Pforr, Division 3? So I will leave that on the table. I'm not concerned about it, I just thought it would be a point of clarification on that line item.

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MR MULHOLLAND: Well, can we deal with that straight away?

CHAIRMAN; Yes.

MR MULHOLLAND: That is a typographical error and it was Division 3?-- So-----

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It should have been Division 3.

CHAIRMAN: So it is Councillor Pforr in Division 3?

MR MULHOLLAND: Yes.

CHAIRMAN: Yes?-- And that - that line item was designated to myself, not to Councillor Molhoek, Division 4?

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MR MULHOLLAND: No, it actually refers to Councillor Pforr. What the error is, it should have been Division 3, not Division 4.

CHAIRMAN: Four, okay?-- Thank you, Mr Chairman. The other one, trying to keep it in context, was council's - I believe council's question to - to me in my statement, why my statement was so short in relation to Councillor Power given that I had known him since 1998. To give a little further explanation to that, if I may, Mr Chairman, I was only referring to Councillor Power in relation to the terms of the inquiry that was given to me. Had -had I been requested in relation to my involvement with Councillor Power as Divisional Councillor with the Coomera Water Sports Club, this inquiry would have been engulfed in a lengthy amount of paperwork. My inwards and outwards correspondence is up to 4,600-----

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I don't think anyone is suggesting that you should have gone into all the details of your-----?-- Sorry, I just wanted to clarify. I was only - my statement only dealt with the terms of reference-----

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So it was any dealings that you had with Councillor Power-----?-- In-----

-----about the election?-- Yes, that's correct.

Yes, okay?-- So that's why it was so short, Mr Chairman.

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All right?-- The other one - there's several in relation to - I refer earlier to my campaign - to funding my own campaign. I wish to clarify firstly, Mr Chairman, with your leave, as you're aware, Mr Chairman, I made all my bank details available to the Commission as a request and I have - I have great concerns about the disclosure of these. I know, Mr Chairman, you touched on this in your opening address, but I wish to have on record that my family and I are deeply distressed that these records are out in the public arena, as we - as we did not use a separate campaign account. These private details are now with other councillors, candidates, legal representatives and all staff, so I would ask my letter of 8/10/2005 be submitted as an exhibit. As you'll be aware, Mr Chairman, my bank statements, I was more than capable of funding my own campaign from my own funds. So-----

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I'm a bit concerned when you say they're with all staff. What do you mean, staff at the Gold Coast City Council?-- Staff obviously from council.

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Why would they be with all staff of the Gold Coast City Council?-- No, sorry.

What knowledge do you have of that?-- Not staff of the Gold Coast City Council, the council - anyone who received those first five discs.

Yes?-- Would obviously have counsel or legal representation and anyone who had legal representation obviously have staff or secretaries.

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Oh, I see, the staff of the-----?-- Of the legal-----

-----legal representatives?-- That's correct, Mr Chairman.

Well, presumably it could be with the staff of the legal representatives who are working on this inquiry?-- Well, that too.

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Yes. Well, say, like-----?-- Yes.'

-----Mr Nyst's staff who have need to assist him in it presumably?-- That's correct, that's correct.

All I can say on that is that that material has been provided to the various legal representatives and if - to other witnesses like Councillor Betts presumably has got it. It's been provided to them with the indication on it, and the same as it's been provided to you, with the indication on it that it's confidential. If it is used for any purpose other than the proper purpose for which it was provided to them, in other words for the purposes of this inquiry, the person who so uses it is committing an offence under the Crime and Misconduct Act, and if you have any evidence of that, that if anyone's misusing your material, would you please bring it to the notice of the Commission staff and appropriate action will be

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taken?-- I understand the ruling at the beginning, Mr Chairman.

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I can understand your concern. It is unfortunately necessary in these circumstances and everyone has to treat that material in the proper way. Now it's not abnormal, and say if it was a litigation in a Court, that material has to go out to the other side but it goes out on that sort of understanding, that it can only be used for the litigation, and that's the way our justice system has to work?-- I-----

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Mr Pforr, and you will have to accept it?-- I understand that but my understanding is these documents are usually set aside. You have to come in and view them.

No?-- You're not allowed to take copies away with you. It more-----

No, that's not necessarily so?-- It more concerns me, Mr Chairman, the fact that I've now had to close accounts. My bank Mastercard details and numbers are out there.

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Well, Mr Pforr, that's your choice, if you close it that's fine. You will take what actions you think necessary but that's the situation it is. The material has to be provided. It is provided on that confidential basis. Anyone who misuses it is committing an offence, and we will have to proceed on that basis. But your comments are noted?-- Can I present that letter as evidence?

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Is that the letter you sent to the Commission?-- That's correct.

I don't think there's any need for that to be received as evidence in the Commission?-- An exhibit, I'm sorry.

I don't think it needs to be received as an exhibit at the Commission. You can be sure that it is in the Commission records so it is there, and it is well and truly noted?-- Okay. Thank you. If I could move on to my-----

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Yes?-- My next one, Mr Chairman. Secondly I wish to clarify the line of questioning respectfully by yourself late yesterday on the funding of my own campaign. The article printed in The Gold Coast Sun dated I believe the 18th of February where I was quoted funding my own campaign, Mr Chairman, I seek leave to view the transcript after the line of your questioning that you had with me. I've been told that these transcripts from yesterday actually don't come on line until approximately 8.30 a.m. in the morning and as you probably appreciate we leave home from the Gold Coast at 7.30 a.m. and I wish to clarify and review some of those points.

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Well, it might be available in the mid-morning break, I don't know if it's available yet?-- If I may, I'm happy if I could, thank you, Mr Chairman. The next point if I may continue on. The Gold Coast Sun, Mr Chairman, is a free weekly publication and I'm not sure whether you, Mr Chairman, you understood. It

was - it was sold - it's not sold as a daily newspaper. The Gold Coast Sun is actually delivered weekly every Tuesday and Wednesday depending upon the area where you live. Stories are sometimes prepared for edit the week before and sometimes reports are held over and may not appear for weeks. As the election was not until the March 27th, there would have been no urgency in printing this article. I therefore question the date that Mr Hubbard contacted me, when he put this question to his diary and then to final print. I had spoken numerous - to numerous journalists from different media. Giving phone interviews was a regular occurrence as we were out the bulk of the day doorknocking solidly in 30 degree heat plus, only looking to our e-mails at night. It is possible I spoke to Mr Hubbard before I received my funding or banking my first cheque, Mr Chairman.

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What was the date? I'm trying to find that article?-- I believe it was the 18th, if I'm correct.

MR WEBB: 18th of February, a prior note.

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CHAIRMAN: 18th of February. So it's number 10 in the bundle. All right. Okay?-- My next-----

Well, you're saying at this stage you can't remember the date that you spoke to Mr Hubbard?-- That's correct.

All right. Yes?-- My next point of clarification, Mr Chairman, was that I - was I being accused of something over - something over your line of questioning to me?

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Sorry?-- Was I being accused in relation to that article in the line of questioning?

I don't understand you?-- Well, I'll read on.

I was asking you questions and you were answering them?-- Okay. If not, I wish to clarify, can I again seek privilege or can I seek leave to take this line of questioning on funding my own campaign on notice and to table it for a few days while I seek legal advice?

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No, look, I'm sorry, there is-----?-- If I-----

-----no offence of lying to a journalist so when you are asked questions about what you said to a journalist it's not a matter that you can claim privilege on and you have answered the questions. You may, if the transcript is available, you may look at it in the mid-morning break and you may add any clarification that you wish, but it's not a matter you can claim privilege on?-- That - okay, that's fine but can I - can I claim legal-----

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MR NYST: Sir, does this - is that legal?

WITNESS: Can this-----

CHAIRMAN: Sorry?-- Can I - just let me - sorry.

MR NYST: Sir, could I just mention. I'm not sure whether - I'm not sure where Mr Mulholland was heading when he made some comments about misleading the public. Whether or not these comments are said to fall into that category then the privilege might be an issue. I only raise that to assist.

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MR WEBB: That's my concern also, if I may mention, Mr Chair. When one looks at the provisions of the Local Government Act.

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CHAIRMAN: No, that's a point - yes, thank you for that. What do you say about that, Mr Mulholland?

MR MULHOLLAND: Mr Chairman, there is of course a provision in relation to false or misleading-----

CHAIRMAN: Yes.

MR MULHOLLAND: -----misleading people-----

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CHAIRMAN: Yes, that's true. I'd overlooked that.

MR MULHOLLAND: -----people how to vote, and it may be that particular provision is what is being referred to.

CHAIRMAN: Yes.

MR MULHOLLAND: Can I just draw your attention to section 197 subsection 5 of the Act.

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CHAIRMAN: Of the Local Government Act?

MR MULHOLLAND: Sorry, Crime and Misconduct Act.

CHAIRMAN: Sorry - 197-----

MR MULHOLLAND: 197(5).

CHAIRMAN: Yes. Well, that's what I was referring to when I was talking to Mr Webb earlier-----

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MR MULHOLLAND: Yes.

CHAIRMAN: -----that I was taking that as being all answers relating to that class of question, namely questions about the election gifts return. Yes.

MR MULHOLLAND: It's almost a line of questioning objection.

CHAIRMAN: I was going to come to that with Mr Pforr but that other one of the misleading - could be misleading the public when it's giving a statement to a journalist that he knows is going to very likely be published.

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MR MULHOLLAND: Yes.

CHAIRMAN: Yes, in those circumstances perhaps I should-----

MR MULHOLLAND: It would be safer I think-----

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CHAIRMAN: -----to warn the witness.

MR MULHOLLAND: -----Mr Chairman.

CHAIRMAN: Yes.

MR WEBB: Section 394 is the relevant section.

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CHAIRMAN: Yes, thanks, I'm aware of that section. All right.

WITNESS: Sorry, Mr Chairman, I didn't-----

CHAIRMAN: There is a point on that, Mr Pforr, that any further questions that you receive with respect to that issue, as to whether you misled the public with respect to your conduct at the election, if you feel the answer that you give may tend to incriminate you of an offence, and there is an offence of - let me give you the section: "A person must not for the purpose of affecting the election of a candidate" - so if it's for the purpose of affecting whether you get elected - "knowingly publish a false statement of fact about the" - in this case - "the conduct of the candidate." So it could be said that you must not, for the purpose of influencing whether people will vote for you, publish a false statement of fact about your conduct. All right? Now, if you're asked questions then that you consider may implicate you of that offence, you may claim privilege once - and you can claim privilege about all questions in regard to that topic. Once you claim that privilege you then have to continue to answer the questions-----?-- As you instructed-----

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-----but the answers that you give will not be able to be used against you in any subsequent proceedings. All right?-- All right. I think I understood that from your-----

Yesterday?-- Yesterday.

Yes?-- And, given the lateness of yesterday, I possibly should have done it again.

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All right?-- But can I just ask further instructions if I may. In my comment, if I could possibly table any further questioning on this so I can seek some legal counsel on this. If I just may finish my paragraph that I - that I had: as you're aware I have not sought legal representation to this point because I believe in all matters I have acted in good faith pertaining to my legal obligations so I do - I need time to do so. I'm happy to answer questions as a witness but I ask to seek legal representation now.

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Well, we'll face that if you are asked any more questions on that topic?-- Thank you. Can - I'm nearly to the end-----

Sure. Keep going?-- -----on my clarifications.

Yes?-- In answering the journalist in relation to that question, did I seek to hide anything, if I wanted to hide anything I would have just said "No comment," if I might just clarify that point. At the time of communications with journalists over that period leading to March 27, I was very annoyed with the continued unbalanced reporting of journalists' line of questioning and it seemed to be from one media owner and his group of media outlets who own both the daily publication and the free weekly edition available on the Gold Coast - I don't know if I'm legally entitled to mention the owner of that, am I? Well, it doesn't really matter who the owner is. You've made the point-----?-- He also has other papers such as The Australian and The Courier-Mail I believe so it is circulated quite widely-----

I think we all know who you mean?-- So I - and I draw the Commissioner's attention to the media articles covering this Inquiry and Commission of evidence given that alters the perception of the actual proceedings e.g. for example Mr Graham Staerk described incorrectly as Mr Ron Clarke's campaign manager. No article has clarified these changes. Quite often letters to the editor of either publication are not printed. I also refer to my comments that articles to the editor written to the Bulletin sometimes do not appear in the Gold Coast Bulletin but do then appear in the Gold Coast Sun instead. And in actual fact I have an email to Mr Hubbard, I think on the 19th - I can refer to my documents; it was one of the documents I submitted to the Commission - in relation to the inference to my watersports facility and he did not even attend to publish that letter to the editor - in my request I was - at the time I was more concerned about the inference that he was referring to the Coomera Watersports Club, Mr Chairman, and they are my list of points of clarification.

All right. Yes, thank you, Mr Mulholland.

MR MULHOLLAND: I was asking you yesterday in relation to a number of emails and articles. We'll go to the next one, number 20 of Exhibit 3.

CHAIRMAN: Mr Fynes-Clinton, can I ask whether you would have a second copy of that submission?

MR FYNES-CLINTON: I have several copies, sir.

CHAIRMAN: So we can leave one as the formal exhibit and then another one that I can use as a working copy.

MR MULHOLLAND: Just pardon me, please, Mr Chairman. All right, have a look at this, please. Do you see that this relates to the Gold Coast Bulletin of the 26th of February 2004 - "No bloc here, say elections hopeful". And in relation to yourself it is stated "Runaway Bay candidate Grant Pforr said he was an independent funding his own campaign". Now, this was immediately following the paragraph, "City council election candidates allegedly linked to a so-called David Power ticket have rejected claims they are part of a voting

bloc." You went on according to the article - "Mr Pforr 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 will be making decisions for the good of the Gold Coast. Being part of a ticket doesn't sit comfortably. I can work with all councillors.' Mr Pforr, said he was funding his own campaign and questioned where Division 3 opponent David Childs was securing his council election funding"-----

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CHAIRMAN: This is number 20 in Exhibit 3, this document you're-----

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MR MULHOLLAND: My apologies.

CHAIRMAN: -----referring to?

MR MULHOLLAND: My apologies. Yes, no, sorry, that's what I did say.

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CHAIRMAN: You did say that.

MR MULHOLLAND: I did say that.

CHAIRMAN: Right.

MR MULHOLLAND: Yes. So, is there any comment that you would like to make on this? Is that, first of all, accurate; did you say that to the reporter?-- Again, Mr Chairman, at this point I'd probably seek privilege.

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CHAIRMAN: You have claimed privilege on this. We can take it that that is now covered?-- Look, I possibly - yes, I would have spoken to most of that. I would have said a lot more. When I spoke to the reporter, I do not know. As I said before in my earlier clarification, there were a lot of journalists during the time contacting me. So I can't say whether I spoke to him on the 25th or 1st January.

MR MULHOLLAND: So you're not denying that what is attributed to you in this article is correct; you're not denying that any of it is inaccurate?-- Well, I would question the date on which it was printed when I spoke to him; that would be my only question.

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Was it correct that you were funding your own campaign?-- I had stated earlier, from October, that I had been funding my own campaign.

And did you regard that as correct in view of the fact that you were also receiving funds?-- Well, as I stated, I don't know when I spoke to Mr Gleeson in relation to - and the time he's printed this article.

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Yes. All right. Could you - anything else you want to say about that?-- Just in relation to being part of a ticket doesn't sit comfortably; I was referring to a political ticket. I don't believe the electorate on the Gold Coast is

in favour of political interference or political parties in local government. That's what I was referring to there.

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Yes. All right. Could you return that, please. Now, I want to take you to something that you said in your statement to the Commission. This is under 4(a) and under the heading David Power?-- 4.2(a).

4.2(a). Do you have the sentence or the paragraph commencing, "Councillor Power was in attendance at the initial meeting held at Quadrant 16 December 2003 offering general advice on how to run a successful campaign." Have you got that?-- Yes, I have.

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"To the best of my recollection, there was no discussion of any funding. Councillor Power suggested I meet with him and Mr John Fish which I did at Mr Fish's office and candidate Mr Brian Rowe was in attendance. I had no prior knowledge of Mr Rowe's presence at the meeting held on 23rd February 2004 at 2.30 p.m. I had limited contact with Councillor Power throughout my campaign as I was too busy door knocking, attending community group meetings and running the campaign particularly given the shortened time frame we had with the State elections being held so close to the local government elections." Now, were you introduced to Mr Fish?-- That's correct.

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By Councillor Power?-- I believe, and it would be in my submissions, I received an email or a fax from Councillor Power's PA, secretary.

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Yes?-- Suggesting a time and a place to meet Mr Fish.

Yes, all right. All right. Would you have a look at this document, please. Now, is this from you to Mr Fish, "Dear John," of 16th February 2004, "I would like to set up a meeting with you to discuss Fish Developments you currently have going on the Gold Coast and in particular within Division 3. I am available most days and can be contacted on mobile" - giving your mobile number, "or email," giving your email address, "quicker than the other contacts listed below. Regards, Grant Pforr," and it's attention to John Fish. Now, did you - just tell us the circumstances in which you sent that email?-- I think it would have been a number of emails that I'd sent out - or letters that I'd sent out to different people, businesses and private people, within Division 3.

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Yes?-- I think there are others in my documentation there.

All right?-- He was obviously a developer in Division 3 and I had stated that I was contacting businesses and the odd developer.

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Yes. Would you have a look at this document, keep that one there for the moment that you have. I'll tender them as the one item in due course, Mr Chairman. Now, is this an email - it's an email and it's Tuesday, the 17th of February addressed to you from Donna Gates, subject Appointment, "Dear Grant/Liz,

David has tried to contact you today but without success." Who's that a reference to?-- I gather that - Donna is Councillor Power's PA so I'd say that would be Councillor Power.

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"He would like you, Grant, to attend the meeting with John Fish at John's office, Sickle Avenue, Hope Island about 200 metres past the Hope Harbour entrance." And going on to say if you get lost then giving a telephone number. So is that an email that you received?-- Yes, it is and it's in my discovery documents.

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And the - what about the date there, February the 23rd, 2.30 p.m. What does that refer to?-- I suspect being scribbled on there that must be the appointment date but I could check my diary.

Yes. All right?-- That is my scribble.

I tender those two documents.

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CHAIRMAN: Yes, they'll be Exhibit 51.

ADMITTED AND MARKED "EXHIBIT 51"

MR MULHOLLAND: Now, if you go back several pages-----?-- Are we on the statement, sorry?

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Yes, go back to the statement. Under 4(1)(n), the subheading there in bold is Fish Developments Pty Ltd, have you got that?-- 4(1)(m)?

(n)?-- (n). Thank you. Yes, I have.

"I had not previously met John Fish or anyone associated with Fish Developments Pty Ltd. However, my wife knew the family quite well through our children's college. David Power suggested I meet with him and John Fish, which I did, at Mr Fish's office and candidate Mr Brian Rowe was in attendance. I had no prior knowledge of Mr Rowe's presence at the meeting held on 23rd February 2004 at 2.30 p.m. Mr Fish knew of my good standing within the community and offered support and in kind support to my campaign." Now, when you speak of support are you referring to funding, is that what you mean?-- Yes. "Community and offered support and in kind support to my campaign."

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Right. So this is a reference - this includes funding that you're talking about?-- Well, the meeting would have been the offer of funding, yes.

"I explained my obligations of declaring all funding as required by law which he supported and agreed with. Mr Fish also commented during that meeting on difficulties he was

experiencing with Councillor Peter Young in particular a resort style development in Sickle Avenue, Hope Island. Please see attachments. And that Councillor - attachment number 13 - and that Councillor Young had dragged him through the Environment Court. Mr Fish alluded to a conversation he had had. The Councillor Young" - presumably you mean had with Councillor Young?-- Yes, that would be-----

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"And which he allegedly had taped over this application and land that was owned by Councillor Young at Oxenford that he wished to sell. I personally did not hear the tape recording but Mr Fish mentioned it to all present." Then you go on to say, "Telephone calls from both Mr Fish occurred and further contact with Mr Fish was later in March when the opportunity came about for a large sign at Lands End and other commercial sites around Hope Island. Mr Fish offered to cover the cost of those signs and provide in kind hanging space to existing signage. That cost was approximately \$10,000 which is included in my declaration as required with a cheque given to me on 11 March 2004 by Mr Fish. Please see attachment R." Now, in relation to that did you receive two amounts from Mr Fish and were those two amounts an amount of \$10,000 on the 9th of March 2004 and an amount in relation to another amount of \$1,000?-- No, I only received a cheque for 10,000 - I think - I think you're referring to the other amount as my valuation to the in kind support rental space that would have - would have been incurred had I had to commercially rent that site and for the obvious reasons I felt I needed to put in kind support down on my return and I subsequently put a value to it.

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Now, that was in relation - what you attributed to the sign, is that right?-- The commercial signs that I refer to in that statement.

And in your return that was indicated as----- In kind.

As the 2nd of April 2004. I'm just suggesting-----?-- Sorry, I'd need to have a look at my return but-----

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Well, you can accept I think - I'll give you an opportunity shortly to have a look at your return if you wish but the \$1,000 was indicated by you - that in kind \$1,000 was indicated to you as having been received from Fish Development on the 2nd of April 2004, that's according to your return?-- Well, yes, as I stated before I felt my obligations - I needed to put in an interim return after the election so my interim return I intended to put that in kind support in there.

Right. Now, if we just go on, "Immediately following the GCCC elections I received phone calls from Mr Fish in relation to sitting Councillors receiving other developers' contributions leading up to election day." What was this all about? What was he on about here?-- He was questioning other sitting Councillor - or one particular sitting Councillor receiving developers' contributions and to - he suggested keep an eye on it, see if he's put it in his return.

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Right. So he was - he was telling you that - about other
councillors-----?-- He was-----

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-----who had received - just if you wait until I finish and
you tell me if this is correct - about other councillors
having received money from developers leading up to election
day and he gave you the details, did he, and asked you to -
you know-----?-- To keep an eye on it.

-----that you might keep an eye on it and check it out and
make sure that that is included in the returns of those
councillors?-- That's correct.

10

And did he name the councillors concerned?-- He - yes, he did.

Who were the councillors that he named?-- Councillor Crichlow,
Councillor Sarroff and Councillor Young.

All right, and you sent-----?-- That they had received
developers' contributions.

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And you sent off then a letter, did you, to the
Minister?-- No, I sent that letter to the Minister when this
inquiry was announced.

Right?-- But I - after that I - I called for their election
gift returns relatively early in the piece. I can't remember
exactly what date that I - there would be reference to it in
my request to Tony Davis. I viewed them firstly but then I
went further and asked on a regular basis over the next 12 to
18 months updates to see how - in case there had been any
changes. I paid particular attention to the period when the
final return was closed to see if this developer contribution
to one particular councillor had been put down in his gift
recipient - gift register.

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Right. So you did this after having heard about it from Mr
Fish?-- That's correct.

Now-----?-- And it wasn't actually from - Mr Fish wasn't the
developer who he indicated contributed to Councillor Young's
campaign.

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Now, just going on in your statement. You then go on to say,
"Mr Fish also raised matters of the deed of novation signed
between developer Shinko and Hope Island Resort," Hope Island,
which concerned him, as to where council was at with this
issue. Now this is - we don't need to go into this in great
detail but does it essentially come down to this? That Mr
Fish was having some problems in relation to some deed by
novation that he sought your assistance with?-- He didn't
sought my assistance, he was involved with a deed of novation
on a property development between Shinko and Hope Island
Resort, and he wanted to know where things were with council.

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Right?-- And actually there's a correction that needs to be
made to that statement at the-----

All right, well-----?-- At the last line of that paragraph.

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Okay. Well, could we just read on and you can tell me-----?-- Yep.

-----as I read on. "I was subsequently contacted on 18 February," is it?-- That's correct.

"2005 where I was given an original signed document of this deed of novation." Who contacted you then?-- Mr Fish.

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"This then became"-----

CHAIRMAN: Just before you go on. Wasn't this meeting on the 23rd of February?-- That's correct.

MR MULHOLLAND: Yes.

MR WEBB: A different year.

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MR MULHOLLAND: That was the previous year.

CHAIRMAN: Oh, it's a different year, oh, thanks.

MR MULHOLLAND: "This then became part of a media frenzy still being played out to date. After receiving a solicitor's letter of demand from Mr Lang Walker's group of companies I then handed the original signed document to the GCCC honorary solicitor to deal with."?-- That's where the correction needs to be. It's not "honorary", it's "city solicitor", I'm sorry.

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Right. And where does Mr Lang Walker fit into this?-- Mr Lang Walker, I believe, is the owner or the developer of Hope Island Resort.

Right?-- And obviously he's got subsidiary companies around that.

Right, and so you were given this signed document, the deed of novation, by Mr Fish. There was a demand and you then handed that document which you had, the original signed document to the city solicitor?-- I had actually contacted the city solicitor very close to the 18th of February advising him that it was handed to me, I felt I was obligated to, and he advised me to hold onto it in a secure place and he would advise me further. On receiving the letter of demand I contacted the city solicitor and that's when he requested me to hand it over to him officially and I had my PA hand that to him in a personal envelope, hand-delivered.

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Right. All right. And this - this original signed document, is that the document you received from Mr Fish?-- That's correct.

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Now, you, just reviewing this then in relation to Mr Fish, you had had dealings with Mr Fish in late February of 2003 about a month out from the election on the - sorry, 2004 about a month out from the election on the 27th of March. Is that

correct?-- Yes, I think it was the 23rd of February from my memory.

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And then you received from him a sum of \$10,000?-- That's correct.

Subsequently declared by you, on the 9th - on the 9th of March. Now did you have any reservations about having those discussions with Mr Fish in advance of the election and then receiving funding directly from him in that amount?-- I didn't have any discussions in relation to the deed of novation until after the election.

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No, no, I'm not asking you about the deed of novation. I'm asking you about the discussions that you had with Mr Fish back in late February of 2004. Let me just put it to you again. Did you have any reservations about having those discussions with Mr Fish in late February 2004, about a month out from the election, and then receiving directly from him a sum of \$10,000 towards your campaign funding on the 9th of March 2004?-- In the initial meeting on the 23rd of February which I believe is correct, if that's where it was, the date, no, I didn't have any reservations. I didn't put a great deal of weight to it. The reason it became more weighted was because of the constant calls and comments but I did make comment at the time that I will not be beholden to Mr Fish, that I would be declaring it, and when any application of his came to council I would be stepping aside and declaring.

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Yes?-- And he was made quite clear of that at the time, and in actual fact he then went on to say to me after I commented on that, "I don't - I'm not - I believe you to be a good candidate, I just want a fair go in council, I don't want any favours."

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Do you think that those circumstances made you beholden in any way to Mr Fish?-- I don't think so, as I've stated.

All right?-- And I have stated. I mean, my first public meeting on Easter Sunday after we were sworn in I was tackled by the residents of Boykambil who had been left in the wilderness for so long without a divisional councillor, and I stated there in public that I - if any of John Fish's applications come to - in my division come to my attention I will be standing aside, given that he was one of 15 developers in the Hope Island canal area.

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Right. Now just in relation to this question of receiving money, I take it then that your position was that you could see nothing wrong in accepting money directly from developers?-- In my October 30th - 30th announcement it states in the bottom line that I'm balanced development and I'm quite happy to take money from developers.

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Well then----?-- It's words to that effect. I mean, I do - as you know, I have a copy of that.

Right. Now, I'd just like you to give the Commission the -
the benefit of your views in relation to this. In accepting
money from developers do you think that there is any reason -
there are any - there is any reason to be cautious about
receiving the money? I mean, do you receive it on any terms
at all? What's your approach?-- I was very clear to Mr Fish
that I would be standing aside from any of his applications.

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Right. So what, you - you adopted the attitude, and would
adopt it in relation to dealing directly with
developers-----?-- With this-----

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-----and you'd make it plain to them that you'd stand aside on
any issue affecting the developer in the council if they
donated money to you? That's what you would do?-- Because he
- he personally, through his company, donated to my campaign.

Right. So would you do anything else apart from that?-- I
don't think I would need to.

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Right. So if there was no problem in relation to accepting
donations directly from developers, why in relation to the
money that you received through Hickey Lawyers did you not
simply say to Mr Morgan, or other people in the group, "Well,
look, I'd prefer to receive this money direct from developers
so there can be no problem, it makes me open and accountable
and I'll get it direct that way, I'll know where it's - who
it's coming from" and so on? Why didn't you adopt that
approach?-- Well, to be honest there would have been a number
of contributors to - to the Hickey Lawyers that I wasn't aware
of and I felt it'll be a good opportunity to be at arm's
length, so I didn't have to declare an interest for each
individual one of them. I wouldn't be beholding to any of
them.

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Well, in due course did you not consider that the identities
of the developers would become public, that is once all the
returns were in, or didn't you consider that?-- I hadn't
considered it.

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Didn't consider it?-- Well, I put my return in as Hickey
Lawyers Trust Fund.

But surely in advance of the election you would have
considered the fact - maybe you didn't, but I-----?-- I
didn't, I'm sorry.

I'm asking you whether you considered at all that ultimately
if you received money in this way the developers' identities
would become disclosed by way of third party returns?-- I
didn't pay any attention to that.

50

So you never gave thought to the prospect that ultimately the
donors of the funds from which you drew would become known by
you?-- I didn't give any attention to it as I've stated. To
me it was an arm's length arrangement.

Once - well, did you in due course, in relation to this election - the March 2004 election - did you ultimately become aware of the identities of the donors?-- It was - it was brought to my attention by Councillor Young in a - I believe a general business item. I actually - I don't believe I was in attendance at that meeting, I was in Perth on council business in relation to an application in Paradise Point, so I actually wasn't in the meeting, I believe, and it was brought to my attention by Councillor Young in a memo and again, I looked at it, filed it.

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Filed it. So - so you did become aware of who the donors were eventually?-- I was - I was aware of the list, I read down them, filed it.

Filed it, okay. Now, when did you become aware of that?-- Well, whatever dates - it's in here, whatever date it is, I'm not sure, I'd have to check.

Right. And once you did become aware of it, did you take any steps in relation to those donors, so far as your conduct on the council was concerned?-- I didn't think - at that time, no, I didn't.

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Did you adopt, for example, the same approach that you had decided to adopt and had told Mr Fish that you would adopt in relation to Fish Developments?-- No, I didn't.

So therefore in relation to any issue affecting any one of those people on the list who you understood, by the time you received it, were the donors to funding out of which you drew, you did not think that in relation to any issue that came before council concerning one or more of those developers that it was necessary for you to stand aside from making a decision?-- No, I didn't. And I might add, there was lots of debate about this and I'm sure in my submission there was a memo from the CEO, or from the Mayor, in relation to declarations and meeting procedure, and there was a ruling on that, and I think there may have even been a ruling or a letter came from the LGAQ on that as well.

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Would you just tell us, please, Mr Pforr, what you see as the distinction, once you did become aware of the donors' identities to funding out of which you drew, and the Fish Developments situation where you had received funding direct? What made the situations so different that in one case you decided that you would stand aside and in the other you didn't, you decided not to?-- The - the difference I saw was I was personally handed the cheque by Mr Fish; the other was it came through a trust fund.

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All right. Would you have a look at these documents, please? All right. Well now, you see the first one is an e-mail addressed, "Dear Peter" - who is this going to? This Peter Gleeson?-- The e-mail, yes.

All right. At "The Gold Coast Bulletin", is it?-- That's correct.

And it's dated the 25th of March 2004, is that so?-- That's correct.

And you say, "Dear Peter, please find attached copy of correspondence sent on 16 March. I've sent it through in Word as well as faxed." And you put your name to it, is that right?-- Yes, my - my campaign manager would have typed that up on my request.

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And the attachment is under your name. The heading, "Grant Pforr ASM, candidate for Division 3, Gold Coast City Council, 'He's working for you'. 16 March 2004, Dear Peter", and you say - this is in this - in this letter - this is again Mr Gleeson who's being addressed here, is this right?-- No, I think it's Mr Carroll actually.

Mr Carroll; you say, "Thank you for Mr Carroll's letter dated 9th March"; just read that, it's addressed, "Dear Peter, thank you for Mr Carroll's letter." Who's the "Dear Peter" to?-- I gather that would be Mr Gleeson.

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"Thank you for Mr Carroll's letter dated 9th of March and received Friday, 12th March." Now, this is a request that went from "The Bulletin" to candidates asking them to give information, is that right?-- That's correct.

In relation to their funding?-- That's correct.

And you go on in response to it, "I have funded my own campaign as I have publicly stated. I have received great in-kind support from good friends and family utilising all resources and experience available to me" et cetera. Skipping over then ext paragraph, you go on, "I do strongly believe in candidates declaring all funds and I've written to several businesses and friends to help fund my campaign. I am insulted that Mr Carroll stated in his letter that the Gold Coast Bulletin is 'asking all councillors and candidates'. However, in your own publication on Friday, 12th March it publicly states only 'key candidates in a number of seats' have been asked to publicly declare their campaign funding donations. In his own words, is this transparency?"

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Mr Carroll also failed to ask candidates of any political backing or support and for the record I am not affiliated nor a member of any political party. What of past candidates" - asking the question - "What of past candidates who have not correctly declared funding from the previous election but who are standing again?" And you go on finally to say, "I will be fully compliant with the Local Government Act and look forward to working in council as the Division 3 councillor working as a team player," and so on. Whose team were you on?-- Look, in reference to "team player", in my competition which - through surf lifesaving I've always been involved in teams, and I'm a team man, so that's what my reference to a team player is.

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Right. Now, going back to-----?-- And I - sorry, if I may-----

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Yes?-- One of the first resolutions I moved in council when I got in, given the bickering that went on - and I think the vote might have been 12 to 15 - was that we had a workshop with councillors to get to know one another. There was a subsequent - a subsequent report came to council and Mayor Clarke understood my intentions there and the actual resolution was then dismissed.

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Now, can I take you back to the first paragraph and this sentence in response to it, that is in response to Mr Carroll's letter of the 9th of March, you say, "I have funded my own campaign as I have publicly stated." Is that correct - "I have funded my own campaign as I have publicly stated"? This really takes us back to the point that the Chairman was asking you about yesterday concerning the Sun newspaper. Is this accurate?-- I gather I'm still privileged on this-----

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CHAIRMAN: Yes?-- -----information, Mr Chairman? I think you'd need to go through the circumstances in relation to this letter, how it came about and how it eventuated that I - it only got to Mr Gleeson on the 25th via fax.

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Are you able to answer the question as to whether it is accurate? The circumstances, you know, might be interesting but, as to whether it is accurate, can you answer that question that you're asked?-- As I stated in my clarification, Mr Chairman, I said a number of things. I treated the Press at that point in time with contempt-----

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Yes, but can you answer the question as to whether it is accurate? You can tell us any number of reasons why it mightn't be accurate but can you answer that question first and then go on to add anything you want?-- Well, it's obviously what I've written.

We can see that. Is it accurate?-- Accurate in - in what I've stated, in its whole context? I believe - in the response that I have funded my own campaign, that's not completely accurate at the end of the day.

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MR MULHOLLAND: Well, it's inaccurate; it's false, isn't it, because it doesn't indicate that in fact you'd already received funding from a developer?-- Yes, but I also made it clear - as I tried to explain in the circumstances surrounding that, I clarified - there were several phone calls on the 25th. I'd actually left home at the time and Mr Gleeson hounded me all day on this. He - he publicly - or when he rang me the first time he - this was on the 25th - he said he was not able to open the 16th of March letter and I scoffed at that and I said that's quite amusing given the Gold Coast Bulletin can't open publish-----

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Mr Pforr, could we get back to the point. This is inaccurate, isn't it? It's false, because you weren't just funding your own campaign. It is a false statement, isn't it?-- I have received funding of my - of my campaign and I have funding

of - and I still have money in the campaign itself; I have-----

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Well-----?-- -----considerable money in the campaign.

Well, if it was true in that sense, it's a half-truth, isn't it, because you are not indicating that in fact you are receiving funding. You have already received funding from a developer and you have every prospect, as you well knew at the time, of receiving more funds?-- But I also told him on the phone several other issues and I actually clarified to him on the phone that, yes, I had received funding-----

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Indeed-----?-- -----on the 25th.

Yes, on the 9th of March you'd received 10,000, hadn't you?-- That's correct.

You'd received 10,000 from Fish Developments, you'd received the - what was it - \$7,500 from Hickey Lawyers on the 29th of January, just dealing with the position at the time that you sent this letter off. So it's a half-truth at best and it conveys - by reason of the half-truth it conveys an entirely false impression, doesn't it? Now, come on, Mr Pforr; that's as plain as a pikestaff, I suggest. Are you going to agree with the proposition or not?-- No, not entirely, given the conversation that occurred with Mr Gleeson-----

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And isn't it one-----?-- -----and what I actually reported to him over the phone. I can't be held responsible if he doesn't print - or he - he then prints my letter of the 16th and doesn't take up my comments of the 25th.

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Well, what comments of the 25th allowed-----?-- There were several conversations with him from the morning and two phone - actually three phone calls I believe in the afternoon.

Did you tell him in these conversations-----?-- That I had received funding?

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Did you tell him that you had received funding from developers-----?-- Yes, I did.

-----and tell him how much? You did?-- I didn't tell him how much and I said that I would acknowledge that in my return as I would - would do so under the Act.

Now, when you say that you have contempt for, what, the newspaper or the media - was it the media?-- Look, when I received the first letter on the 9th of March-----

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No, no, I'm just asking you who you had contempt for. What you were referring to when you said-----?-- The media.

The media. Well, having contempt for the media in relation to a response for a request like that, that is one thing, but aren't you, because you know that this is likely to be published, aren't you also having contempt for the public

because it's going to go to the public?-- Look, I told the paper at the time, "I'm not obligated to tell you anything and I will comply under the Act." That was the first thing I said to any journalist and I believe I probably spoke to the funding issue probably two or three times during the whole campaign from October through.

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Yes, anything else you want to say on the subject?-- Just a further - what really got up my nose was the letter of the 9th and then the subsequent article on the March the 12th. You know, they were - they were clearly stating in their letter, "We're asking all Councillors and all candidates to lodge this list by the 24th of March." And then in the article on the 12th of March, which I have a copy here, it says, "We're only asking for key candidates." And they name key candidates so, obviously, they were misleading the public in the fact that they'd already stated they were asking all Councillors and all candidates and then they go out and print this. So I felt this was not a level playing field, it was totally unfair, and I was quite sarcastic in my letter of the 16th. There was a huge sarcasm in my response to them. I was basically telling them to go jump.

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When you said - when you said that - when you said that, "I have funded my own campaign," does that apply to that comment?-- Yes, it does. The whole lot of it complies.

I tender the material being the e-mail and the letter.

CHAIRMAN: Yes, those two documents will be Exhibit 52.

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ADMITTED AND MARKED "EXHIBIT 52"

MR MULHOLLAND: Well, that last document - there is in fact another letter with some writing on it, what's that supposed to be? Is that when you were considering a draft or what is it?-- Where - on the 25th it says, "Peter, further to your call"-----

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No, no. Just a third document, that's all?-- That was in relation to some comments to the media after the election-----

And is that-----?-- -----and I apologise for not being clear enough. I felt, you know-----

Is that - so that's dated the - that's dated the 16th of March 2004. It's the same letter but you've handwritten some comments there, have you?-- Look, I - those comments I actually hand wrote in April. If you look at the fax, the fax header - it's the same letter of 16th of March but it was faxed on the 25th.

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Yes?-- And I made some scribble notes in relation to some comments that Councillors were making.

All right?-- And it was just - it was after the election, that top note.

CHAIRMAN: Well, part of it here, down the bottom below the actual typed part of it, the "Peter 25/03/03, Further to your call today, please find copy of my letter 16/03/03," with your signature-----?-- That's correct.

-----seems to tie in with your e-mail where you say, "I have sent it through in Word as well as faxed," but perhaps you faxed that and then, as you say, you might have made further comments up the top in April?-- That's correct, yes, I - I hand wrote - my campaign manager did the - basically, this was a cover letter. The fact it comes out at the 25th of the 3rd, I think the computer updates it so it was an e-mail of the 16th that would have gone to him. That's not correct. Just presented it out - that's the time it comes out, it was a copy of it-----

Well, whoever has faxed it has put the fax stamp on on the 25th on the-----?-- Yes, I put the fax - I put the fax stamp on it.

Right?-- My wife would have printed the e-mail. She would have shot it away on e-mail. I scribbled on it down the bottom-----

Yes?-- -----"25th of the 3rd, Peter, Further to my call today, please find copy of my letter, 16th of the 3rd." That was sent through to them in Publisher and they couldn't open-----

Then you've put your fax stamp on it but do you say the other writing at the top of the page-----?-- Was done - was done after the election.

So the one that was faxed through to Mr Gleeson would not have had that writing at the top?-- I don't believe so, no. And it'd be quite evident in the stuff that I sent.

MR MULHOLLAND: All right. I tender those three documents.

CHAIRMAN: Yes, they're Exhibit 52.

ADMITTED AND MARKED "EXHIBIT 52"

MR MULHOLLAND: Would you have a look now at these two documents, please? Take them in order. The first one is Wednesday, the 17th of March 2004 to yourself from Chris Morgan and it's an invitation to booth captain briefing session, "how to capitalise on the 20 plus percentage undecideds". Did you receive that?-- Yes, we did.

And this was in relation to the following Wednesday at 5.30 through to 7.30 p.m. Lionel Barden and Chris Morgan were going to be conducting a briefing session, according to the e-mail, on the dos and don'ts for first time booth captains?-- That's correct.

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Right. Now, you received that invitation. Did you attend that session?-- Yes, I did.

Along with?-- Look, I can't-----

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What other candidates were there?-- I think Ms Scott. I'm not sure about Rowe. I don't think Betts was there.

Mr Power?-- No, I don't believe he was there.

Sue Robbins?-- Actually, I don't think there was any Councillors there. I might be wrong but I can't remember.

Right. So apart from yourself and who was-----?-- Ms Scott-----

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Ms Scott?-- -----and I believe Mr Ray with their campaign managers, booth workers. It was an open invitation for all of them to be educated so there was a number of people - a large - not a large number of people but a gathering of people who I'd never met before - hadn't been to any of those meetings, two meetings that we did have.

Now, any discussion of funding there?-- Oh, no, definitely not.

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Would you go to the next e-mail, please? Just put that first one to one side?-- I have.

Monday, the 22nd of March 2004, again from Chris Morgan to you, subject Thursday, 25th March - now, 25 March was two days prior to the election, wasn't it, and it's, "Hi Grant, Liz, confirming our earlier discussion. Lionel Barden will host a one-hour session for potential donors to meet the new candidates at Innovations Showcase, the old terminal 3 building," et cetera, "this Thursday between 4 p.m. and 5 p.m. There is still a number" - I suppose that should mean - says "and" - "who have yet to contribute and it is essential that we get all cheques in before the weekend. The others have indicated they will attend and I hope you have room on your schedule. Could you please call me to confirm and I will go over the agenda with you." Do you remember receiving that?-- I would have received it and viewed it. I don't know whether we responded to it.

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Well, what happened about this? Did you-----?-- Well, I'd have to check on my - whether we responded after the 22nd on it or not.

Right. Do you have any entry in relation to your diary that might be of assistance?-- I - I can check. So we're looking for-----

25th is-----?-- The date, around the 25th?

Yes, between the 22nd and the 25th?-- Of?

Of March 2004?-- You'll have to be patient with me because, as I said, there was the desktop planner, my wife's diary as the campaign manager, and my diary so I'll need to check all three. There doesn't appear to be on the desktop planner. No, there doesn't appear to be anything on my campaign manager's diary. No, there's no - no reference to the meeting in my diary.

Now, did you - when you-----

CHAIRMAN: There's something in-----?-- I may have overlooked it.

-----a diary for the 25th, which I don't think it's your writing, but it says, "At 5 p.m. candidate speeches Coolangatta Airport" and then in brackets it's got "cancelled" underlined and this-----?-- Okay. Well that - that would be my-----

This was at Coolangatta Airport for the 25th. Whose diary is that?-- Sorry, March.

I can show you the page. I don't think it's your writing. I think it might be your wife's?-- This looks like it's - that is my - the campaign manager's diary, yes.

Yes?-- 24th.

That seems as if it-----?-- That seems a little bit-----

-----might be the same meeting being at Coolangatta Airport at that time on that day, and it was cancelled?-- Sorry, I'm in February. That's why it didn't line up. Oh yes, okay. "Candidates' meeting speeches Coolangatta Airport cancelled", okay.

Yes?-- That wasn't probably-----

MR MULHOLLAND: Just - sorry?-- That is - that is my campaign manager's diary.

Well, now, what do you remember-----

MR WEBB: Excuse me, Mr Chairman, I just didn't follow the little exchange there. The witness is saying February and you're-----

CHAIRMAN: He was - he had missed it. I think Mr Pforr was saying he missed it in the diary because he was accidentally looking in February-----

MR WEBB: I see.

CHAIRMAN: -----instead of looking in March. When he-----

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MR WEBB: I didn't know whether that was February or that was February.

CHAIRMAN: Yes. No, no, when he's looked in March-----

MR WEBB: Yes, I understand.

CHAIRMAN: -----he's confirming that - for the 25th.

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MR WEBB: Thank you, sir.

WITNESS: But these aren't in order, Mr Chairman. They're - for some reason I've started January through to - March through to October and in others I've gone October through to March.

CHAIRMAN: Mr Pforr, don't worry about it. We're all quite capable of looking in the wrong month. I certainly am.

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MR MULHOLLAND: Now, just in relation to this, you remember receiving this and apparently it would appear deciding to go but then cancelling; is that the way it looks?-- Look, I'd have to check to see how my campaign manager responded to it, whether we sent an email but according to her diary she's put it in, she's circled it.

So what's that indicate?-- In other words, it was important to attend.

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Right?-- I gather - I'm - I'm only thinking from her thoughts.

Right?-- If it had been mine, it would probably be an asterisk.

What's that mean?-- More important to attend - don't forget.

Don't forget?-- Yeah.

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Okay. So you were intending to go and then something happened and it was cancelled so do you-----?-- Well, it's not - it's not in my diary, I'm sorry, counsel. So maybe she didn't - well, she may have just rung me and said that meeting was cancelled. I - I'd have to see whether we responded to it in an email.

Well, do you have any recollection of the circumstances in which this came to be cancelled?-- No.

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Because you'd agree-----?-- The - the only - the only recollection I've got is seeing the email saying that there was a meeting on - at the Showcase. My campaign manager's put it in her diary. I haven't put it in mine and it's subsequently been cancelled. Now, whether we responded in an email or she just spoke to me and said that - that meeting that we were to have has been postponed or cancelled.

Now, it was going to be an important meeting so you were going to attend but then-----?-- I was happy to attend.

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Yes, and this-----?-- If it was on.

Sorry?-- If it was on I was happy to attend.

Right. Well, did you consider when you received this e-mail that there was any danger, any risk to you so far as attendance at that is concerned, so far as the performance of your council duties, assuming that you were elected on the 27th of March?-- No, given that there had been several groups of people who had done the same.

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So what do you mean?-- I think there was one group - there was one group on the steps of council on the 26th of December. There were a group announcing their intention as a common sense approach to council.

But what I'm getting to is that this is - this is a meeting called where apparently Mr Barden is going to host a one hour session for potential donors to meet the new candidates. Now you knew that this was a reference to the candidates, did you not, that were part of the group that you had been at the meetings in December and January?-- I read it as probably a launch to - to - at the Coolangatta Airport.

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Yes?-- And I was happy to attend.

Who were these candidates that he's referred to here? Are you suggesting that this is a reference to all - all candidates at the election?-- Well, he's not - he doesn't explain himself to who's attending.

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Well, who is Mr Barden? Did you know him?-- I don't know, I'd never met the man.

Well, did you know of him by the time this came along?-- The only reference to Lionel Barden that I - I had heard was through the media that was played out and the first time that I met him was at the Lakelands Golf Club.

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"There are still a number who have yet to contribute and it is essential we get all checks in before the weekend. The others have indicated they will attend and I hope you will have room on your schedule." I mean, this isn't an e-mail referring to developers generally supporting all candidates, is it? It couldn't possibly be interpreted that way?-- As - as I - as I stated earlier I had no expectation of receiving funding when I - when I walked into the second meeting. I had planned on funding my own campaign.

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Forget about that?-- I had no expectations of receiving. If I received it, I received it, if I didn't, I didn't.

You've told us that. All I'm asking you is put yourself back on the 22nd of March 2004 with this communication asking you to attend the meeting that apparently is going to be hosted by

Lionel Barden for potential donors. "There are still a number who have yet to contribute and it is essential that we get all cheques in before the weekend." What did you think was going to be asked of - what was the reason that this was a meet the candidates meeting?-- Well, the meeting - the meeting didn't occur so it didn't mean anything to me.

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No, but it would appear that at least so far as your secretary was concerned, and I thought that you said you would have put it-----?-- Campaign manager.

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-----down as an asterisk, that is must attend.
Now-----?-- Well, it's-----

-----what I'm asking you to do is, accepting the fact that you received it, that you apparently were going to go and for some reason it was cancelled, what I'm asking you is, when that - when you received that did it not appear to you that what you were being asked is to go along to a meet the donors session and that - and as to what that might entail? I mean, they're going to look over you, aren't they?-- I had no expectations.

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They're talking about funding, getting - hold on - getting funding before the weekend?-- I had no expectation of what the meeting was about. It was an invitation to attend, I was happy to attend. As I stated before there was other groups who were meeting - who may have been meeting similar people for donors to look over them as well.

So you didn't see this as a meeting of donors in relation to the group of candidates at the December and January meetings. Is that what you're telling us, Mr Pforr?-- Sorry, can you repeat?

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Are you saying that you did not take this as a reference to a meeting of the donors relating to the candidates who had attended the meetings in December 2003 and January 2004. Is that what you're telling us?-- No, I - no, I didn't because I didn't know who was going to be in attendance.

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Yes. I tender those two e-mails, Mr Chairman.

CHAIRMAN: Yes, they will be marked Exhibit 53.

ADMITTED AND MARKED "EXHIBIT 53"

MR MULHOLLAND: All right. Would you have a look at this. Do you remember this article in The Gold Coast Bulletin on the day of the election, the 27th of March 2004, "Three Admit to Fund", an article by Alice Jones, council reporter, and, "Details remain sketchy as to which businessman other than developers Brian Ray and Soheil Abedian have contributed to the Lionel Barden Trust Fund which has been available to appointed - to anointed candidates for their campaigns." And

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then going on to refer to Councillors Sue Robbins, Greg Betts, do you see this?-- Yes.

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And also to Mr Rowe, if you go down to the foot of the page, and Roxanne Scott, summarising the various positions of these people. Now all of these people, of course, who have been referred to including Councillor Power was Power, Robbins, Betts, and Roxanne Scott. They were candidates who you had been present with at at least one of the meetings. Mr Betts wasn't at the second one, you said, but had been at these meetings in December and January. Is that right?-- Yes, that's correct.

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All right. Now it says-----?-- But I also - yeah, go on.

It says in relation to you, "Grant Pforr, the Division 3 candidate named by Councillor Robbins, said he had not used any of the trust funds. He had largely funded his \$40,000 campaign himself and was waiting to learn if some businesses and others would contribute." Had you told the newspaper that?-- I think that reads Councillor Robbins said that.

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Right. Well, Councillor-----?-- I hadn't spoken to - I don't believe I spoke to Alice prior to the 27th.

Just read that again, would you, "Grant for, the Division 3 candidate named by Councillor Robbins, said" et cetera. "He had largely funded", that's a reference to what you had said, isn't it?-- Look, I spoke much earlier to Alice. I don't - don't remember speaking to her. I know she spoke to me earlier in the piece in October when I announced my - that was the first time I spoke to Alice and she asked me in relation to my campaign, and that's when I told her I had allocated a budget of 40,000. So I suspect this is in reference to my first conversation back in October '03.

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Back to October of 2003?-- That's correct. To the best of my knowledge.

Was this-----?-- I hardly ever spoke to Alice.

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Was this accurate at this time to say that you-----?-- It wouldn't have been - it wouldn't have been accurate at the 27th of March but I don't believe-----

It would be untrue?-- I don't believe I spoke to her around that time.

That's number 33 of Exhibit 3. Yes, could I have that back. Would you have a look at this copy article, Gold Coast Bulletin, Monday, 12 April 2004, "Pforr", P-F-O-R-R - this is the heading - "fund blow up. Sarroff calls for resignation over campaign money", again by the Alice Jones, the Council reporter, and this was calling for your resignation and it went on to say, this article, "Relations have gone from bad to worse at the City Council as the veteran councillor" - that is referring to Eddy Sarroff - "says Councillor Pforr repeatedly denied receiving funds from the Lionel Barden Trust Fund prior

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to the election." Remember reading this article at the time?-- Oh yes, I did.

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"Yet his interim financial returns to the Council's Chief Executive Officer revealed that his campaign received \$12,500 from the fund managed by Hickey Lawyers." Remember reading that? Now, it goes on, "In March Councillor Pforr twice told the Bulletin that he had funded his own campaign with his wife Elizabeth acting as his campaign manager." Now, I've taken you to previous articles. Do you accept that you had previously told the Bulletin twice in March that you funded your own campaign?-- In that - in that stuff we looked at earlier, yes, I said that but I did clarify that on the 25th with Peter Gleeson.

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Right?-- I don't - the only discussion I had with Alice Jones in relation to funding was the 40,000 and I believe that was back in October.

Well, just read down - we'll try to deal with this as quickly as possible - on March the 16th do you see there-----?-- Yes.

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-----"Councillor Pforr"-----?-- Yes.

-----responded", just read that to yourself, please, and then the next one on March the 26th, the day before the election, et cetera?-- No, well, that's not my comment to her on the 26th.

No, no, it isn't suggested, necessarily, that it's a comment to her but it is saying that you certainly did tell the Bulletin that you denied on that date, the day before the election, any knowledge of the Lionel Barden Trust Fund?-- Look, I may have to Peter Gleeson on the 25th which I - I don't have any - I don't have any knowledge of the Lionel Trust Fund. I know it as the Hickey Lawyers Trust Fund.

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Yes, and going on to say in that interview, "Councillor Pforr said he had budgeted \$40,000 of his own money but had probably spent more than that. 'I financed it myself. I've got several letters out asking for funds. I've written to the odd developer, to some businessmen, family and friends. They're all saying yes they'll contribute, but I have been writing the cheques at the moment.'" Now-----?-- They - they were earlier comments I made to her, I believe, in - from my announcement in October. I can't exactly tell you when I - I spoke to Alice but that - all that communication leads me to believe that she obviously kept that information and re-used it.

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Right. So did you, prior to the election, tell the Bulletin, do you say, that you had been receiving money from developers?-- In my last conversation with Peter Gleeson, yes I did, on the 25th.

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And the best recollection-----?-- And that I - and that I would make sure I declare it and I also went on to him - because I was quite scathing - that I took great offence and that I would be adhering to the - under the Act.

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Did you ever give-----?-- I had no obligation to - to give the Bulletin anything.

Well, that's as may be. You don't have any obligation to do so. I'm just asking you what you did do. Did you at any stage indicate to the Bulletin that you had been part of a group of candidates that had met in December and January?-- I don't think I was asked that question.

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Or that you had been asked to submit a wish list in regard to funding that might be arranged, anything like that?-- I don't believe - the only comment that was a wish list was from Mr Morgan on the 8th of January.

Or that you had received money through Hickey Lawyers?-- Hickeys Lawyers wasn't mentioned to me.

Or that you had received money from Fish Developments; did you ever say anything like that?-- John Fish wasn't - I wasn't asked had I received money from John Fish.

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CHAIRMAN: Just on Hickey Lawyers not being mentioned, if you go in that article, at the bottom it suggests that yesterday, the day before this was printed, which was obviously Easter Sunday, they spoke to you and they say, "Councillor Pforr yesterday was reluctant to comment saying it was Easter Sunday and he was enjoying the holiday with his family." Do you recall them-----?-- I recall them ringing-----

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-----chasing you on Easter Sunday?-- Ys, I do but I actually was at a meeting and I did take-----

Okay?-- -----did take offence.

I'm only asking questions. I can understand you might take offence but you don't need to go on and on. In - on that Easter Sunday did you say the things that you're quoted there as saying and in particular the comment, "I didn't know I had money from the Hickey Lawyers Trust Fund"?-- Sorry, can you just point me to the paragraph?

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It's down the very bottom. See the "Councillor Pforr" down towards the bottom? The "Pforr" is in bold?-- Okay, yes, "Yesterday is reluctant to comment."

Read from there on down?-- Yes.

Just read it to yourself and you see one of the things they're quoting you as saying on the Easter Sunday was, "I didn't know I had money from the Hickey Lawyers Trust Fund."?-- Look, I can't remember saying that to Alice. I was more-----

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Right?-- -----just annoyed that she was ringing on Sunday and I was at a community meeting.

Okay. Well, you can't remember saying that?-- No, I'm sorry, I can't.

Sure.

MR MULHOLLAND: Yes. That is - if you could return that now - that is number 48 of Exhibit 3?-- Sorry, Mr Chairman, could I just add, that quite often I have been reported in the paper and I make no comment to the papers, if I may.

Right, would you have a look at this document, please?

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CHAIRMAN: That's why we ask you if you did say these things?-- Okay.

MR MULHOLLAND: This is number 68 of Exhibit 3.

MR WEBB: I'm sorry, sir, I missed what number that last-----

CHAIRMAN: The last one was 48.

MR WEBB: Thank you.

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CHAIRMAN: Mr Mulholland is now moving to 68.

MR WEBB: It's just been pointed out to me they're actually numbered at the bottom.

MR MULHOLLAND: Now, "Gold Coast Bulletin" 2nd of December 2004, "Lamb silent on no conflict calls." And it goes on, "Councillors who were backed by developers during the March election campaign have not been declaring a conflict of interest at meetings. Since May in the Planning Committee along rookie councillors Greg Betts and Grant Pforr have voted on several occasions without announcing they have a potential conflict. Although the pair received money from the Lionel Barden Trust Fund they have not put up their hands when matters involving developers who contributed to the fund have arisen." Well, that reading - stopping there, Mr Pforr, that would be consistent with what you've told us this morning, that in regard to the developers, once you did find out the identity of them, you did not regard yourself as having to excuse yourself in any way from voting?-- That would have been through memos and information that would have come through from the Mayor and the CEO in relation to conflict, meeting procedures, and I think also from the LGAQ-----

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They're-----?-- -----on how to vote.

Yes, sorry. Go on?-- No, that's all, I've stated that before.

Ultimately in relation to an issue of conflict it's an issue for the individual, isn't it?-- That's correct. That's what I'm led to believe in the memo.

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Right. So you individually decided to adopt that stance? It wasn't because someone else told you that this is what you should do?-- I took - I took the advice of the CEO and, I think, the Mayor.

So-----?-- It may have been the CEO.

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So what, the CEO told you that you-----?-- Gave us the advice, yes.

Are you saying - who specifically are you referring to?-- Look, I'd have to check-----

No, the name of the person? Who are you referring to?-- Well, I believe there's a memo and a letter from LGAQ addressed to council, the Mayor, I'm not too sure; I'm pretty sure I may have even put it in my documentation here, in relation to material interest or conflict of interest.

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Any rate, you - you took the view that in relation to matters affecting those developers who had contributed to the fund out of which you received money that there was no need for you to stand aside? You thought that was quite appropriate?-- Look, if you knew how the - the applications come through planning, I felt quite comfortable.

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All right. According to "The Bulletin" you say, "When questioned by "The Bulletin" about the matter Councillor Pforr said, 'I don't have time for this.'" Is that what you said?-- That's correct.

"Councillor Pforr said he was not aware which developers contributed to the fund even though their names had been widely published." Is that correct? Is that what you told "The Bulletin"?-- My comment in relation to that was, "I don't take any notice of it." When I look at an application that comes through Planning I do not take any attention to who - who the applicant is, and I think it's been printed on several occasions sometimes the applicant has another company, so half the time we're not aware of it. I - I pay more attention to the officers' recommendations.

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All right. Just go down there and read on to yourself in relation to the matters attributed to you and tell us whether or not you wish to make any comment about what is attributed to you in that article?-- That's fine. I said I'd stand away from John Fish's applications.

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All right. Nothing else you wish to say?-- Only that I was in Perth at the time when Councillor Young put forward that general business item. I didn't pay attention to - in detail to who the contributors were and I felt that I had enough refreshed information from memos and letters that were received on conflict and material interests.

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All right. Could I have that back now. Would you have a look at this article, number 74 of Exhibit 3? This is an article "The Courier-Mail", 11 August 2005, "Councillor denies conflict of interest." And in this article you'll see that it starts off, "A Gold Coast councillor whose election campaign was bankrolled by a secret trust fund sees 'no problem' in voting on development applications made by donors to the fund." And then refers to what Greg Betts said. And then in

relation to yourself, if you go down, "Councillor Grant Pforr, who received almost \$35,000 from the trust fund admitted to voting for applications by fund contributors." Now, just read on in relation to the matter from then on, in which you're mentioned. Is that is attributed to you there correct? Read it to yourself and tell us if it - if it is correct. That's what you told the paper?-- Yes, my position hadn't changed On - on the material or conflict of interests and I've still stated that I will be stepping away from development in my division with John Fish.

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All right. Yes, can I have that back please. Could you have a look at this please. Now, is this an email to you from Chris Morgan dated Thursday, the 15th of January 2004, Subject: Division 3, faxes 14 January 2004, "Hi Grant, thanks for your faxes, they make very interesting reading. Couple of comments including this" - just go down to the circled bit - immediately above the circled bit - "Local Government is politics and as such difficult to avoid. The thing you need to emphasise is, 'Let's keep party politics out of local government!' 'I live in the electorate' could also be stated as, 'An independent local boy for local government. Let's keep party politics out!' or similar. These are the type of statements that you can regularly include in any media statements and public meetings." So was this a response to - do you remember receiving this from Mr Morgan in response to-----?-- Yes, I do.

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-----to one of your communications?-- Yes.

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Giving you advice in relation to how you should conduct your campaign and some of the slogans you might use?-- Look, I forwarded on some documentation that had come out leading to the State - current State election - and I was quite amused that I had been using "Working for You" in my earlier - from October on - earlier press releases - "Working for You" - and that the Labor Party through the candidate and the current sitting member and that the Labor Party had used "Working for You" so I forwarded the flyer on to them and I - and I was of the strong belief there was a Labor Party candidate being backed that was supported by a divisional councillor standing against me in Division 3 and that actual State member handed out how-to-vote cards at the - at the polling booths against me for that Labor Party - what I was led to believe was a Labor Party backed candidate.

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Well, did you not-----?-- And I made that clear to Chris in discussions and that's what email's about.

But it's also about - one of the messages in this is to portray yourself as independent, isn't it?-- Because of the party politics and there was also a Chamber backed candidate standing against me in the division and that's referring to being independent from party politics.

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I tender that.

CHAIRMAN: When you say a Chamber backed, what Chamber's that?-- The Chairman of the North - Gold Coast North Chamber?--

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Chamber of what?-- Chamber of Commerce.

Commerce, I see?-- The North Chamber of Commerce Chairman was the campaign manager for Mr David Childs.

MR MULHOLLAND: I asked you - sorry, I tendered that, Mr Chairman.

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CHAIRMAN: Mr Mulholland, that ring around it I don't think was there when the document came from this witness-----

MR MULHOLLAND: No. No, no.

CHAIRMAN: -----so I've looked through and found the equivalent one, perhaps the one that goes in as evidence should not have that marking on it.

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MR MULHOLLAND: Yes, thank you.

CHAIRMAN: All right. So that's Exhibit 54.

ADMITTED AND MARKED "EXHIBIT 54"

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MR MULHOLLAND: Now, I asked you a couple of times yesterday, I'm reminded to ask you again, as to whether or not you found anything prior to the meeting in December 2003 at Quadrant. Did you find anything in your campaign material referring to you as a Common Sense candidate or anything to that effect?-- I - as I suggested to you when I came back from lunch I had looked. I didn't go any further last night. I was up at 4 this morning. I reviewed the tape as you know at 4.30. I was focused on trying to make myself more up to date on all these files-----

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That's fine. That's fine-----?-- -----including the newspaper articles.

I just wanted to give you any opportunity that you wanted in relation to that. Could I ask you to have a look at this material?-- I'm quite prepared to look further if you instruct me so.

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No, but if - can I extend this invitation to you, Mr Pforr, if you do find anything which you think is relevant after you leave the witness box please communicate with the-----?-- Happy to.

-----Inquiry staff and give them that material?-- Happy to.

Now, would you just have a look at this, this is some documentation taken from the material you supplied to the Commission with your statement and I'd just like you to identify that this is part of your election material used by you in relation to the March 2004 election?-- That's correct.

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Yes. I tender that.

CHAIRMAN: Yes, that bundle of material will be Exhibit 55.

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ADMITTED AND MARKED "EXHIBIT 55"

MR MULHOLLAND: Now, what I want to ask you is to have a look at this document. Don't say anything about it at the moment please, Mr Pforr, just look at it and what I want to suggest to you in relation to it is that it is a document that you supplied with your statement to the Commission. Just have a look at it and confirm that that is so?-- Yes, I do remember putting it in there.

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All right. Now, what I want to ask you-----?-- It was an old agenda item that I found in the previous councillor's file and I - I filed - I kept it.

Right. Now, what I wanted to ask you is, it's a confidential document, isn't it, of a previous councillor?-- It would have been a confidential document on the 21st of October but it would have gone into open after that I suspect.

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It was a - it is headed "Confidential" and it relates to a council meeting or committee meeting back on the 12th of October - a coordination meeting 12th October 2001, a council meeting 19 October 2001. It relates to an agenda item apparently before council in 2001 and I'd just like you to respond to this particular question: it contains an allegation adverse to a councillor; is that correct?-- Yes, it would be in relation to the previous councillor for Division 3 and a candidate.

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And this candidate was one of your opponents in the 2004 election; is that-----?-- That's correct.

-----correct?-- That's correct.

How did you get that document?-- As I stated, it was in - in the office in a file that was left for me by the previous councillor. There was all the - all the previous budgets, there was a huge - there was a whole drawerful of material that was left over from the previous councillor.

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Sorry, where did you get it; what building was it in?-- At Evandale, in the office of Division 3 councillor, previous councillor and deputy mayor, Alan Rickard's office.

Right. And you had this document - right? You-----?-- There was a whole drawerful of previous budgets, divisional allocations from previous years. I searched through everything to see what I could archive and what I needed to throw out and I came across this document.

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Well, this is a confidential document on its face from a previous councillor and it contains adverse matter in relation to a councillor, doesn't it?-- That's correct.

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From a previous councillor?-- But if I may add, my knowledge of confidential documents, they are addressed to us on grey paper that cannot be photocopied so to me this wasn't a confidential document because it obviously is on white paper.

So you thought that, seeing that it came to you in that way and it had "Confidential" above it, that it was okay for you to hang onto it and even to use it in your campaign?-- I'm sorry, I got this after the campaign.

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After what campaign?-- After the - after the election

Right. Well, did you-----?-- When I first stepped into the office-----

Yes?-- -----of the previous councillor-----

I beg your pardon-----?-- -----as the new councillor for area-----

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Yes?-- -----there was a drawerful of the ex-councillor's leftover information and-----

Did you-----?-- -----this was part of it.

Did you at any stage use that after it came into your possession?-- No, I-----

Did you refer to it in any shape or form publicly after it came into your possession?-- Only to disclose it to the Commission here in the hearing.

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All right. Would you pass that back. I don't think in those circumstances, Mr Chairman, I'll tender it.

MR WEBB: Could I see that document, Mr Chairman?

MR MULHOLLAND: Well-----

CHAIRMAN: Yes, I think-----

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MR WEBB: It's my document.

CHAIRMAN: That's right. I think Mr Webb in acting for the CEO of the council perhaps should see the document.

MR MULHOLLAND: Yes. Well, it should be in the material that has been provided.

MR WEBB: I'm simply asking for it so that I can see it now rather than-----

CHAIRMAN: Mr Webb, please - I'll call on you if I need to. Rather than Mr Webb having to chase through that material to find it, I'd hand down the copy that I have.

MR WEBB: Thank you, Mr Chairman.

MR MULHOLLAND: I think he's already got one; now he might have two, so he'd have to be happy.

CHAIRMAN: He can be doubly happy, Mr Mulholland.

MR MULHOLLAND: Yes.

MR WEBB: I'll laugh on both sides of my face.

MR MULHOLLAND: I'd like now for the witness - while Mr Webb is looking at that, I'd like the witness to be shown his returns; it's part of Exhibit 4.

CHAIRMAN: If you could show the witness Exhibit 4, please, Mr Orderly. It's three folders-----

MR MULHOLLAND: Well, I think the shortest way might be if I just pass a copy up?-- I have a copy here.

All right?-- It's designated "R" in the attachments.

Just let me ask you to look at it as I put this to you: that in your-----

CHAIRMAN: No, just hold on. Do you have the right thing? It was-----

MR MULHOLLAND: The electoral return-----

CHAIRMAN: -----designated "R" in the attachments. I don't know that the witness has got the right document.

WITNESS: "Return of gifts"?

MR MULHOLLAND: Yes.

CHAIRMAN: No, but you're talking about Mr Weimar's schedule, are you?

MR MULHOLLAND: No, no, I'm not going to put the schedule. I'd like him to see his own-----

CHAIRMAN: Own return.

MR MULHOLLAND: -----return?-- I have a copy of the schedule as well, Mr Chairman.

I just want to put these amounts to you. Did you - this relates to your final return?-- I have it.

1

All right. Now, this was a return on what date? The final return? 30th of June 2004?-- Yes, that's correct, 30th of June 2004.

All right. Now, just follow these through as I put them to you. Did you declare having received these amounts from - the name of donor, Hickey Lawyers, on the 29th of January 2004, \$7,500?-- That's correct. I don't think I banked it until a few days later.

10

On the 1st of February 2004, receiving - name of donor, Oxenford Signs, relating to vinyl signs on cars - that's under the heading "Description/type of donation" - \$250?-- That was an in-kind support from Oxenford Signs, yes, on both - on several cars actually.

And stated as being so in your return?-- That's correct.

20

Then on the 14th of March 2004 having received from donor Seafood Direct in relation to sign - that's under the "Description/type of donation" - and an in-kind amount, \$300?-- That's correct, as I explained before in relation to the in-kind from Fish Developments I put a value to the rental space on that commercial sign.

Then the next entry on the 20th of February 2004, "donor Hickey Lawyers, \$5,000, amount of monetary gift"?-- That's correct. I don't know when I banked it though.

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On the 9th of March 2004, "Donor Fish Development \$10,000"?-- Again, yes, that's correct but I don't know when I banked it. I'd have to check my bank records.

CHAIRMAN: Mr Pforr, you are just being asked what you put in your electoral return, not when you banked amounts. Just answer the question, it will be a lot faster, thanks?-- Okay.

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MR MULHOLLAND: On the 15th of March 2004 "Donor Vanwell Pty Ltd \$100"?-- That's correct.

On the 2nd of April 2004 "Donor Fish Development in relation to sign," that is under Description Type of Donation, and under Market Value of Gift if in Kind the sum of \$1,000?-- Yes, I explained about that before, that's correct.

CHAIRMAN: Mr Mulholland, you're reading out from Mr Weimar's schedule and if you actually go to the original return it's just under a heading that says Describe if Gift in Kind.

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MR MULHOLLAND: Yes. Thank you. On the 21st of June 2004 "Hickey Lawyers \$22,414.69", this being on the 21st of June 2004. Is that correct?-- That would have come from the final wash up, that's correct.

CHAIRMAN: Is that what you put in your electoral return?-- That's correct.

1

That's what you are being asked?-- Yes.

Yes.

MR MULHOLLAND: All right. Now, do you agree with me, and I don't think you need to total it up there, that there is shown there in your return a total amount of \$46,564.69 of which \$46,014.69 is stated as coming from people who can be described as developers? In other words, the vast amount of the sum shown in your electoral return has come from developers. Do you agree with that?-- There's only two designated developers. The other comes from Hickey Lawyers. As far as whether they're all developers, I believe there's businessmen who contributed to that campaign, to that fund.

10

Well, I'm suggesting to you that the bulk, the vast bulk of the funds in relation to which you filled out, completed your return, the vast amount is indicated as having come from developers. These developments, Vanwell, and the amount that you received from Hickey Lawyers you well knew came from developers?-- Well, as I stated, I've received two actual direct developers and that was Fish and Vanwell. How the make up of Hickey Lawyers, whether it was - I've got no idea of the break down of what developers, what's business, what's private.

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Well, did you not-----?-- Hickey Lawyers may have contributed to the - to the fund, I'm not - I'm not sure.

30

Did you not later, as I understood your evidence, confirm from third party returns that went in, where the money came from?-- As I stated to you before I wasn't aware of a third party return.

I thought that-----?-- I'd made - didn't make myself available to it.

40

Well, you became aware however of who had donated to the fund. You said that you became aware of it and decided that you didn't have to exclude yourself from council meetings?-- There was a list given in a general business item by Councillor Young-----

Right?-- -----that I filed. Look, I'd have to refer back to it to see whether they're all developers or not, and was that in total.

50

Right?-- Was that just a list of developers or was that the list of the total contributions?

So you can't tell us at this point in time as to whether or not the bulk of your funding came - that is, in relation to the amount that came through this fund, you can't say whether the bulk of it was originally donated by developers or not?-- I haven't - I haven't investigated that.

1

So you've got really no idea?-- I can only quantify the two developers that I've listed.

Now, it is correct, isn't it, Mr Pforr, that you knew at the time you received the various moneys through Hickey Lawyers that they came from donations? You knew that?-- I would have suspected it would have come from donations towards that fund.

You suspected it. You believe it anyway?-- Yes.

10

And you knew that you were not the only candidate that was receiving the donated money?-- I would have not made myself aware of it but I would have gathered there would have been other candidates receiving funding.

You may not have known precisely how many or in what proportion?-- Exactly.

But you did know that you were not the only candidate of the group of candidates that you had met in December 2003 and January 2004 that was receiving donated money?-- Look, I was aware of - Brian Rowe had his own trust - his own funding campaign.

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Mr Pforr?-- I wasn't aware that he was receiving funding through that trust.

Mr-----?-- I didn't make myself available. I didn't care.

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Mr Pforr, after you had been told that there might be funding available and that you should submit a wish list, that is all of the candidates who were present at the meeting were told that, you would have, during the course of the campaign and prior to the 27th of March, have been aware that while you may not have known the amounts, that the other candidates present at that meeting were receiving funding out of the same fund that you were receiving funding from?-- Look, that meeting-----

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Now, would you direct yourself to that question?-- I will try to. The eighth-----

Do you want me to repeat the question?-- Well, yes, and I'll try and be more accurate but I'm quite happy to answer it-----

The question is that you knew that you were not the only candidate of that group of candidates that was receiving money out of the fund from which you received money?-- I did not make contact with any other - any other of the candidates after the eighth meeting and ask them personally were they receiving funding. I didn't care. There was only two meetings. I don't - I don't believe that to be organised and I didn't make contact with them, ask them personally. I never contacted them.

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Did I ask you if you asked them personally?-- Well, personally or their campaign managers, I didn't discuss funding with them.

1

Did you know from the contacts that you had at those two meetings in December 2003 and January 2004 and all of the contacts that we've been through in relation to - between you and Mr Power and you and Sue Robbins and all of the other events occurring right up to the 27th of March, did you know that you were not the only candidate who was receiving money out of the fund that you were receiving money?-- I didn't go out of my way to ask that of the other candidates.

10

Well, did you-----?-- The only information that I would have probably looked at, that there were other candidates was through the Bulletin or the - or the Sun. That would be my only knowledge of them receiving funding.

Well, are you saying that you did not know that any other candidate - I'm not suggesting you know the precise amounts - but I'm asking you whether you agree that you knew you were not the only candidate in that group who received money out of the same fund?-- Look, I must misunderstand your question and I don't know why you need to get angry about it but the thing is I didn't make myself available or ask the other candidates had they received funding.

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CHAIRMAN: Mr Pforr, the reason why Mr Mulholland might be raising his voice a little bit is that you have a great habit of not answering the question that you're asked. If you listen to the question and answer that question, it might speed this process up a lot. It was put to you earlier that you were present at a meeting back in - I think it was the January meeting you've told us - when you were asked - you, being the group new candidates who were there, were asked to provide a wish list of various items that you would like to spend money on with the clear indication, the way you told it to us yesterday - was that you would be able to be provided with some funding for that. Now, is that the way it was presented?-- That - that was my understanding at the 8th meeting-----

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8th of January?-- -----but there was no-----

Just listen to the questions then.

MR NYST: With respect-----

CHAIRMAN: That was your understanding at the 8th of January meeting. Was it your understanding that that was being offered to you alone out of the various candidates that were there or did you understand that was being offered to you and to the other new candidates who were there?-- Well, I would have suspected it was being offered to them as well. They were asked for a wish list as well.

50

Okay. So-----?-- But I didn't-----

-----funding was being offered to the various new candidates that were there. You then say that you didn't follow that up. You know you got funding. You didn't follow it up to see if the other candidates got funding subsequently?-- That's correct and I-----

1

All right?-- -----and I appreciate you clearing that up. I didn't understand the question the way it was structured.

MR NYST: Well sir, he has responded quite responsively to Mr-----

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CHAIRMAN: Mr Nyst, are you representing this witness?

MR NYST: No, no, no, sir, but I - I mean, really, I think this is unfair and I think we need to give some fairness in this investigation.

CHAIRMAN: Well, with respect, Mr Nyst, we would be a lot faster here if Mr Pforr would listen to the question and would answer the question.

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MR NYST: But he has been answering the question-----

CHAIRMAN: You would have seen, Mr Nyst, that Mr Pforr - and I'm not saying he's doing this deliberately, it just seems to be a characteristic of Mr Pforr - he is asked a question and he will go off and he will answer something else.

MR NYST: I don't-----

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CHAIRMAN: Now, I'm asking for him to listen to the question and to answer the question-----

MR NYST: Yes, I-----

CHAIRMAN: -----and we'll continue on that basis.

MR NYST: I don't cavil with what you've said, sir, with respect, but the question that's been asked a number of times by my learned friend is, were you aware-----

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CHAIRMAN: Mr Nyst, I don't want to argue with it. We'll now go on perhaps to another topic and just continue on.

MR MULHOLLAND: Just a couple of more questions. On each occasion that you received the money which you did, as declared in your return, is it correct that you were unaware of the identities of the donors to the fund?-- That's correct.

50

And that you made no attempt to find out who they were?-- I said that yesterday, I believe.

Did you also make no attempt to find out which candidates out of the group of candidates present at the meeting on the 8th of January 2004 had received funding?-- Sorry, I'm not clear.

Is it correct that you made no attempt to find out which of the candidates out of the group of candidates present at these meetings that you attended in December and January which, if any of those, had received funding as you had?-- No, I didn't seek that out. One had actually contacted me though and asked me had I received any funding. That was Mr Molhoek.

1

Now, yesterday, you indicated that you had gone to a State Government forum at Council Chambers, as you recalled it, around 8 October 2003 and you received some small, glossy brochure. Do you remember that?-- Yes, and after lunch I think I clarified, through my diaries, it was the 6th of October.

10

All right. And as to what was required and in regard to legal requirements?-- It was very broad as I stated.

And you can't remember any of the contents of that document?-- No, as I stated yesterday, it was very broad. I filed it and I knew at the end of the day I would have my experts look at it.

20

All right. And you went on to say that you mentioned accessing a State Government web site. Do you remember saying that?-- I - I didn't say I accessed it but I remember - I believe I remembered at the bottom of the page there was a web site.

Right, well, I take it you did access it to see what you should and shouldn't do?-- No, I didn't - I didn't access it. There was the opportunity to do it and I believe they mentioned that there was a TAFE course being held in December some time. I did mention that as well after lunch.

30

But this was in relation to your legal obligations. Did you not follow that through and find out what that was all about in more detail?-- I told you - I explained to you yesterday, no, I didn't. I filed it with the proviso that I would have my appropriate people check it out, my accountant, as I did.

40

Could you have a look - could the witness see Exhibit 10, please, Mr Chairman? Now, you'll see that this document is Local Government and Planning Disclosure of Election Gifts and it's referred to inside as a handbook. Just have a look at it. Do you recollect seeing that book at some stage during your election campaign for the March 2004 election?-- Look, this could have been the document that was given to us on the 6th.

Well, just have a look at it?-- As I said I believe this could have been the document.

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All right. Well, just go - go over to clause 2.5.15?-- What page number?

Page 16?-- 2 point?

5.15, the heading, Gifts Via Solicitors' or Accountants' Trust Accounts. I'll just read it. "Where a gift is made by a client through a solicitor's/accountant's trust account the return must include the name and address of the client who made the donation. The relationship between solicitor/accountant and client," that's solicitor/accountant and client, "is that of agent and principal. For the purposes of the Acts Disclosure provisions a gift paid by an agent at the direction of his/her principal is a gift made by the principal and not the agent." Did you ever read that?-- No, I don't believe I did.

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Is that a complete surprise to you, that clause?-- Look, as I said earlier yesterday, I just took the document and I filed it.

Look at the next clause. So you're saying that you took this document and you filed it?-- Well, I haven't presented here in my documentation but I think if - if I go through some of my other archives at home in the huge number of boxes I may find this document.

20

So this seems to you to be the document that you did receive?-- Well, look, I suspect it was.

All right?-- I can't be a hundred per cent sure but I concede that it was more than likely the one they handed out on the 6th.

All right. Just go on. I'll just read the next clause, 2.5.16, Anonymous Donations, Section 428. Candidates and campaign committees should be aware section 428 of the Act states it is unlawful for a candidate to accept a donation of \$200 or more in respect of which the relevant details of the donation are not known (i.e an anonymous donation). It is unlawful - it is also unlawful for someone acting on behalf of a candidate (including the campaign committee) to receive an anonymous donation of \$200 or more." Now did you ever read that in this book?-- No, I didn't.

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So that comes as a complete surprise to you as well, that?-- When you go to specifics, yes.

Go back to page 11 please. Do you see 2.5.7 under the heading, What is in a Group of Candidates' Return? Under it in brackets, (section 427A). "The candidate must give a return in the approved form that states the following:" Dot point, "the names of the candidates forming the group;" dot point, "the name if any of the group;" dot point, "the total value of all the gifts;" dot point, "how many persons made the gifts; and" dot point "the relevant details, refer to section 2.5.8, for each gift made by a person to the group if the total value of all gifts made by the person to the group during the disclosure period is the prescribed amount, \$200 or more." Did you ever read that?-- No, I didn't. That was my first meeting that I attended, very green, went along to listen, looked at the document, may have taken it with me, I suspect I did.

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Yes?-- I knew at the end of the day that I would make - attend through my accountant.

1

All right. Yes, hand that back please.

CHAIRMAN: I'm just surprised, as a new candidate going along to learn, that you don't take this material home and read it yourself to see what's in it before filing it?-- Well, it's a lot of - a lot of reading to do. I felt that at the end of the day I would seek out expert advice. I'm not an expert, I'm what it - what it states.

10

Yes, but sure, the danger of that though is that at the end of the day, when you seek out the expert advice you might be told that what you've been doing for the last three months is wrong. Isn't it best to know up front what you're required to do to make sure you comply as you go through so that when you go to your accountant to put in the return everything is being done in accordance with the requirements and he can just fill out the return for you. Do you see what I mean?-- Look, Yeah, I-----

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The danger of not alerting yourself to what your requirements are?-- I - I understand that but, you know, I have the confidence in the people that I was dealing with.

So - well, the other alternative would be to give it to your expert at the beginning and ask your expert to then advise you what you should do?-- Well, that's-----

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Did you approach it that way?-- Well, I assumed my accountant, Pat Crowley, who passed it on, referred to the expert advice and I gave-----

Sorry?-- I gave him all my files.

Yes, but when did you give all - when did you give this document?-- Oh, well and truly before my final return was required.

40

Yes, but when?-- Oh, look, I'd have to check my diary.

'03, '04?-- No, well, it was '04, it was before the final return and the register of interest was required.

Before the election or after the election?-- It was after the election before the final return. I mean, I can go through my diary and-----

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Yes?-- -----give you the appointment date.

Sure, okay, but that's enough, it was after the election. But by that stage it is possible that you might have been doing things incorrectly and it would be too late to repair. Do you follow what I mean?-- Well-----

You need to know the requirements before you actually carry out them?-- Well, I understood the fall back was the fact that the final return was the one that needed to be the most correct. So that's why I took the appointment with the accountant to confer.

1

All right. Perhaps if I give you an example of what I'm meaning. There is a requirement in there that you must not receive a donation from someone unless you know the relevant details about it. So say, Mr Fish, you could not receive a donation from him unless you knew it was coming from him. Okay?-- That's correct.

10

Now, it would be possible if you weren't aware of those sorts of legalities that during the election campaign you could have received a donation anonymously where you had inadvertently committed a breach of the law. By the time your accountant would tell you that you've got to have these details it's too late to go back and find this person and get the details from him?-- Well-----

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Do you follow what I mean?-- Yeah, I do understand what you mean.

That it can be too late?-- Well, I'd have to check my appointment date but I think there would have been time for me to follow that up. I didn't receive any anonymous ones. Had I received an anonymous one I would have asked for further details.

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All right. Thank you.

MR MULHOLLAND: Just a couple of further matters. Just go back to page 2 which is the first thing said at the - in this handbook, under 1.1, Purpose. "The purpose of this handbook is to provide guidance to candidates in all local Government elections, i.e, quadrennial, fresh or by-elections and third parties on their responsibilities to disclose election donations and gifts under the Local Government Act 1993, the Act." Did you read that, Mr-----?-- Sorry, you're on page?

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Page 2, the first clause, 1.1 under Purpose?-- Sorry, I can't find page 1, I've got page 2, I've got - sorry, what section?

1.1, give me a look?-- That's page 2, thank you.

Well, read it again, 1.1. "Purpose, section 1", the first thing said in this, "The purpose of this handbook is to provide guidance to candidates in all local government elections", et cetera. Read it to yourself, I won't read it again. You see that?-- Yeah, look, I read it. I didn't read this document, I've told you that-----

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So you didn't even read the first clause in it?-- I would have gone to the dot points, quickly briefed through it-----

Well-----?-- -----saw - saw that the gift register was in the back, said, "Okay, that's a sample of it, okay I've got to do

that at the end of the day." That's all the attention I would have paid to it. There were some examples of how to fill it in which I briefed over, but no, I didn't read any of the - 2.5, any of those things that you're referring to.

1

One final matter; go to the - page 4, 2.1.2, "Disclosure by groups of candidates, section 427A. A group of candidates is a group formed to promote the election of the candidates for a particular local government but does not include a political party or an associated entity." Did you read that?-- No, I didn't.

10

Yes. Could you return that, please? And could I ask that Mr Pforr - I can complete this, I think, Mr Chairman, if we just sit on for a few minutes.

CHAIRMAN: Yes, certainly.

MR MULHOLLAND: Could-----

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CHAIRMAN: Though Mr Pforr will - well, I presume they'll be questions, but Mr Pforr will also, I think, desire the lunch time to-----

MR MULHOLLAND: Yes.

CHAIRMAN: If he can have a copy of yesterday's transcript and read that part.

MR MULHOLLAND: Yes. Would you have a - could he see Exhibit 34? While that is coming to you, do you remember some evidence which you would have heard when Mr Molhoek was in the witness box concerning a discount given to one of the Sunland Group of Companies?-- Yes, I did. I actually asked Mr Molhoek some questions on that.

30

Right. And you remember it being in relation to a discount of \$13,822.45?-- Yes.

And it concerned a rate notice issued on the 28th of January 2004 due on the 2nd of March 2004 and paid on the 25th of March 2004. Now, what I wanted to ask you in relation to this, Mr Pforr, is this; you weren't present at the committee meeting, you weren't a member of the committee that considered the matter on the 9th of November, 2004, is that correct?-- The Finance Committee, that's correct, no.

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The Finance Committee?-- I did state that in my questions to Councillor Molhoek.

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Right. So you - you were - the first time - is this correct, tell us if it isn't; the first time that you became aware of it was when the matter came before the council - before council meeting on the 22nd of November 2004?-- No, that's not correct.

When did you become aware of it?-- We - would have been an agenda item on finance prior to - for council.

Right?-- I would have - I would have read - with most agenda items I - I go to the executive summary, read the officers' recommendation, if there's anything that concerns me I then read through the body of the agenda item.

Right. And you would have been aware of the internal advice to the - to the - to you recommending that the discount not be granted?-- That's correct. And I voted in support of the officers' recommendation when the amendment appeared at full council.

10

Right. So you would have had your attention drawn to the - as part of the recommendation document from council officers, the paragraph which said - referred to section 1,021 of the Local Government Act and quoting it, "Permitting council to allow discount if it is satisfied that a person liable to pay the rate has been prevented by circumstances beyond the person's control from paying the rate in time to benefit from the discount." You would have been aware of that?-- During debate, yes.

20

Yes. And it was on that basis, I take it, that you decided that you would support the view of the advice, namely that the discount not be granted?-- Look, I sympathise with the applicant, but I intended to support the officers' recommendation on this particular item.

Right. Did you, in the end, however, support the fact that the - that the rate discount be granted?-- Oh, look, the amendment was lost. That happens regularly and quite often you move to support the motion. That's a regular occurrence. It happened last - last Friday at co-ordination.

30

So you - you supported the motion that the discount not be granted-----?-- That's correct.

-----and when that was lost you supported the motion that it be granted?-- Yes. Look, that's just rubber stamp. Gone - the motion was lost, let's move on.

40

Right. Well, why wouldn't you - wasn't your vote important? Why didn't you stick to your guns?-- The motion was lost. It was debated, debated at length. The motion went down.

So in the end were you in favour of the rate discount being granted?-- Personally, no, but the - the debate was lost, I moved on; next item.

Nothing else, thank you, Mr Chairman.

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CHAIRMAN: Yes, all right. We'll resume at quarter past 3. And would Mr Pforr be able to see a copy of the transcript?

MR MULHOLLAND: Yes.

WITNESS: Sorry, quarter past 2, not 3?

CHAIRMAN: Sorry, quarter past 2, yes, thank you, Mr Pforr?-- Thank you.

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THE HEARING ADJOURNED AT 1.02 P.M. TILL 2.15 P.M.

THE HEARING RESUMED AT 2.15 P.M.

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GRANT JAMES PFORR, CONTINUING:

WITNESS: Mr Chairman, I seek leave.

CHAIRMAN: Right?-- Mr Chairman, during lunch I contacted CEO of Council and he's put me in touch with the insurance broker for the Council for my legal representation. I have spoken to the insurance office. I believe I will be having legal representation for costs. I would seek that I could be stood down to be recalled so I can brief my counsel.

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Well, we're at the stage now where it would be moving on to questioning by other representatives here, or other councillors, other witnesses. Are you seeking that that be adjourned?-- Yes, Mr Chairman.

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If anyone appears for you, they can speak to you outside the hearing room outside of course and advise you, but when they're in here all they can do is perhaps ask that you should be warned at some stage. That's really all they can do. There's not a lot they can do?-- I understand that but I'd feel much more comfortable, Mr Chairman.

All right. Are we ready with the next witness?

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MS HAMILTON: Yes, Mr Chairman, I believe we can move to the next witness if a short adjournment were granted to organise a few, little details, very short I'm talking about.

CHAIRMAN: Yes, certainly. I can understand that you need to organise your papers, et cetera.

MS HAMILTON: Yes.

CHAIRMAN: Has anyone got any comments, any submissions to make about the adjournment of this witness? No.

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MR WEBB: A matter of fairness, I think, what you've indicated is the appropriate matter, Mr Chairman.

CHAIRMAN: Yes, all right. We will do that, Mr Pforr. It does mean you'll have to come back on another day?-- That's fine, Mr Chairman.

At this stage I would envisage that you would resume your place in the witness box immediately after Ms Scott has finished her evidence?-- I'm quite happy to do that, Mr Chairman.

Which could be some time tomorrow, we would hope?-- Well, I hope I can - I'm expecting a call back from the solicitors this afternoon and I'll wait for that call as we speak.

Okay. Yes, all right.

MR WEBB: Perhaps, if I may, Mr Chairman, I may be able to speak to Mr Pforr and just facilitate matters. I'd just like to put on record that I thought I might be able to do that without being interventionalist at all.

CHAIRMAN: Thank you, Mr Webb.

WITNESS STOOD DOWN

MR NYST: I do know a little bit about this insurance issue in the sense that it affects my client as well, but we're happy to continue, but I'm wondering whether it might affect other people that aren't represented.

CHAIRMAN: We'll have to just see. Yes, we'll just adjourn for a short time. You can let the bailiff know when you're ready. Thank you.

THE HEARING ADJOURNED AT 2.18 P.M.

THE HEARING RESUMED AT 2.34 P.M.

CHAIRMAN: Yes, Mr Boyle?

MR BOYLE: Mr Chairman, I'm conducting the examination with respect to the next witness, Roxanne Scott. If I can indicate at this stage that I have spoken to Ms Scott and she has said that she takes objection to her being filmed or any still photography of her whilst she's giving her evidence in this hearing room in accordance with the order that Mr Chairman made on the first day.

CHAIRMAN: All right. Well, you understand that?

CAMERAMAN: Yes. Can I clarify that we can record the sound.

CHAIRMAN: I see no difficulty with that. It's just the photography that's the problem.

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CAMERAMAN: Yes, right.

CHAIRMAN: Thank you. Yes?

MR BOYLE: Mr Chairman, I call Roxanne Scott.

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ROXANNE SCOTT, SWORN AND EXAMINED:

CHAIRMAN: Yes. I foolishly haven't brought down my folder for Ms Scott. Would it be possible for that to be able to be obtained, a phone call up to my secretary; she could bring it down.

20

MR BOYLE: Shall I commence, Mr Chairman?

CHAIRMAN: Yes.

MR BOYLE: Witness, your name is Roxanne Scott; is that right?-- Yes, that's correct.

You live at 16 Alizmore Court, Carrara?-- Yes.

You appear here after having been served with an attendance notice?-- Yes.

30

Could you have a look at this document, please. That's the attendance notice you were served with?-- Yes.

I tender that document, Mr Chairperson. There's an oath of service attached to it.

CHAIRMAN: Yes, that attendance notice will be Exhibit 56.

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ADMITTED AND MARKED "EXHIBIT 56"

MR BOYLE: Witness, you were also at some stage served in August with a notice to discover; is that right?-- Yes.

Requiring you to provide a written statement of information and also to produce documents?-- Yes.

50

And in response to that, you provided a typewritten document of three pages plus there were numerous attachments. If I could just show those two documents to you?-- Yes, that's correct.

All right. Mr Chairperson, I tender the notice to discover and also this witness's written statement which is dated 18th August 2005.

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CHAIRMAN: This document will be marked Exhibit 57.

ADMITTED AND MARKED "EXHIBIT 57"

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MR BOYLE: Mr Chairperson, if after it's been marked, could the statement be returned to the witness.

Ms Scott, what's your current occupation?-- I work for the Queensland Government.

Whereabouts?-- At the Southport office of the Department of Employment and Training.

20

What's your position there?-- Senior Adviser, Community Employment.

Okay. Now, you ran as a candidate for councillor in the Gold Coast City Council elections on the 27th of March 2004; is that correct?-- Yes.

Was that the first time that you've run at an election?-- Yes, it was.

30

And you ran as a candidate in Division 6?-- Yes.

And you were unsuccessful?-- Yes.

And Dawn Crichlow is the councillor and was the previous councillor for that division; is that correct?-- Yes.

Okay. Now, if we just look at your statement and we'll work through it chronologically as to your decision to run as a candidate in Division 6 - when was it that you decided to run for council?-- It was around July the year before, between July and August, around that period. I was considering it for a few weeks and then I made the decision to run.

40

Did you have any discussion with anyone prior to making that decision?-- I was at a social event and a group of us were talking about the coming elections and someone in the group said - suggested that maybe I'd like to consider running for council.

50

Now, in your statement on the final page in dot point 4 you refer to that; is that what you're talking about there - at a Liberal Party event at Surfers Paradise Café?-- Yes.

Around July 2003?-- Yes.

The last - sorry, the-----?-- Yep.

Who was that person?-- As I said, there was a group of us at that particular - and I - can't remember; it was over two years ago. It was just a group of us chatting about the elections. All of a sudden someone said that they thought it'd be a good idea for me to run and - I mean at a Liberal Party event, we're political people, politically minded, but it was no-one mentioned in any way in this Inquiry because none of the people mentioned in the Inquiry were even at the particular event.

10

Right. Were these just Liberal Party-----?-- Yes.

-----people?-- Mmm.

Okay. Well, was this the first time someone's ever suggested to you that you should consider running for council?-- Yes, it was.

So would that stand out in your mind as to who would make such a statement-----

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CHAIRMAN: Well, would you prefer not to name the particular person if it's someone who isn't in any way connected now with this Inquiry?-- That's correct.

Yes, I don't know that it's necessary, is it, Mr Boyle, if it's-----

MR BOYLE: Well, if I-----

30

CHAIRMAN: -----not someone connected in any way.

MR BOYLE: If I can take it one step further-----

CHAIRMAN: Okay.

MR BOYLE: Just so I can clarify the position, you do know the name of the person but you're not happy about disclosing-----?-- Yes.

40

-----who it is?-- Yes.

Okay. What else was said about you running? Was there anything said about your campaign?-- No, nothing about that, no detail. It was a mere suggestion, there was no - and I had to give it some consideration before I decided to run, so it was just a social event general conversation. I had mentioned some years back that - or not years; I don't know how long ago - months before that, to another person in the Liberal Party that I might consider at some stage running for a political office, and that person had mentioned it to someone else in the Liberal Party who then raised it in this event. But it was just an off-the-cuff comment.

50

Mmm. All right. Was there any discussion then at that time about any support you might get from them if you were to run?-- Who's "them"?

This group that you were talking to where-----?-- The Liberal Party?

1

Yes, where - no, where-----?-- No, none.

Where someone just suggested - made this remark-----?-- Mmm.

Was that all that was said about it?-- Yes.

10

So there was nothing said about funding?-- No, nothing.

Nothing said about support for your campaign?-- Absolutely not.

And that was it?-- That was it.

Mmm-hm. Well, who else did you discuss then before you made the decision to run?-- I vetted a number of the councillors that I knew already. The first one I went to speak to was councillor Grummit because I knew her quite well. Councillor Grummit actually phoned Bob La Castra while I was talking to her and she suggested I talk to him but I had already made an appointment to meet with him as well. I can't exactly remember what order I talked to people in but I did go around talking to a lot of people at that stage. I think I called Councillor Grew and then later on I talked to Councillor Rickard and through that process I met other people along the way. Each person I talked to would give me three or four names of people who they thought I should talk to so it sort of snowballed I guess.

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30

All right?-- I did also talk to the local Federal and State members.

Who was that?-- Stephen Ciobo and Peter Lawler.

Now, we might - because I'm trying to keep it chronological if we could just go back a page to-----?-- Mmm-hm.

40

-----the top of page 2. Or, the bottom of page 1, you're talking about Lionel Barden?-- Yes.

And you say, "I first met Lionel at the Gold Coast Youth Commitment breakfast"?-- That's right.

Okay. And then you say, "Around August 2003 I attended the breakfast meeting at the Robina Chamber of Commerce-----"?-- Mmm-hm.

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"-----which he chaired"?-- Mmm-hm.

"In November or December 2003, I became aware that some funding might be available for Council candidates from the business community as they were tired of some of the unprofessional behaviour of some of the Councillors." That's what you say in your statement?-- Mmm.

Okay. Now, you attended the Robina Chamber of Commerce. Was there anything said at that occasion about you running as a candidate? This is in-----?-- I talked to both Councillor Grew and Lionel Barden at that meeting but there was no mention of any support or funding or anything. It was more me just talking to them about my intentions and I was seeking support but none was offered.

1

Did they say anything-----?-- I was just seeking general support, I wasn't seeking particularly money, more just moral support, I suppose, at that stage.

10

Advice?-- Advice, yes.

That was - so you spoke to Lionel Barden about it in August 2003; is that right? Is that about the first time you spoke to him?-- Yes, well, the first time I'd spoke to him about the election, yes. I said I'd met him previously.

What was his response?-- He was encouraging.

20

But he certainly didn't offer any funding or anything like that?-- No, no, nothing like that.

Now, you say there that you became aware that some funding might be available for Council candidates in November or December 2003?-- Mmm.

How did you become aware of that?-- I'm a bit vague on the date there because it was more likely December but I think The Bulletin printed that we'd attended a meeting in November and from my recollection, the meeting was in December. But when The Bulletin printed it that it was in November, I thought perhaps my recollection wasn't correct so that's why I've said late November or December I became aware of that but I think it was more likely to be December. I believe it was Bob La Castra suggested I go and have a chat to Chris Morgan from Quadrant and that's how I came to find out about it.

30

What did he say Chris Morgan could help you with?-- Well, Chris Morgan was an - owned an advertising agency - that he could help with organising materials for the election.

40

Right. So nothing was said about funding at that point, it was simply to just get some advertising material?-- Well, the material was to be funded through a group of business people, I understand.

When were you told that though?-- I was told there's a possibility of some funding being available, yes.

50

Who said that to you?-- Bob La Castra had heard that Chris Morgan was organising something and then I went and spoke to Chris Morgan and found out about it.

Okay. All right. Let's go back a bit again. Over to dot point 4 on page 3, you say in August 2003 you had some photography done; is that right?-- Yes, that's correct.

For the purpose of a campaign?-- Mmm.

So at that point you'd made a decision to obviously run?-- Yes.

Okay. There was - you opened a special campaign account-----?-- Mmm.

-----is that correct-----?-- Yes.

10

-----with Suncorp Metway; that's correct?-- Yes.

And you made a formal announcement of it, of you running, on the 6th of October 2003?-- Yes, that was my launch.

Although you didn't nominate until February of 2004?-- I don't think nominations were even open at that stage.

No, I'm not-----?-- Yes. No, I didn't-----

20

Just from dot point 5-----?-- No, I didn't.

-----you say you - just to get the order of which you did things?-- Yes.

Okay. Now, if you can just think back to this conversation with Councillor La Castra and just try and remember, and it's important, what he said to you about funding?-- Quite frankly, I can't remember. All I can recall is that he suggested I talk to Chris Morgan. That's really all I can recall because I was talking to Bob La Castra more asking him for advice and a little bit of mentoring on how I should go about running rather than anything else but he did mention Chris Morgan's name.

30

And he did mention it in the context of there being funding available?-- Yes.

Did he say how much?-- No.

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Or when it would be available?-- No.

As a result, you contacted Chris Morgan; is that right?-- Yes.

The meeting with La Castra was face to face, was it?-- Yes.

Whereabouts?-- In his office, I believe, yes.

So you contacted Chris Morgan on the telephone. What happened then?-- Well, the next thing I remember was the meeting in December at Quadrant.

50

And you say that occurred some time around mid-----?-- I believe so, yes.

-----mid-December. So far as your campaign activity just prior to that meeting-----?-- Mmm.

-----what had you done?-- I had the photography done which ultimately wasn't used to any great extent except for the business cards that I had done myself at the beginning. And I had developed a few, fairly amateurish leaflets on my own computer at home in Publisher I believe because I hadn't anticipated any major funding so I thought I was doing it all on my own. I did submit some of those documents in the documentation I provided.

10

Righto?-- And you would see that they were dated around August 2003 except for the one I used door-knocking. I door-knocked from prior - from around November through to March I was door-knocking and as I would go into a new part of a suburb, I would change the wording so that document I kept throughout the campaign and it was saved at a later date but you can see that the earlier documents that I saved were quite amateurish by comparison to the material that Quadrant produced later.

You say in your statement - this is on page 1 nearly halfway down - "I had not anticipated any major donations to my campaign and was trying to keep costs to a minimum"?-- Yes.

20

So up until that point, that's accurate?-- Yes. Up until early December, I had no idea that I was going to receive any funding.

Of course, at the time you did a press release, there was no - that was before your meeting at Quadrant?-- Which press release are we talking about?

30

Did you do a press release announcing your - the fact that you were running as a candidate?-- I did one, from memory, in relation to my campaign launch which was in October. The Bulletin did publish it, however, they left out a fairly critical piece of information as to the location of my launch so no-one really turned up.

Can I just show you a press release? And just taking this as an example - Mr Bailiff, could this be just shown to the witness? And one copy for the Chairperson. Now, this press release relates to a period obviously shortly after your launching of campaign; is that right?-- I can't remember exactly what day that I released this, I'm sorry.

40

Okay. Well, the second paragraph refers to the fact that-----?-- The launch, yes.

-----you launched it last Monday so it would be some time late October that you issued this press release?-- Mmm.

50

Is that correct?-- I would say but I can't remember exactly but yes.

Okay. So that - I'm just, at the moment, trying to get an example of you know something that you did-----?-- Mmm.

-----at that point in time?-- Yes.

This is before you involved Quadrant, is that right?-- Yes, that's right. That - that photograph was one of the photographs I had taken and that was the design I was using for most of my material at the time.

Okay. All right?-- I also had business cards done-----

Right?-- -----which were quite-----

Okay?-- Which use the same photography and similar style.

Can I have a look at that please. All right. So - but the letterhead on the top of this is effectively the same as the cards but it doesn't have your phone numbers on it, is that-----?-- I was trying to keep them consistent in the look, yes.

Okay. When do you say you had your cards done?-- I don't know that I said but my bank statement probably tells the date of the payment, if you want me to look that up, I did provide bank statements to - to the Inquiry.

Okay?-- The photography was done or paid for on the 13th of August, I think I paid for it the same day it was taken. I believe it would have been around - there's two cheques on my account, one's the 16th and one's the 21st of October. I'd say that the business cards are one of those payments.

Okay. Well - now, just - with the press release you say, "I would work towards a more professional Council where community opinion and logic would prevail in decision making processes," is that right?-- Yes.

Those are words you devised?-- Yes.

Okay. All right. Look, I'll tender the media release and I'll tender a copy - or the - can I tender that card?-- Certainly.

I'll tender the original card. I'll just show it to-----

CHAIRMAN: We'll mark all of those as Exhibit 58.

ADMITTED AND MARKED "EXHIBIT 58"

MR BOYLE: So you had that card done obviously before your meeting at Quadrant?-- Yes.

Okay. So far as conducting the campaign up until the Quadrant meeting what else did you do; you had the campaign launch, the things you've mentioned but apart from that?-- I - yeah, I had the launch. I did a questionnaire, I was trying to gauge what community attitudes were at the time so I did a short

questionnaire and myself and a couple of Young Liberals just did a quick letterbox drop around the Southport area to encourage people to fill that out and send it back to me. I did obviously the media releases around the time and I did - I started forming this leaflet that I used when I doorknocked if people weren't home, I had one that I'd leave with them and I had a very similar one that I would give them if they were home.

1

Just so we're clear, Division 6, what area does that take in?-- Molendinar and Southport - it's on the back of my leaflet - Southport north to Central Street and south to Slater Avenue, roughly.

10

Did you have a campaign committee?-- In the early stages the Young Liberals offered to assist me in that capacity. However, they tended to move on after a couple of months and they joined - ended up helping Jim MacAnally's campaign at Surfers Paradise more than mine.

20

Well, who else was on your campaign committee?-- I was basically a one-man band most of the time. There wasn't - a couple of people - Stuart Hill was one of them who offered me assistance who wanted to see a change in our Division. I didn't really have a campaign committee as such.

All right. In your statement you refer to - you say that yourself, your husband and Stuart Hill of 18 Egerton Street, Southport, were essentially your campaign committee?-- Okay. Yes. They were the key people involved in it, yes.

30

What did Stuart Hill do?-- He did letterbox dropping for me around the area that he lived in. He was very enthusiastic but had limited resources so there was a limit that - of what he could do for me.

And he whenever you had something published he authorised it, is that correct?-- Mmm, early on he did, yes. I realised I needed to have someone authorise it and he was quite willing to do it so, yes.

40

Yes. So he was delivering the material which was authorised through you; is that right?-- Yes, just doing a little bit of letterbox dropping. I'm not sure how much he did in the end, but yeah.

All right. What else did he do?-- Not a lot else. He talked to people around his area quite a bit to gauge opinion and found out some issues for me that he felt that I should be aware of, but, as I said, he didn't do a great deal. He helped on election day to some extent but it was really quite limited, what he did.

50

What, handing out How to Votes, or something like that?-- He was - he didn't - I don't know that he actually did much on election day now I think of it. I don't now why I said that because really I organised all of that myself. He was certainly there on election day.

Do you know of a group called Southport Citizens for Change?-- No.

Have you ever heard of them?-- I heard of it but I don't know much about it.

Do you know whether he was involved with them?-- I think he may have been.

10

Or what-----?-- You could ask him.

What do you know about the Southport Citizens for Change?-- I don't know anything to any extent about it.

It was your area that you were running in?-- Mmm.

If there was a - a group that was meeting you'd be interested in knowing about that, wouldn't you?-- If they don't invite me I don't know about it.

20

Well, there was only two people running in that division and there - if there's a group called the Southport Citizens for Change that might be in your interests, wouldn't it?-- Very likely it would have been but I'm sure there's a lot of things that happened in the division that I wasn't aware of.

Do you know what their - what they were trying to achieve? Any of their goals, anything about them?-- I don't know what they were trying to achieve.

30

Do you know anyone else who was involved in it?-- There were suggestions to me by Chris Morgan that we needed to put out information on some of the unusual occurrences that had taken place in Southport in Division 6 over the years, and I guess it could be construed as being negative and I didn't really want a lot to do with it, so I didn't favour that aspect of the campaign.

But you were aware it was going on?-- And Chris Morgan did think that people had a right to know of some of the - these events that had occurred.

40

So are you saying that Chris Morgan was involved in some sort of parallel, negative campaign in your area?-- There was definitely negative material put out but I didn't want to be part of it.

Well, what was-----?-- Well, it was negative material. It was factual material, it wasn't slanderous in any way, from my understanding; it was factual material.

50

Did you ever see any of it?-- It was distributed around the area; yes, I saw it.

You saw it? You read it?-- I saw it, I don't know that I took much notice of it in detail.

Are you serious? Are you serious that someone is running a negative-----?-- Well, this is two years ago. If you're going to ask me word for word what was said, I would not have a clue at this point in time, if you're going to ask me to quote anything from it. Yes, I saw it.

1

Well, okay. But you would have read it and took some interest in it?-- Parts of it I did, parts of it, it all happened so quickly that I was off doing other things, that I wasn't involved in it.

10

So what we know - tell me if this is right - you knew that Mr Morgan was involved in this distributing of material on behalf of the Southport Citizens for Change; is that right?-- I knew there was negative material going out, I didn't know what format or anything; I didn't want to be involved in that side of it.

Produced by Chris Morgan?-- Well, I think it'd be best if you asked Chris Morgan, because I didn't want to be involved in it. So-----

20

I'm asking you what your knowledge of it and his-----?-- I saw it after the fact but earlier on I said to him I didn't agree with it particularly.

But this is the very person who was conducting - was quite involved in your campaign who was also sending out negative material about the current council; is that right?-- It wasn't negative material about the council, it was negative material about events that had occurred; and it wasn't particularly negative, it was just - it was newspaper clippings from my understanding; from what I saw it was just newspaper clippings that had already been published that were just being brought out again. It was nothing new.

30

Was Stuart Hill involved in dropping off material?-- I don't know the details but I think he authorised it in the end.

So he's authorising your material and material for this Southport Citizens for Change; is that right?-- Mmm, but then after that I changed his authorisation and I picked someone else to authorise my material.

40

Why did you change that?-- Because I had told Chris Morgan I didn't really want to be involved in the negative side of it and then when he and - when they put it out anyway I felt I wanted to distance myself a little bit from it.

Okay. So he authorised material, he - this is Stuart Hill I'm asking you about now?-- Mmm.

50

Who - do you know who gave Chris Morgan instruction to carry out work for them?-- For them?

For the Southport Citizens for Change?-- No, no, I don't.

Do you know of anyone else involved in the Southport Citizens for Change?-- No, I don't.

1

So you were aware of it but you didn't pay much attention to it; is that right?-- No, it was only very, very late in the campaign and by that stage I was quite frantic, running around doing final doorknocking and a whole range of things. I didn't have time to take an interest in something I wasn't interested in.

10

CHAIRMAN: I appreciate what you're saying, that you wanted to steer clear of that and didn't want to be involved in it, but just can you help me? Was this a group that was started up just at that time for that purpose, or was it a group that had been going for a period and was used at that time?-- I'm not aware but I suspect it was just started up for the purpose.

I see, thanks.

MR BOYLE: All right. Can we turn now then to the - sorry - when was it that you removed the authorisation for Stuart Hill to do anything for you - authorise anything for you?-- I couldn't tell you a date, I'm sorry. I didn't anticipate that I was going to be called on to remember dates like that in two years down the track and I haven't kept that sort of information. So it was after a meeting I had with Chris Morgan some time, I don't know, a few weeks out from the election.

20

All right. Are you aware that Quadrant was paid for the work that they did for that group?-- I was after the election. Prior to the election, I had been promised funding and encouraged to have a great deal of work done through Quadrant. I think early February I received a small amount of funding into, you know, a cheque personally and I understood that I would receive more money to pay Quadrant for their services. But in the end, some of that was paid directly and not to me. So - but at the time, I thought I was going to receive the funding and I would then pay Quadrant for their services and when the money wasn't forthcoming, I got extremely nervous towards the end of the campaign thinking that I was running up accounts to tens of thousands of dollars that I hadn't anticipated and I hadn't received funding for at that stage.

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40

Well, as a result of those concerns, what did you do?-- Well, I was being pressured to do more and more work. Right - probably about the week before the election, I just said, "No more, that's it. I won't authorise anything further until I see some money," because I could just see bills rolling over that I would be held accountable for.

50

Right. So Chris Morgan was constantly saying, "We should do this or that"?-- Yes, pretty much, yes.

And you were concerned about where the money was coming from?-- That's right, absolutely.

But did you do anything then at that point to chase up money?-- I didn't know where to chase it up from. No, I didn't.

1

Did you do anything at all to raise funds for your campaign?-- No, I was just going to fund a very small campaign myself initially probably naively.

Out of your own pocket?-- Yes. I have heard of other - I have spoken to other Councillors who did a similar thing and have been elected and my key strategy was door-knocking. I door-knocked ten thousand homes over the duration of that time and that was my primary strategy from the beginning.

10

Well, can you remember approaching anyone for funds?-- Ian Solomon from the Southport Chamber of Commerce.

What did he say?-- He wasn't very helpful at all.

Anyone else?-- I had - hate asking for money. No, not particularly, not until it was suggested to me.

20

So you weren't asking Councillor La Castra where you could get money from?-- No.

He just offered this might be a-----?-- He said to see Chris Morgan, that there might be an opportunity for some funding, yes.

And that's all he said that you-----?-- Oh, he did give me advice on a couple of other things. I would ask him about what sort of issues I felt were important, things like that. He would give me general advice on that sort of thing.

30

Okay. We go now to your contacting of Chris Morgan?-- Mmm.

Did you ring him on the phone?-- I don't specifically remember but I assume I would. I didn't just call in there. So I must have rung him.

40

Well, how was it arranged?-- How was what arranged? The meeting?

The meeting?-- I must have called him and he must have told me about a meeting in December-----

Right?-- -----which I attended.

Okay. What were you told at that point who would be at the meeting?-- The Council had been quite dysfunctional up until that time with a lot of arguments, a lot of - some of the Councillors seeming to take things personally. There didn't seem to be a lot of reasonable debate-----

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If you'd answer the question. Who - who was it-----?-- I was told that they were trying to get a better quality of candidate into Council. There would be other candidates there and some Councillors and Chris Morgan.

1

Other candidates, Councillors and Chris Morgan; is that right?-- And possibly his staff - I think one other lady came and went throughout the meeting. I can't remember her name.

So what was the purpose of you going along to the meeting?-- To source assistance, that was my purpose, to source some sort of financial assistance.

Financial assistance?-- Mmm.

10

Any other sort of assistance?-- Well, through Quadrant, yes, in kind, I suppose, but I thought it was financial assistance.

So you went to the meeting and that was at Quadrant, was it?-- Yes.

Mid-December?-- As far as I can remember it was, yes.

Who was present?-- Councillor Power, Councillor Robbins, Grant Pforr, Greg Betts, I believe. I believe Rob Molhoek was there and Brian Rowe. Apart from that - I know there were other people there but I - I didn't know any of the other candidates prior to that meeting and I didn't know I was going to be quizzed on their - who they were afterwards so I really was only there for me. I wasn't really there to meet anyone or any other reason.

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Was Councillor La Castra there?-- No, he wasn't.

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Councillor Grew?-- No.

Councillor Shepherd?-- I'm not sure. I know his name was - I'm not sure at all. I don't remember. I think his name was mentioned but I don't think he was there, from memory.

Were you provided with any documents prior to the meeting?-- No, not from memory.

What - if you were going along just for the purpose of seeing what funding you could get from Chris Morgan, did you ask him why it was necessary to have other people there at the time?-- I realised they were going to support other candidates as well. I knew I wasn't alone.

40

Right. So, you realised that there was going to be some sort of common source of funds to be distributed to you and other candidates; is that right?-- Yes, from the business community, I understood.

50

How did you get that understanding?-- From Chris Morgan.

So he's - is that what he told you on the phone?-- Like I said, I don't even remember phoning him, but I guess he must have. That was my understanding.

Business community?-- Yes.

CHAIRMAN: Well, can you remember what was said about it at that meeting when you were all there?-- Well, really, just that the business community was tired of the current, dysfunctional Council, and they were trying to get better quality candidates involved. That was the whole rationale for it, I believe.

1

Okay. No further mention of what aspects of the business community or-----?-- No.

10

No, okay?-- No, we were advised that it would be confidential so that we would be protected from, yeah, any knowledge of sources of the funds.

Right. So, you wouldn't be given the name of the donors?-- No, that's right.

To keep you separate from that?-- Mmm.

Were you told how that would be done, what sort of mechanism would be used?-- I don't know whether I was told at that time; I may have been. They may have mentioned the trust fund; I'm not sure.

20

Right?-- They probably did.

Right?-- I just can't specifically remember whether they told me that then or whether I found out later.

Yes, okay.

30

MR BOYLE: So, was this a point made at the meeting that it was to be kept confidential who the donors were?-- Yes, I think it was mentioned at the meeting, yes.

Can you remember who said that?-- I think it was David Power.

CHAIRMAN: Can I ask, did it - at any stage did it come up how you were one of the, if I can use the term, chosen ones who would receive this funding; did you ever wonder about that or did you ever ask or was it just explained to you without asking?-- I didn't ask. No one had run against Councillor Crichlow in the previous election; so, she'd been elected unopposed.

40

I see?-- And I was the only one really to seriously put their hand up this election. So if I was chosen, I think I was chosen by default more than by choice.

I see. On the basis that if anyone who opposed Councillor Crichlow-----?-- That's how I interpreted it.

50

-----would be better than Councillor Crichlow?-- Exactly.

I see. Fair enough. Was there anything said about the others as to how they were chosen?-- No, and I didn't ask because, as I said, I was there for purely my own reasons. I don't know how they were chosen.

Did you see that an agenda - have you been here in the hearing over the last couple of days?-- I heard something on the news last night about a paper that was handed around, and I must admit I had entirely forgotten about it. I do now vaguely remember that a paper was passed around. I certainly didn't have anything to take away from that meeting that I could have referred to later. My memory of it was that it was a very bland document, that it didn't really specify anything in particular and, certainly, there was no indication that I had to sign up or give a pledge or in any way commit to anything to receive the funds.

10

Right. Just-----

MR BOYLE: Exhibit 14, I think it is.

CHAIRMAN: Exhibit 14, is it.

MR BOYLE: Yes, if that could be shown to the witness.

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CHAIRMAN: Can you recognise whether that was the document?-- I think it's very likely it was.

Because it talks there about a select group of councillors and candidates. You became part, as you say, perhaps more by default than by design?-- Mmm.

Okay. But you were happy to join in with the group, presumably, backed by business?-- Yes, absolutely.

30

Yes, sure. Okay.

MR BOYLE: Did you read the document at the time it was circulated?-- I think I - yes, I did glance through it. As I said, I considered it quite bland. I mean, it talks about issues, but they were all the issues that I had already identified through my own sources. So I didn't disagree with any of it.

40

Okay. And did you take that document with you?-- No.

No. In that document, it refers to achieve consensus among a select group of councillors and candidates that acknowledge public concern on five key issues?-- Mmm.

And then over the page, it talks about a number of key issues?-- Mmm.

Were those issues discussed at the meeting?-- Not in any great detail, from memory.

50

Right.

CHAIRMAN: The issue on the second page under Strategy, number 3, "An agreed media position once awareness of this resource" - the resource being the funding, "and the assistance given by Quadrant for campaign for common sense in Council, working

title, becomes public." Was that discussed at all?-- I don't remember it being discussed, no. They did mention common sense in Council and I couldn't have agreed more with that. I felt that was why I was running.

1

Sure. But this - an agreed media position once awareness of the funding, in effect, becomes public - was it a matter that you would be happy to have come out publicly, that you were being funded by business?-- Yes, I wasn't concerned about it coming out, no.

10

All right. And did you make any indication as to whether you thought that, well, we should make it public that we're for business, we -----?-- Well, we didn't proactively make it public because, I mean, I had started my own campaign. I'd - it says agreed media position, but there wasn't any real discussion about us having the same approach to our campaigns. We all had individual campaigns.

Yes. No, no, this was to be an agreed media position if the media got on to the fact that this group was being funded?-- Right. Well, I agreed that it was to get more common sense in Council. I agreed to that extent of it.

20

Yes, but that's not the question I'm asking?-- Sorry.

About the agreed media position that presumably the group would all take once - if and once it became publicly aware if the media got on to the fact that the group was being supported by business donations?-- Well, I must admit I hadn't really given any clear consideration of that. I don't believe it was discussed in any detail at all at the meeting.

30

I see, all right.

MR BOYLE: Was there any talk about an attempt to keep it a secret-----?-- No, I don't remember that-----

-----the fact that this meeting occurred?-- No, I - we all knew we had to declare any funds so - there was no overt decision to keep it a secret, but likely no overt decision to make it public either so far as I'm aware.

40

But the fact of there being a meeting with a group of candidates and councillors, was that ever discussed that that should be kept from the media or anyone else?-- I don't remember any major debate on that. If I did, I wasn't paying much attention to it because I - yeah, I honestly don't remember any debate on that at all.

50

CHAIRMAN: Did you ever consider whether if - I think it's about eight, isn't it, all-up - the new candidates plus the councillors standing for re-election - whether you should sort of publicly acknowledge support from one another in the fact that you were of a like mind and all running together for the same sort of interest within council - you say it's for commonsense in council, and the other issues that you had in common-----?-- Well-----

-----and present as a common group to the public?--
Commonsense as opposed to - to what? I mean the alternative
was just lunacy really-----

Yes, but-----?-- -----to me and I wasn't-----

But to-----?-- -----on the lunacy end of the scale.

-----to present a united front. In other words - well-----?--
I don't believe we were a united front. We were all
individual candidates. We were brought together in the same
room but we had nothing in common. I was actively supporting
other candidates. One was Peter Keech who was actually
running against Rob Molhoek and at pre-election I handed out
some of his material and he handed out some of mine, and the
same with Jim MacAnally. I was more supportive of Jim
MacAnally and Peter Keech than any of the people in the room
at that meeting at Quadrant-----

10

Mmm-hm?-- -----who I had nothing really to do with apart from
that one meeting.

20

Mmm-hm. Okay.

MR BOYLE: Well, this expression "commonsense" is something
that you adopted?-- I think I really adopted it prior to them
mentioning it. I certainly agreed with it.

But so far as your election material, it seems to refer quite
a lot to commonsense?-- Well, as you pointed out yourself, I
was talking about that before I even knew about Quadrant.

30

Yes, but that's-----?-- Not in that word itself but whatever
the word-----

Not in those words though?-- -----was you quote before-----

Right?-- -----and I was saying the same thing myself, that
that was my own personal opinion, that we did need sanity in
council.

40

Well, did you have a - from the discussions, how long was the
meeting?-- Maybe an hour, an hour and a half.

Who basically ran the meeting?-- Councillor Power and Chris
Morgan primarily, and Sue Robbins to some extent. But a lot
of the meeting was taken up with just general discussion on
campaigning. I remember Sue Robbins talking about colour
schemes and things like that. It wasn't - you know, it was
just general advice.

50

It was tactics?-- General advice, I'd say. It wasn't even
tactics. Like, the card that I gave you was done in red.
Well, there was - and I was happy to share my information with
the others and I handed it out at the meeting and it was
pointed out to me that red wasn't a very good colour so
everything consequently later on was done with a common theme

by Quadrant in blue because it was deemed blue and green, so obviously I got off on the wrong track.

1

All right. The fact that there was, as the Chairperson says, about eight potential-----?-- Is there? Mmm.

-----candidates there-----?-- Mmm-hm.

-----was that figure significant to you?-- No.

10

So far as where - the objective is it says to achieve consensus among a select group of councillors?-- Mmm-hm.

So that means that effectively you're - this is on the-----?-- Yep.

-----the first dot point - that effectively you agree on issues; is that right?-- We didn't actually end up agreeing on five issues as far as I can remember. There's more than five issues there and none of them I would disagree with as being issues that were important to the election.

20

Mmm?-- But I don't remember - we narrowed it - we certainly - I don't remember if we did. I'm quite certain we did not narrow it down and say, "These are the five issues, full stop. Sign up or you're out."

Well - excuse me, Mr Chairman. Just to clarify that point, the first dot point talks about "Achieve consensus. The select group of councillors and candidates that acknowledge public concern on five key issues" and - was the purpose of the meeting to select five issues out of all those that are listed?-- Mmm-hm.

30

Was that one of the purposes of the meeting?-- I didn't take it to be that. I mean the last dot point says "Any other key topic not included" so I mean it was so broad.

Mmm. What about the fact that the third dot point - I mean throughout this document you'd accept that it presents as some form of unified approach; it talks about consensus a number of times; is that right?-- I didn't see it that way at the time. There was no consideration that - or no requirement at all for me to agree to - on anything, except to - that there was a desire to have better quality candidates in council. That's all I remember. I can't remember any requirement being put on me to be anything, to say anything, to do anything, to change any of the material. All of the material that I provided to Quadrant was written by me. They didn't flavour it, change it; they just put it in a prettier format.

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50

But you accept as a proposition that at least on this document it talks about consensus on solutions, adopt a joint common sense approach to solutions?-- Well, this document isn't even signed. I don't really know who - even who wrote the document. It was circulated but again I didn't commit to anything in being in receipt of the funding.

So did you think that basically you could get funding and yet still do whatever you wanted to in terms of that group?-- Yeah.

1

As a councillor?-- Yes.

So they were potentially going to fund someone who could be a complete loose cannon in council?-- They could have.

They had-----?-- No one ever asked me if I was - I mean, I know development is the issue, no one ever asked me whether I was pro-development or anti-development. I could have been a greenie.

10

CHAIRMAN: Well, presumably your ideas as obviously you're a reasonably active member of the Liberal Party, possibly known to various people already?-- Probably people who knew people that - yes.

Sure?-- Yeah, maybe.

20

But you were never sort of cross-examined?-- No.

Is the suggestion?-- No.

The implication I'm getting that no one ever sort of cross-examined you-----?-- No.

-----about your thoughts-----?-- Never.

30

-----to try and work it out?-- No.

No. Okay. Yes, thanks, Mr Boyle.

MR BOYLE: All right.

CHAIRMAN: We could possibly move on to the-----

MR BOYLE: All right. Can I just ask about the funding discussion at the meeting?-- Mmm-hmm.

40

It says there the extent of the resource will naturally depend on the size of the funding?-- Yeah.

Was that discussed like when the funding would be received?-- No, I understood it would be soon but it didn't turn out that way.

Or how much the funding was?-- No, a significant amount. When I was planning to run a campaign on \$5,000 or something like that anything over that was a significant amount of money to me.

50

How-----?-- I didn't know the exact dollar amount, I didn't know whether it was going to be distributed evenly among the candidates there or whether some donors had earmarked funds for particular candidates or how it was going to be distributed.

How it was to be raised?-- I didn't know anything about that.

Where it was to come from?-- The business community was all I knew about it.

They didn't mention developers in particular?-- No.

They didn't say who was going to be charged with the responsibility of chasing the money?-- Chasing the money?

10

Getting money?-- Well, I understood it was the people there at the meeting.

All right. But you weren't given any responsibility to get funds for this group?-- Oh, no, not at all.

But someone was going to do it for you?-- Yes.

And give you money?-- Yes.

20

Okay. What happened after - after the meeting so far as your campaign is concerned?-- Well, quite frustratingly Christmas happened after that which was not much at all for a few weeks, so I don't remember much happening then till January when I - I initially provided Chris Morgan with the material and he probably - and I can't remember exactly - he went off to do up some leaflets with the information that I provided to him, but then after Christmas I had a couple of meetings with him to finalise things. But I think that was more than a month down the track that we started talking specifics.

30

So these were individual meetings with Chris Morgan?-- Yes, there was other candidates' material in his office and there may have been other candidates there when I called in but there was no other formal meeting that I believe I attended.

CHAIRMAN: There's been a suggestion of one on the 8th of January?-- Yes, and I've been trying to rack my brain about that. I don't remember it. I know I was in there on a number of occasions and I know - I think at least on one occasion one of the other candidates was there but there was no board room meeting that I was part of after that.

40

Okay. So it looks like you wouldn't have been at the meeting on the 8th of January then?-- No.

Okay?-- Mmm.

MR BOYLE: I think - so you can't recall a formal meeting with any other candidates at Quadrant?-- No.

50

Similar to the one that you went to?-- No, I don't recall any other.

You know Mr Rowe?-- Brian Rowe, yes.

And Councillor Molhoek?-- Yes.

You can't recall whether they were there?-- I thought I said earlier I thought they were there.

No, no?-- At the December meeting.

I'm sorry, I'm talking about in subsequent-----?-- Are you talking about the meeting I wasn't at in January?

Well, no, and just - you say you dropped into the office at some stage and - but it certainly was a coincidence as far as you're aware that someone else-----?-- Well, I can't-----

10

-----would have been there?-- Yeah. Well, I mean, other people's material - that was later on that the material was everywhere but I'd had one on ones with Chris Morgan after that, but I didn't have anything to do with the other candidates. If they happened to be there at the same time as me so be it, but I didn't have anything to do with them. I was also working with Dana Morgan. I don't think she's a relative, but a lot of the liaison I had was with her from Chris Morgan's agency. So I mean, feasibly there could have been other candidates there meeting with him. Well, I don't know. I didn't write the dates down, so. But-----

20

Okay. And I think you refer to an information session at Lakelands. Is that right?-- Mmm-hmm.

What was that about?-- That was the advice for booth captains, it was approximately - it was three or four days before the election. It was for us to invite booth captains along so that they would know how to set up their booth and what to do on the day.

30

And what other candidates were there?-- There was quite a lot of people there. I think - Grant Pforr was there, I definitely remember that. And other than that I couldn't tell you, I'm sorry. There was a room of people and a lot of them I didn't know.

40

Who ran the session?-- Lionel Barden.

Up until that point had he been involved in any part of your campaign process?-- No.

Were you aware of any involvement on his part?-- Well, I think there was articles in the Bulletin around that time and my key source of information was the Bulletin I suppose and I didn't really take a lot of heed to that, so.

50

Were you aware of the basis in which Quadrant was engaged?-- Only in the capacity as an advertising agency and their ability to produce material.

Right. But your understanding is that they were engaged by this group of business people to do work on behalf of a number of candidates?-- Yes.

Do you know how many other candidates were - they were doing work for?-- I only know about the ones that were in the room in December.

1

Right?-- If there were more I don't know about them.

So are you just assuming that all those present Quadrant was doing work for?-- Well, they hadn't done any work for anyone at that stage. Down the track I thought they probably did. I believe Rob Molhoek pulled out but I wasn't trying to track who was having what done for them, I was too busy doing my own campaign.

10

Well, were you aware - I won't take you to specific documents - but that they were engaged on a monthly consultancy fee of \$10,000-----?-- No, I had no idea.

-----for the months of January, February and March 2004?-- I had no idea of any details like that.

20

Okay. I might-----?-- In fact, as I said before, I thought the money was going to come to me and I would pay Quadrant for their services. That was how I thought it was going to be run.

Sorry, what did you think?-- I understood that the money would be paid to me and I would be paying Quadrant for their services, that's how I thought it was going to be handled but I probably wasn't old that, I probably just assumed that.

30

I might just show you an email, it's an email of the 19th of December, you wouldn't have expect - I don't expect that you'd be aware of it - but it's an email from Chris Morgan who we've heard about to Sue Davies who is an assistant to Brian Ray. Now, did you know about that - the fact that Chris Morgan was communicating to Brian Ray back on the 19th of December 2003 about your campaign?-- No, I didn't know anything about Brian Ray. I didn't even know who Brian Ray was until he was in the newspaper about a day before the election.

40

That's the first you'd heard of him?-- When he was on the front page of the Bulletin, the day before the election or two days before the election was the first that I knew anything about him.

He was a developer, wasn't he?-- So the paper tells me. I don't know that that's-----

MR WEBB: Mr Chairman-----

50

MR BOYLE: I won't ask-----

MR WEBB: -----questions such as that are really not fair.

CHAIRMAN: Well, I don't think it's any problem is it; the witness is a very intelligent person we can see and she says well that's what the newspaper said. It might be better if

you put it do you understand he was, the witness has said she didn't know him.

1

MR BOYLE: Now, in that email you'll see there it says, "I have Roxanne Scott in on Monday at 9 a.m. to begin building a campaign committee from the ground up by the look of things"-- Mmm.

Would that to your mind be a fair comment as to the state of your campaign at that particular point in time?-- I'm aware that he thought what I had done was quite amateurish so I guess in his opinion it would be from the ground up.

10

But you weren't aware that he was communicating that - what was happening with your campaign to anyone else?-- No.

Okay. I'll tender that email.

CHAIRMAN: That's Exhibit 59.

20

ADMITTED AND MARKED "EXHIBIT 59"

MR BOYLE: The work that Quadrant did for you was what?-- They organised corflutes, a brochure.

CHAIRMAN: Can you tell me what a corflute is, I've seen this word all the time but I've no idea what it is?-- An election sign that you put up, yea size. Like a real estate sign. Yeah, they're a plasticky sort of - yeah, with the ribbing.

30

Oh that plasticky hollow thing?-- Yes, in the middle of it.

Yes, all right. Thank you. I keep learning new things.

MR BOYLE: What else did they do?-- I did tender their statement of account to the CMC so it would all be listed on that account. There was letterheads, there was a brochure, there was corflutes, they did offer to redo my business cards but I couldn't see any point since I already had - had them done. They did a number of letterbox drops. They did a personal letter I believe to the electorate and that was primarily it from memory - oh and the signs, they had mobile signs for me at the end and that was the one that I wouldn't authorise until I had some real assurance that the funding was actually going to be there for it. They were all done in the last couple of days, the signs.

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50

Were you given that assurance?-- Chris assured me in the end and I took him at his word.

Okay. In the course of the campaign were you aware or given any more information as to where the source of these money to pay for Quadrant was going to come from?-- No.

So just from the first meeting, you were simply told business community?-- I was told that it would be preferable if I didn't know the source of the funds so that I would be protected down the track, that that was the purpose of it being set up that way.

1

And did you say in - well, just tell us again who said that to you?-- Councillor Power.

Was that at that meeting?-- Mmm.

10

That's a yes?-- From my memory, yes.

Was it said any other time?-- No, that was - after that it was just a matter of getting materials done, no. I didn't pursue it.

Were you interested in finding out who may have been donating money which would support your campaign?-- No, I wasn't particularly because there was - I understood a number of donors and a number of recipients and the proportion provided by each donor I didn't know, I didn't know the proportion that was given out to each recipient so to me it was like a political party taking donations from a wide variety of sources and channelling it to a number of candidates. The only difference was there was no common philosophy or set of beliefs amongst us as there is in a political party.

20

CHAIRMAN: But there might have been a common philosophy among those people donating to it and a common purpose behind them but you wouldn't be aware of that?-- Not beyond the common sense ideal.

30

MR BOYLE: All right. I think I asked you before who else Quadrant was doing work for but I'd better ask you this - is whether you have any knowledge as to who else got the benefit of these - this fund, these - whether you know of the other candidates who may have got the benefit of that?-- Well, I assumed everyone in the meeting received benefits but then I found out later on that Rob Molhoek possibly didn't so I assumed incorrectly.

40

Now, just with your statement when we're on the issue of whether you went to find out who the donors were for this fund-----?-- Sorry? When I went to find out?

Well, the fact as to whether or not you would find out or attempt to find out who the donors were. In your statement you say - have you got your statement there, page 2?-- Yes.

50

And you've put - a part of that statement - it's underlined?-- Mmm.

And you say, "I understood the contributions were in the form of a trust fund to prevent impropriety or any perception of impropriety should candidates be elected to Council"-----?-- Mmm.

-----"ie, it would be impossible to favour a donor in Council if you do not know his/her identity"-- That was - that was my understanding of why it was set up that way.

1

And that statement is effectively what you've told us you got from Councillor Power; is that right?-- Mmm.

Yes?-- It's difficult to remember exactly when I came into realisation - I think it was at that meeting, yes, that I was told that. I can't think of any other occasion when I would have been so I assume it must have been at that meeting that I came to that understanding.

10

Well, is it true to say then from that statement that there was an idea that there should be - well, it was done quite deliberately that you not seek out who the donors would be?-- Mmm.

Is that correct?-- Yes.

20

And the reason for that - the second point from that statement - is that the donors may be people who have interests in Council decisions and that it would avoid conflict down the track. Is that true?-- You're saying that's the inference from that?

Yes?-- Yes, it is, I suppose, yes.

Well-----?-- If you knew - if you knew who the person was, yes, you could potentially - I have no problem with conflict of interest, however, because I work with it quite regularly in my employment at the moment. I mean, conflict of interest is just something that needs to be declared and had I subsequently found out who the donors were, I would have simply declared a conflict of interest in Council were I elected. But prior to the election I had no idea - well, prior to Brian Ray.

30

But it's certainly - your perception then from that statement is that donors were someone who would have an interest in Council decisions and that-----?-- I think any-----

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-----it would relate to decisions by Councillors?-- I think any donor could potentially have an influence in - my husband and I have an investment property. I knew that if I were elected to Council, I would have told them where that property was because I felt that if anything came up in that particular suburb that I had to vote on, it should be declared that I have an interest in that particular location. So any assistance could be construed to having a conflict down the track in Council. I mean, if a church gave me money, it could be construed to have a conflict if I was in Council.

50

Yes, but you see, this statement was made because you want to avoid any situation where there was going to be a conflict if you're a sitting Councillor?-- The statement was that the fund was set up for that purpose, yes.

All right. Would you say this is a fair comment that you were being wilfully blind as to who the donors were?

1

CHAIRMAN: Well, I think the witness has already answered that. You know, I think, Ms Scott's given her answer on that fairly fully and I think quite fairly as to what her understanding and her thoughts were at the time?-- I had no means to find out who gave the donations. I had no inkling of who gave the donations so I didn't even know where, if I did want to start asking questions.

10

Well, you could have asked questions of Mr Morgan or someone else there at the meeting-----?-- I could have, yes.

-----but the way I understand what you've been saying-----?-- But they wouldn't have given me answers.

-----is that you chose not to because you thought it was better not to know?-- Well, I don't believe they would have given me the answer had I asked it so I couldn't see any point in asking and I - yeah, I mean, I really wasn't concerned about not knowing.

20

Did you realise that at a later stage there would have to be a third party disclosure?-- No, I didn't realise that.

Yes. Perhaps if I can take you back to that. That information session conducted by the Local Government Department that you attended on the 6th of October, there was handed out, I understand, to potential candidates there a booklet, an information booklet for potential candidates?-- Yep.

30

Could the witness see Exhibit 10 I think it is, that information booklet. Just have a look at this and see if you can recognise this as the booklet given out on that day?-- I know I was given a booklet. Yes, that was - that's probably a photocopy of the booklet, yeah.

Yes. I'm interested - this is relating more to the second part of the Inquiry?-- Yeah.

40

The recommendations we're going to have to make with respect to any changes that should be made?-- Mmm-hmm.

Did you read that?-- I looked at the Act rather than the booklet.

You went directly to the Act?-- Yes.

50

Fine, okay. And did you read through the provisions in the Act about disclosure of election gifts?-- Yes, section 427 was the relevant section I believed.

Right. And what about-----?-- "Gifts to candidates".

Did you go beyond that to disclosure by - of election gifts by third parties? There's a section in there that deals with

that. I can't quite-----?-- I must admit I didn't because I wasn't a third party myself so what they have to disclose is really their own consideration, not mine.

1

Sure, but if you had looked at it you would have seen that it would mean that - and this is something I'm interested in on the reform angle - you would see that they, in fact, if it goes through a trust fund that the trust fund has to disclose the donors so that it will become publicly known who the donors are to that trust fund from which you then receive the money. Would that have concerned you if you had known that that was going to come out?-- No, it wouldn't of because as I said, if - if it did come out that, say, Brian Ray or whoever was the primary donor, should I have been elected to Council I would have simply declared a conflict of interest. I mean, I had-----

10

Yes?-- -----not given any indication that I would favour anyone in any way who had contributed to the fund so I was under no ethical obligation to do so. I would just simply declare a conflict of interest. By the time that I was elected to Council, they're not going to - they can't take the money back.

20

Sure. And don't get me wrong, this is purely on this reform aspect I'm interested, if eight councillors received money from, say, Brian Ray - just take him as an example?-- Mmm-hmm.

And if they all took your attitude then that you would declare a conflict of interest and not vote on any development application, then that means 8 out of 15 councillors would be declaring a conflict of interest and not voting on a development application put in by Mr Ray for one of his companies?-- Well, that's right and I certainly agree that-----

30

Do you see the potential effect?-- I do, but I didn't write the Act.

No?-- Whoever wrote the Act may have considered that more than me.

40

It's a problem isn't it?-- It seems to be.

Okay. All right. And did you look at it in the detail - in here - I don't know, I suppose I should warn you with respect to election returns that if you feel any question you are asked about your election returns or about the issue of election returns might incriminate you of an offence, then you are entitled to claim privilege?-- Right, thank you.

50

And the effect of that will be that you still have to then answer, but the effect is that the answers that are given by you cannot be used against you in any proceeding except for perjury here. If you were to lie in the answers here, then of course perjury can apply. You understand that?-- Yes.

All right. And if you claim the privilege, you can claim it generally for all questions on that topic?-- All right.

1

Now, what I'm wanting to ask you, and again I'm looking at this - and I don't want to lull you into not claiming privilege if you want to. That's entirely up to you. But there is this section in the Act which you might or might not have seen that talks about the relevant details that you have to give-----?-- Yes.

10

-----in your election gifts return?-- Mmm-hmm.

For a donation. And it talks about if you're receiving it from a trust fund, then you only have to give the details of the trustee-----?-- Yep.

-----the person - the name of the person who's the trustee and address, et cetera. But in that booklet that you were given, if you were to have read through it, it sets out that in the opinion of the authors of that book, trust fund does not include a solicitor's trust account. Now, did you notice that in the booklet?-- No, because I just went to the Act.

20

I see. And in the Act, did you take trust fund to include a solicitors trust account?-- No, it doesn't mention it. It just says a trust fund, you have to give the name and address of the trustees which I believe-----

And did you think about that at all as to what you would have to do in this particular case when later you received a cheque obviously from the solicitors trust fund, Hickey?-- Well, firstly, I'd like to claim privilege.

30

Okay?-- Secondly, I thought I had complied with that by naming Hickey Lawyers Trust Fund.

Okay. That's the way you interpreted it yourself reading the section?-- Yes.

Right, thank you. I'm interested in that because it might mean that there perhaps should be some amendments to the section?-- Certainly, I think there needs to be amendments to the form that we're asked to fill out because it's extremely vague in what they're asking for.

40

Look, rather than take the time up on that now, if you would be prepared to, would you be prepared to just in writing put to me or put to the Commission a letter of what suggestions you would have about the form?-- Yes but-----

50

If it's short-----?-- -----if the Act is going to change, it will need to be consistent with the changes in the Act.

Yes?-- So, I could suggest changes. Just quickly, it says name of donor. For a start ask for name and address of donor, and in the Act it talks about a person, relevant details of each gift made by a person, it refers to in the Act. It doesn't mention trust funds in that section. So, when it said

name of donor, I thought they wanted the name of someone that they could contact and verify the amount that I was declaring. So, you know, you possibly need contact name, and then you need person or entity name of where the funds came from.

1

All right. Yes, it ties it in between that section and then the definition of relevant details, but I can see that might be confusing?-- Yes.

All right. Just - you received the money from Hickeys. The first one was a donation of 7000 on 2nd February?-- Yes.

10

And I understand you to say you were getting concerned as to whether anything was coming. Perhaps, Mr Boyle, you might like to take some questions up on that as to - the details as to how that money came and the circumstances surrounding it.

MR BOYLE: Thank you. Just before we leave the point, Exhibit 10, you didn't read it at all; is that right?-- I had a look through it but, no, I didn't read it cover to cover by any means.

20

Right?-- I referred to the Act.

Okay. Well-----?-- I mean, I was aware of the returns in there. That was the actual return I used.

But the section that the Chairperson referred to which I think you'll see on page 16 which talks about - see, at section 2.5.15 which relates-----?-- This was given out very early, in October, I believe, and I was aware that there were a lot of candidates who ended up running who didn't attend that session. So they wouldn't have had the book. So my primary concern was what was in the Act. So I looked at this booklet and I used the return in there, and I was required to fill it out, but in terms of clarifying what I was required to do, I thought it was preferable to go to the Act.

30

All right. Well, you can return that exhibit; that's okay. And from what I understand - well, did you have any understanding of the mechanism of the trust: who was holding the money, who was running it, anything like that?-- No.

40

Well, at some stage you became aware that Hickey Lawyers were involved?-- That's right.

What did you understand their involvement to be?-- I was told that there were some funds available, that I was to collect a cheque from Hickey Lawyers.

50

Who told you that?-- I believe it would have been Chris Morgan but I can't think of anyone else who would have told me, so I assume it was him.

But did you ask Chris Morgan for money around that time?-- That was the purpose of the meeting in December was to source funding, and, as I said, my understanding was that I would receive the funding and then pay Quadrant for services.

All right. Well, we'll - if I could refer to the returns exhibit, exhibit number 4, folder 2, the return that relates to this witness. I can hand over a copy to the witness, it might save time. Now, the Chairperson was asking you about the first payment there. It's listed at 3rd February 2004, and you've got down there Tony Hickey?-- Yes.

Now, why did you put Tony Hickey down?-- Well, it was a misunderstanding. When it said in the Act I had to declare the relevant details for each gift made by a person to the candidate, that was in 427, so by saying Name there I thought they were looking for the name of a person, and I thought the main point of contention would be the amount that I declared, whether I declared the right amount, and I thought the council would then verify with that person the amount that I'd received. But I did amend that later on when Tony Hickey himself pointed it out to me that I had been in error there, and I amended it straight away. Tony Hickey advised me that it should have read Hickey Lawyers Trust Account.

10

20

How did you come to get that money then, that \$7,000?-- I collected a cheque from his secretary.

All right. Was there anything accompanying that?-- No.

That cheque?-- No.

A letter?-- No, I don't believe so. If there was I threw it out. No, I don't remember any letter. Just a cheque in an envelope.

30

If I could just hand you this to have a look at. This is a letter from Hickey Lawyers dated the 2nd of February 2004 to you which attaches that cheque?-- Mmm-hmm.

Did you get a copy of that letter?-- Well, I may - it may have been in the envelope. I probably just - I didn't know that I was required to keep it so I didn't keep it. I can't - don't remember it.

40

You can't remember that letter at all?-- No. I just banked the cheque.

Well, upon reading that letter now would that have stuck in your mind, the contents of that letter?-- It refers to "our trust account cheque".

No, but it says, "as directed by Councillor Robbins and Councillor Power"?-- Oh, okay. Well, they were certainly at the meeting in December, I wasn't surprised by that.

50

Well, would you have been surprised at the fact that Councillor Robbins and Councillor Power were directing that a cheque for \$7,000 be given to you?-- No, because they were at the meeting. Councillor Power was really running that meeting, so I understood that he was involved in - in the

trust account and sourcing the funds. I don't know to what extent but he was certainly involved.

1

Well, at any stage did you think that Hickey Lawyers - well, just to get this straight, Hickey Lawyers weren't giving donations, were they?-- No.

To your mind?-- No.

They were getting instructions from somebody?-- Mmm-hmm.

10

And according to this letter it says the direction came from Robbins and Powell. Correct?-- Mmm-hmm.

And was that your understanding that that's who they were getting their instructions from?-- As I said at the meeting, they were at the meeting, Councillor Power primarily was running that meeting so I knew that he was integrally involved in sourcing the funds. So I wouldn't have been surprised by that.

20

All right. I'll tender that - that letter.

CHAIRMAN: Yes, that will be Exhibit 60

ADMITTED AND MARKED "EXHIBIT 60"

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MR BOYLE: Now, if we move to the next one which is the 24th of February.

CHAIRMAN: Were you tendering the election return? Election gift return?

MR BOYLE: I thought that was tendered in bulk at the start of the - all the election returns.

40

CHAIRMAN: Were they? A bundle? All right.

MR BOYLE: Exhibit 4.

CHAIRMAN: I haven't got a copy of that. It's all right.

MR WEBB: I'm really not point-taking, as you'll appreciate, Mr Chair.

CHAIRMAN: Sorry, I can't hear you.

50

MR WEBB: I'm really not point-taking as you would appreciate, Mr Chair. I'm trying to be of assistance. I've just sought some instructions from a couple of solicitors. As you well know I've never been one.

CHAIRMAN How many solicitors do you have instructing, you Mr Webb?

MR WEBB: Your Honour, there's - we have certain access to the Local Government Association as well, naturally, and they're behind me, and Mr-----

CHAIRMAN: You're meaning you're not taking instructions from them but you've conferred with them.

MR WEBB: Yes, well, I really was seeking some instructions and they just happened to provide some as well as my instructor. Neither of these documents is signed; that's the cheque or the letter. Apparently it's not a matter of trust account procedure that you take photocopies of unsigned cheques and letters; it's not an audit requirement for instance about which thankfully our side of the profession has never had to concern itself directly. I'm just curious as to why there is tendered as a document something that hasn't been acted on - on the basis that someone's going to give evidence that they were-----

CHAIRMAN: I assume Mr Hickey will tell us why he provided a photocopy of the unsigned letter rather than the signed one but I would imagine he would say it's because the signed one went out and the photocopy was made before it was signed or something of that nature.

MR WEBB: Yes, it's just a - well, perhaps it's just a curiosity piece.

CHAIRMAN: Yes.

MR WEBB: I'll leave it up on the shelf, your Honour - Mr Chairman, I apologise.

CHAIRMAN: That's all right, Mr Webb.

MR WEBB: I didn't intend to elevate anyone.

CHAIRMAN: I'm not elevated.

MR BOYLE: Mr Chairperson, that letter will-----

CHAIRMAN: "Mr Chairman" will do; I don't like "chairperson" I'm afraid when I am a man and "manus" is "the hand" anyway.

MR BOYLE: I'll show you another similar letter and that relates to the next payment you refer to in your schedule there for the 24th of February 2004 and it's a letter in similar terms enclosing a cheque for \$3,000?-- Mmm-hm.

Do you remember reading that letter at the time?-- Again, no. I was more concerned about the cheque than the letter I'm afraid.

All right.

MR WEBB: Mr Chairman, I can see the look of patience on your face but this illustrates the point that I didn't make clearly

before. Here we see the cheque's signed but the letter's not. The witness might be quite correct that she never got a letter with the cheque.

1

CHAIRMAN: Well, the witness is answering that she can't recall it; she was more concerned about the cheque than the letter. We'll hear-----

MR WEBB: I understand all of-----

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CHAIRMAN: We'll hear from Mr Hickey whether a letter went out with it or not.

MR WEBB: Yes. Well, we may or we may not.

CHAIRMAN: Well, he'll tell us if he has sent to us, as part of his material under a notice to produce, a copy of a letter which was never sent. If that's the case he will tell us that.

20

MR WEBB: Well, if all he's got is this - he may or may not have a record of whether he ever - a memory or a record of whether he ever signed such a letter. I'll sit down again.

CHAIRMAN: Are you able to recall whether or not - well, sorry, I think you've said you don't recall whether or not you got this letter?-- No, I don't remember it, but-----

Is it possible that you got a letter-----?-- It is possible-----

30

-----but, as you say, you threw it in the bin?-- -----and I've just pulled the cheque out and thrown the rest in the bin because I - I mean I don't - under the Act I didn't think I had to keep any of this material.

I don't think anyone-----?-- Yeah.

I don't know of any reason why you would have had to keep that letter. I might be wrong, but I don't know of any reason.

40

MR BOYLE: Was that the same way, method, that you got a phone call from Chris Morgan, and went and collected it from Hickey's office?-- I believe so because I - Chris was doing all this work and I kept saying, "\$7,000 is not going to cover this work. Where is the rest of the money going to come from? Is there the rest of the money?" I didn't know what was - what was going to come. All I knew is I was running up enormous bills and I was probably constantly ringing him saying, "Show me the money."

50

CHAIRMAN: Well, you presumably wouldn't have been getting him to do that work or allowing him to do that work for you unless you knew it was going to be paid by someone else?-- Well, I was assured that it would be-----

Mmm?-- -----but towards - as time wore on-----

You got worried?-- -----doubts crept in, yes.

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Yes, sure.

MR BOYLE: All right. I'll tender that letter and a copy of the cheque.

CHAIRMAN: Exhibit 61.

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ADMITTED AND MARKED "EXHIBIT 61"

MR BOYLE: So, you basically banked those cheques into your campaign fund account; is that right?-- Yes.

And did you use that money to pay Quadrant?-- Some of it in the end, I did.

20

I'll take you to the Quadrant invoice; is that what you're looking for?-- Yeah, and my bank statements would tell you that as well. I think there was \$8000 from memory at the end that I paid to Quadrant.

All right. If you have a look at this document, please. This is a copy of a statement that was on your-----?-- Yes, that's right, yes.

30

On your file that you provided?-- Mmm.

That's right, is it?-- Yes, that's right. The \$8000 credit there, if you confirm that with my bank statement, \$8000 was paid in a cheque, cheque number 8, on 4th March, and that was that \$8000 that Quadrant lists there.

CHAIRMAN: Sorry, that Quadrant?-- Lists on this invoice as credit.

40

I see. Yes, I just couldn't hear?-- Was the \$8000 that I paid from my account.

So you paid that yourself?-- Yes, from my campaign account.

MR BOYLE: So, basically, you got \$2000 extra from Tony Hickey?-- Mmm.

Which you could keep as part of your general campaign expenses?-- Yes. I provided a profit and loss statement to the CMC and that listed all my expenditure and income.

50

Right. Okay. Well-----

CHAIRMAN: I see. So, out of the 10,000 that you got in those two cheques from Hickey Lawyers?-- Mmm.

8000 of that you paid back to Quadrant?-- Yes.

Is that what you're saying?-- Mmm.

I see. I hadn't picked that up.

MR BOYLE: Okay. And it appears on 4th March you paid that according to the statement by Quadrant?-- Yes.

Now, they did a significant amount of other or - well, it seems as if they would have done about \$26,000 - \$26,672 worth of work for you; is that right?-- Well, I declared \$18,673.72 which I believe - and then there was the \$8000 on top of that that I paid them.

10

Right, okay. But, you see-----?-- Which is from their own invoice when you look at it. There was \$18,001.03 and if you add on the 672.69, it should be the amount that I declared on my return.

Well, yes, that's correct. But can I ask you this: do you know who paid that amount to Quadrant?-- Which amount, the remaining-----

20

The eighteen thousand-----?-- -----18,600?

Yes?-- No, I don't. I thought I had said that.

Right. Well, I'm asking you because on your return, you listed Chris Morgan, Quadrant, as having given you a gift of 18,000, and the gift in kind you've described is artwork, copy writing, web page, signage, printing, materials, et cetera. Why did you put Chris Morgan down there when it's obvious he wasn't the person who was giving the gift. He was paid for that work?-- Because I didn't know anyone else to put down there. That was where I had received those in kind services from.

30

Right?-- I didn't know who-----

But you never understood them to be doing work free of charge for you?-- No.

40

You understood that that was to be paid by somebody else?-- Yes. And I wasn't particularly trying to hide that but I didn't feel it was my responsibility to try and grill them as to the source of the funds.

CHAIRMAN: You have claimed privilege on this, so what you answer is covered by that privilege?-- Yes.

50

But there is a section in the Act that puts a responsibility on you to find out where the source of the moneys is that's coming to you through some person such as Chris Morgan or Quadrant if in fact it was coming to you from Chris Morgan or Quadrant?-- Right. Well, it was only really - all along, as I said, I thought the money was going to come to me and I would be paying Chris Morgan, and I thought that money was coming through a trust fund, but I didn't ever receive the money. I

only received the in kind services. So, I could only declare really what I knew about.

1

Yes. Sorry to have to tell you about it but there is a section in the Act that makes you responsible for finding out. Did you not read that section in the Act?-- Could you read it to me, please?

CHAIRMAN: Someone might be able to tell me the number of it.

10

MR BOYLE: 428 - 428, Mr Chairman

CHAIRMAN: 428. It says that-----

MR BOYLE: I've got a copy of this Act.

CHAIRMAN: Yes, just hand it up so you can have it in front of you. It's easier than listening to someone else read it?-- Okay, thank you.

20

The top of that page, "It is unlawful for a candidate for an election to"-----?-- So this is 428? Yes.

Yes. Subsection (1)?-- Yes.

"It's unlawful for the candidate for an election during the disclosure period" - sorry, "to receive during the disclosure period for the candidate a gift made to or for the benefit of the candidate, the value of which is the prescribed amount or more, unless (a) the relevant details of the gift are known to the person receiving the gift." In other words you must find out the relevant details which you would have seen. "The relevant details" means that if it's a person, of course, the name of the person who gave it-----

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MR BETTS: Excuse me, Mr Chairman, can I ask a question?

CHAIRMAN: No.

WITNESS: Well, I must admit I didn't sit down and read the Local Government Act from cover to cover and I was working with councillors who I perhaps trusted as being experts in the field, and I took their advice.

40

CHAIRMAN: Those councillors being?-- Councillor Power, I guess, being - and Robbins being the primary ones.

And what advice did you take from them?-- I believed I had to declare the source of the funds.

50

As?-- As far as I knew it.

Yes, but as - is that what you were told by them, that you had to declare the source of the fund as far as you knew it?-- No, not in those words. I understood it was done through a trust fund and I would have to declare that trust fund. But in the end I didn't receive the money from the trust fund so I could only declare what I knew.

1

All right?-- I mean, I had-----

It might have left you in an awkward position?-- They offered me the assistance and I thought I would be paying Chris Morgan through the trust fund and declaring the trust fund but they didn't do that in the end.

All right. Yes.

10

MR FYNES-CLINTON: Mr Chairman, may I just very quickly point out that section 428 does not create an offence, it does create potential civil liability.

CHAIRMAN: Yes?-- Possibly - I mean, I guess in hindsight I should have - instead of putting Chris Morgan there I should have put the Tony Hickey Trust Fund, but I wasn't aware of who was paying it, so, yes.

Yes, I think I used the term to you that you were perhaps placed in an awkward position the way it panned out?-- Mmm.

20

MR BOYLE: Were you aware the Tony Hickey Trust Fund paid that amount?-- All the work was being done throughout the period of the campaign and all that time I expected to receive further cheques from the trust account to pay Chris Morgan, but it didn't ever happen. I didn't ever receive that funding.

Right. But the fact that this amount was paid, the \$18,000-odd, you don't know how that - or who paid that?-- It was through the trust fund. I guess I knew it was through the trust fund, but because it was in kind I've just put "Chris Morgan" and not the trust fund. But again, that was after the election that I've - I didn't know Chris Morgan had done 18,000. I didn't have any invoices or anything from him until I contacted him to put in my return and said, "Can you give me a statement of what was spent so that I can declare it?"

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And you were sent that document?-- Mmm.

40

I don't think I've tendered that.

CHAIRMAN: Are there copies - have you given us copies of that?

MR BOYLE: Yes.

CHAIRMAN: And is that in the normal form that I've seen those where it shows on the top of - you're coming to that, are you? Have you got that letter from-----

50

MR BOYLE: The Quadrant-----

CHAIRMAN: -----Quadrant.

MR BOYLE: The account, the statement?

CHAIRMAN: No, no - oh well, it shows on this document you have in front of you that it's the Lionel Barden Trust Account, R Scott c/o Hickey Lawyers?-- Well, I mustn't have looked at that clearly because Tony Hickey told me to put Tony Hickey Trust Account on it so that's what I put on it. I mustn't have read that clearly.

1

So Tony Hickey told you to put that on?-- Yes.

Did you ring him?-- No, originally I wrote Tony Hickey and he took offence to that when he found that it was declared that I'd made an error so he then contacted me and said it was an error, I should correct it, which I did, and I should put in Tony Hickey's Trust Account.

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All right.

MR BOYLE: I'll tender-----

MR WEBB: Section 24 does apply here, does it not?

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CHAIRMAN: Is it a mistake of fact or law?

MR BOYLE: Just before we do that, at that point - or when was the point that you became aware that Lionel Barden may have been involved in these accounts?-- I'm not at all clear on when it was, it was a realisation that came to me over time. I couldn't put a - I just can't remember exactly when, I don't think it was mentioned in the December meeting and I think it was probably in a Bulletin article after Christmas at some stage.

30

At some stage before the election?-- I think the Bulletin had printed that but I didn't know whether that was right or not at that stage from memory.

You hadn't had any contact - further contact with Lionel Barden during the time of your campaign?-- Not until the session at Lakelands when he ran that.

40

Right. I'll tender that Quadrant statement.

CHAIRMAN: That's Exhibit 62.

ADMITTED AND MARKED "EXHIBIT 62"

MR BOYLE: It's the period from the 1st of March 2004 to the 1st of April 2004 from Lionel Barden Trust Account, R Scott. Now, there was a letter - you were talking about a correction you made?-- Mmm.

50

See the - there's an attachment to your return, do you have a copy of the return, there's a letter to the-----?-- Yes.

-----Chief Executive Officer of the Gold Coast City Council?--
Yes.

1

And it's signed - appears to be a copy of a letter signed by
you on the 15th of June 2004?-- Mmm.

And what happened that caused you to write that letter?-- Tony
Hickey contacted me.

Was that after you saw something in the paper about it?--
After he saw something in the paper about it, yes.

10

Okay. And so you sent that letter?-- Yes, he asked me to
amend it.

All right. Now, the other donor - before we go on, so far as
the payment of the Quadrant account, did you understand that
you were fulfilling your obligations to report in the return
by putting down Chris Morgan, Quadrant?-- Again, the way the
return's worded with a - the table that's provided I took it
to mean that they wanted - whether I could verify the amount
and the type of services provided. I thought it would be -
the onus would then be on whoever I received it from to state
where they received it from, if that was something that was
needed to be known.

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What about the one for Hickey Lawyers; is there any reason you
didn't disclose Power and Robbins on that occasion?-- Is there
a reason why I should have, because their name wasn't on the
cheque or anything.

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Right?-- I had no reason to do that.

Okay. And you say you never saw those letters?-- No, I didn't
say that I didn't see them; I said I-----

CHAIRMAN: She didn't say that at all?-- -----don't remember
them. I might have just thrown it in the bin with the
envelope.

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MR BOYLE: And you were referred to a section by the
Chairperson; did you think that you were obliged to seek out
information to complete your return?-- Yes, I asked everyone
who assisted me to give me written evidence of the value of
what they provided to me.

Right. But as to the source-----?-- That's why I have the
Quadrant-----

-----further information as to the source of the donor?-- No,
I thought that was their responsibility.

50

That's your writing on the return, isn't it?-- Yes.

So at the time you were filling it out were you getting advice
from someone as to what you put in there?-- No, I should have.

Well, did you think that you were obliged to find out who gave the money to Hickey Lawyers before accepting the money?-- No, I don't because I - it says for a trust fund you need to give the name and business address of the trustee. I didn't think it said that I had to find out who the trustee received it from.

1

Okay. If we can - so just to sum it up, you thought you were fulfilling your obligations in putting Hickey Lawyers - Tony Hickey - down?-- Yes.

10

Okay. Mal Chalmers, you've got him down there as-----?-- That was the same situation; he was also a solicitor and again I thought they wanted the name of the person they could verify the funding with, so when Tony Hickey contacted me I said I had incorrectly put his name down on the form. I realised, well, yes, and I've done the same thing with Mal Chalmers, so I altered that one as well, because that was a trust account as well.

20

Well, how did this come about, that you were getting money from Mal Chalmers?-- I had been doorknocking around the area fairly extensively and, yeah, Mal Chalmers contacted me and said there was funding available.

Did he say who it was from?-- No, he said it was in the form of a trust fund, and because I'd had the experience with the other trust fund where I had been working with councillors who I trusted to know the processes, I assumed it was a fairly regular activity that trust funds were used for these purposes.

30

Okay. So you didn't question him as to who the donor was?-- My understanding of any donations I received wasn't that they were for me personally; it was because they had some objection to the current councillor. I didn't think that the money was given to me because I was me; I thought the money was given to me because I was running against someone that they would prefer to be voted out.

40

Right. So you didn't ask him?-- No.

And - well, did you have any inkling as to who it might have been?-- I had an inkling that it could have been, yeah, Norm Rix, because I had spoken to him when I was in the area.

You had quite a lengthy discussion with him?-- What's lengthy? Yeah, an hour or so.

Did he say in that discussion that he was going to make a donation to you?-- No, he - we talked about - he's on Ashmore Road at The Pitstop and a friend of mine owns the Blockbuster nearby and I've popped in there a number of times, the Blockbuster, just to talk to my friend, and I called in there one day and was talking to him and apparently Councillor Crichlow at some stage had deemed Ashmore Road to be residential, not commercial, and somehow his development -

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there was a problem with it and he couldn't see how Ashmore Road could be considered not commercial and he had a bit of a - I suppose you might say grudge; I don't know. He had obviously felt that he'd been poorly treated by the councillor. So while he didn't promise me money I guess I assumed that maybe it could have been him that provided the funding. But the purpose of the trust fund according to Mal Chalmers was to protect the identity of the person. I guess he didn't want any further backlash so I respected that.

1

Did you know Mel Chalmers before that?-- No.

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And the sort of work, judging by your previous answer, is that Mr Rix was involved in some sort of development-type work?-- Well, a shop; is that a development? I guess it is.

Did you know he was a developer?-- No.

Rix Developments?-- No, I didn't know. I don't mix in those circles.

20

What do you say to the proposition that he mentioned a figure of \$5,000 in that meeting that you had with him?-- Who's proposing that?

Well, I'm just asking you, can you comment on that as a proposition?-- I don't-----

CHAIRMAN: The "he" being Mr Rix.

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MR BOYLE: Mr Rix?-- He may have.

Well, is there any reason you didn't - not knowing where these funds come from, the Mal Chalmers' funds, was there any reason, if there was some sort of discussion with Mr Rix about a possibility of a donation, you didn't follow up further with him?-- No, Mal Chalmers, I - yes - no, I didn't follow it up any further than that day with Mr Rix.

I'm asking you - well, did you know - to your mind, did you believe that money came from Mr Rix?-- I was reasonably certain it did, yes.

40

And is that the reason you didn't follow up with Mr Rix chasing the \$5,000 or any donation he might give?-- I suppose so. I didn't follow up on it any further. I guess by that time I was learning that other funding was available so I didn't follow up on anything any further.

Mr Chairman, what time did you want to-----

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CHAIRMAN: It goes quickly when you're having fun. We'll adjourn till - would you be ready at a quarter to 10 in the morning?

MR BOYLE: Yes, Mr Chairman.

CHAIRMAN: Everyone else? Yes, 9.45, thanks.

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THE HEARING ADJOURNED AT 4.38 P.M. TILL 9.45 A.M. THE
FOLLOWING DAY

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ADMITTED AND MARKED "EXHIBIT51"..... 292

ADMITTED AND MARKED "EXHIBIT52"..... 302

ADMITTED AND MARKED "EXHIBIT 52"..... 303

ADMITTED AND MARKED "EXHIBIT 53"..... 308

ADMITTED AND MARKED "EXHIBIT 54"..... 315

ADMITTED AND MARKED "EXHIBIT 55"..... 316

ADMITTED AND MARKED "EXHIBIT 56"..... 332

ADMITTED AND MARKED "EXHIBIT 57"..... 333

ADMITTED AND MARKED "EXHIBIT 58"..... 339

ADMITTED AND MARKED "EXHIBIT 59"..... 355

ADMITTED AND MARKED "EXHIBIT 60"..... 363

ADMITTED AND MARKED "EXHIBIT 61"..... 366

ADMITTED AND MARKED "EXHIBIT62"..... 370