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## Transcript of Proceedings

CRIME AND MISCONDUCT COMMISSION

MR R NEEDHAM, Chairman

No 5 of 2005

PUBLIC HEARING INTO GOLD COAST CITY COUNCIL

BRISBANE

..DATE 28/10/2005

CONTINUED FROM 20/10/2005

..DAY 11

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THE HEARING RESUMED AT 9.48 A.M.

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MR QUINN: Mr Chairman, whilst Counsel assisting is in the process of getting ready could I announce my appearance? As I understand it there's no need to seek leave, Mr Chairman, but Mr Terry Martin, Senior Counsel, and myself are appearing on behalf of Mr Tony Hickey, a witness in these proceedings.

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CHAIRMAN: Thank you, Mr Quinn. Mr Morgan, you're still on the former oath that you swore last time you were here, thank you..

CHRISTOPHER LAWRENCE MORGAN, CONTINUING:

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CHAIRMAN: Thank you, Mr Mulholland.

MR MULHOLLAND: Mr Chairman. Mr Morgan, can I first of all take you to what you have included in the - behind the Ray divider of your documents. Do you have all your documents there?-- I have no documents here at all.

Exhibit 139 please, Mr Chairman. Now do you have the e-mail of the 19th of December 2003 from yourself to Mr Ray?-- Yes, dated Friday 19 December, yes, I've got that.

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All right. I just want to take you to this e-mail. You agree that this is an e-mail that you sent to Mr Ray on that date?-- That's correct.

In which you said, "Met with David and Sue again today to recap and agree on activity for the new year. We have set a next meeting date with all candidates for Thursday the 8th of January, 8th of Jan at Quadrant," et cetera. Now that refers to a meeting that you had with David Power and Sue Robbins, correct?-- Correct.

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You are reporting to Mr Ray in regard to that?-- Yes, that's right.

Is that correct?-- That's right.

Why did you - why were you reporting to Mr Ray?-- Just basically an update.

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Why were you providing Mr Ray with an update?-- Brian had introduced us to the business, if you wish. He's a client of ours in another capacity. I was just basically giving him an update as to where we were at that particular point and what the next activity was. Brian was particularly - it was pertinent to keep him in the picture in the sense that, as I said, he also needed to establish a realistic budget at the

earliest opportunity. That's the primary reason for keeping Brian informed.

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That's in the next paragraph?-- Correct.

Then you go on to say, "Can you give me a call please when Tony confirms he has the trust fund in place and we can begin to follow up on donors?-- Correct.

So all of this indicates that you were well aware that Mr Hickey was going to receive into his trust account the moneys which were donated concerning this election campaign for the selected candidates, is that correct?-- That's correct, yeah.

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Now, could I ask you to look at Exhibit 89. Well, perhaps I can ask you about this while that's coming. This is an e-mail, it's not your e-mail, but it's an e-mail which was sent internally from Sue Davies to Brian Ray. In it she says - this is on the same date and it's at 2.40 p.m., according to the e-mail, that "We have Chris Morgan reminding you to establish a trust account for the campaign." Do you - do you remember whether or not you actually telephoned Brian Ray's office?-- I can't recall that at all. I'd say Sue had been - his PA would probably have reminded him, it's her function, I guess. But I can't recall any conversation with Sue, no.

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You see, the e-mail that I've referred you to within your own bundle was dated 3.30 p.m., and the other one was at 2.40?-- Mmm-hmm.

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You can't remember. I suppose you might have had a telephone call with his office?-- It's possible. I can't recall that.

All right. Well, you could return that please. Now I'd like to show you, if you go to the foot of that - sorry, to the next e-mail?

CHAIRMAN: This is in Exhibit 139?

MR MULHOLLAND: Thank you. Friday the 19th of December, 3.59 p.m.?-- Mmm-hmm.

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This is from Brian Ray to you, follow up?-- Yes.

He indicates to you what the state of play is?-- Correct.

I won't read all of that. And you go on to say to Mr - sorry, Mr Ray goes on to say to you, "Tony and I will finalise the rest of the fundraising during January and we haven't received any negatives in dates and therefore we're reasonably confident that we can expect to raise \$300,000." Now, that's a figure that you mentioned I think-----?-- That's correct.

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-----the other day. And then he goes on, "I think it would be in order for you to send invoices to those people that I've outlined asking them to pay their funds directly now to Hickey Lawyers Trust Account and Tony Hickey has indicated that he will require to open that account in the name of David Power

and Sue Robbins Campaign Account." Is that right?-- That's what it says, yes, that's right.

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Righto. So you were aware of all of that on that date as a result of being informed of it by Mr Ray?-- That's correct.

You didn't know it otherwise?-- No, no, that's what we understood.

Sorry?-- Yes, that's correct.

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Yes. In particular, you were aware that the Hickey Lawyers Trust Account insofar as its campaign funding was concerned was going to be opened in the name of David Power and Sue Robbins Campaign Account?-- Correct.

Now, if you go to the email of the 21st of January 2004 from Sue Robbins to yourself-----?-- That's right.

"This is Commonsense candidate resource work in progress". You'll see that there was, first of all, an email - if you go to the foot of the page - which was sent from you to David Power with a copy to Sue Robbins on January the 15th, 2004 - same subject?-- Mmm-hmm.

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Reporting to them, again, in regard to what's happening?-- That's right.

And why are you reporting to them?-- They're the individuals that I've been referred to as being responsible for some potential new business as we discussed previously.

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Right. And they are, to your knowledge, the people whose account had been opened with Quadrant; is that right?-- I had created ledgers - a ledger within the office, within our company, call the Power and Robbins Campaign Account/Trust Account, whatever, which we attributed activity to, and on the basis of the information that I had received which is detailed in these emails.

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I'm not quite sure what I take that to mean, Mr Morgan. Does it mean that this was a real account that was opened?-- It wasn't a banking account if that's what you want to imply. No, it was a - it's a ledger within our company relative to a new client.

Well-----?-- Standard practice.

Well, that to your knowledge is the same thing that happened in relation to the Hickey Trust Account, isn't it, except-----?-- Well, we-----

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-----that the moneys which were donated went into the trust account?-- Moneys that were donated went into the trust account. From our point of view, we're not operating a lawyer's trust account.

No?-- We weren't receiving funds and then distributing them.  
I'm not sure what your - the question is.

1

Well, who was the client? Who was your client at this stage?-- The client at this stage was Power and Robbins.

Right, okay. So you're reporting to your clients?-- Correct.

Now, you refer in the email to David and Sue to Brian Rowe, Grant Pforr, Roxanne Scott, and Greg Betts?-- Mmm-hmm.

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Now, they - you have explained this elsewhere - they were the people who were going to and did, in fact, receive funding?-- Yes, they did-----

So you know that they received direct funding and they also received funding through the work that was paid for that you did for them?-- The specifics of what they received directly from the trust account on a direct basis, I have no direct knowledge of. I'm certainly aware that we assisted them with funding - sorry - we assisted them with work for which we were reimbursed, yeah.

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And you would have been aware during this period that - that is in January/February - that they were receiving funding directly. You may not have known the precise amounts but you were aware that they were receiving direct funding?-- I know Brian Rowe was. The extent to which the others were, I - I wasn't quite sure. I certainly become aware in February but not necessarily in January, not at that particular point.

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And that is - in relation to those four people, of course in addition to that Mr Moelhoek was a person who you provided some strategic assistance is the way that you described it, during the course of the campaign; is that correct?-- We had a phone - we had a conversation on the 30th of January or thereabouts at the end of January, that's all.

Well, I'm - yes, I'm just referring to what you have described in the letter that you provided to the Commission?-- The answer to your question is yes, that's correct.

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And you know that Mr Moelhoek was seeking funding. Indeed, he continued to seek funding almost up to - or right up to the election eve, didn't he-----?-- Yes, he did.

-----on the 27th of March?-- Yes, he did.

It is just that he didn't get any funding?-- There was no funding there to be made available to him at that time, no.

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Now, your clients, Sue Robbins and David Power, were of course the sitting councillors?-- That's right.

They were the ones who were giving you instructions in relation to what you should do?-- They - I spoke to David and Sue in relation to the trust primarily in terms of obtaining funds. They gave us no specific instructions in the conduct

of the campaigns that we had produced for three individual candidates, no.

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Well, you did work for these candidates-----?-- Yes.

-----in the period up to the end of January, beginning of January, and when the changeover occurred to Lionel Barden, you did work for the candidates, didn't you?-- Yes, we did.

And in that period the clients and the people who were giving you instructions in relation to whether or not you could perform the work was or were Power and Robbins?-- Yes, yes.

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Now, as I say, they were sitting councillors. The other name that I haven't yet mentioned is Mr La Castra?-- Mmm, hmm.

So far as Mr La Castra was concerned is it the position that he was acting as a mentor for Roxanne Scott-----?-- That's correct.

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----- to your knowledge?-- That's correct.

And I suppose you would have seen him from time to time during the course of the campaign?-- Yes, we would have.

All right. Well now you go on, in this e-mail of the 15th of January, to say, "David and/or Sue, I need your immediate assistance in a couple of areas please. One, Legals - we need an experienced point of reference to obtain unambiguous (and no charge?) advice on matters relating to Local Government campaigning. I'm receiving constant queries from these candidates" et cetera. We spoke about this the other day?-- Correct.

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This is advice which you wanted to receive but was never received?-- That's correct.

Despite the fact that you had taken it up with Mr Power and Robbins?-- That's right.

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Ms Robbins. All right. Now, in - if you go to paragraph 3, "Timing", you say, "In the light of the February 7 State Election and three weeks of intensive campaigning what are your thoughts on local bodied candidates actively campaigning at the same time? I'd appreciate your comments please." Now that is in reference to the group of candidates that I've just spoken to you about; isn't it? That's who you're talking about?-- Yes, that's in reference to them, yes.

Now would you go please to the 2nd of March, I would suggest, to familiarise yourself with these if you haven't already done it. You'll see that there are several e-mails for this date and the first one appears to have been - is second in the order in which it's presented in that file. Did you see that - 2nd of March, 12.11 a.m.?-- Yeah.

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And this came to you from David Power re funding?-- Mmm, hmm.

And this was after you had sent him the e-mail which appears at the foot of the page; is that right?-- Correct, that's right.

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Okay, and what you say to him on that date, "One way or another Quadrants are now in a situation of underriding a significant portion of the campaigns for various candidates within the parameters we discussed. The invoices which you initiated for payment and which I forwarded to Tony Hickey's office some-----"

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CHAIRMAN: It's "initialled for payment".

WITNESS: It should be "initialled" actually.

MR MULHOLLAND: Sorry - "initialled which" - yes - "for payment which I forwarded to Tony Hickey's office some four weeks ago remain unpaid. This is not the arrangement we entered into to date, Quadrant" - et cetera - "Regards" from you. Now, this is a considerable period of time after the changeover from Power Robbins to Lionel Barden occurred within the records of Quadrant; isn't it?-- That's right.

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So the client had become, I suppose you'd say, Lionel Barden. Is that what you say, Mr Morgan?-- We changed the name of the Power and Robbins account to the Lionel Barden Trust Account. Here I'm chasing David, basically, because he was more involved with the sourcing of funding, if you wish, with Brian and Lionel - I'm not aware that Lionel made any inquiries with regard to funding. So the inquiry would have been directed to David.

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What do you say to the suggestion that it appears from this e-mail that you are really reporting to David? You are dealing with him as the client even though he may not, at that point, have been the client on your records. What do you say to that proposition?-- David in this instance, as was Brian Ray, were primarily sourcing funding. I was not looking at David or Sue Robbins for that matter as the client in this context. As a matter of fact our clients had become three individual candidates. The whole purpose of this e-mail to David is to what's happening with funding. Where's the money? In terms of him being the client the client's in my mind - the company's mind - were the three individual candidates that we were working for.

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The clients were who?-- Three individual candidates that we were working for.

Right?-- Under the banner of The Barden Trust Fund which - for which funding was being sought by Brian Ray, Tony Hickey, David Power.

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I'm asking you about the client in the sense of who you were accepting instructions from. This rather appears that you're accepting instructions from Power?-- With respect to funding, definitely. He was-----

Why wouldn't you have sent this to Mr Barden?-- Mr Barden wasn't actively involved in securing funding, to my knowledge. David Power was. He'd been the person that I'd been speaking with with regard to that, and Brian Ray, from the outset.

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What, in fact, did Mr Barden do?-- As I've indicated before, Mr Barden provided a cheque in terms of the invoices that we produced each month. He cross-referenced those. He authorised those for payment to the trust fund.

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Did he ever disapprove of any of the invoices through - you raised?-- Not to my knowledge, no.

So it was purely, it would appear, a formal exercise that he performed?-- It was a requirement of Hickey Lawyers that there be an independent person, whose name was on that trust account, to authorise payments with respect to that.

All right. I'm not going to go back on what I asked you about the other day. This - "You refer to invoices here for payment." Do you see this - "the invoices" - what invoices are you speaking about-----?-- We had some----- -

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-----"I forwarded to Tony Hickey's office some four weeks ago remain unpaid"?-- Those would be our January invoices.

The January invoices?-- Correct.

Yes?-- I would expect that would be looking at the dates, yes.

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All right. Well, I might show you some invoices which are part of Exhibit 144.

ORDERLY: 144, was it?

MR MULHOLLAND: 144. What I want to show you, Mr Hickey, as no doubt you're already aware of, is that there were two invoices issued by Quadrant on the 27th of January 2004 relating to Mr Pforr's campaign, and these were issued in the name of Power and Robbins. They are respectively, this is in relation to Mr Pforr, numbers 045 and 046, that is 817045, 046.

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MR NYST: What exhibit number is it?

MR MULHOLLAND: 144.

MR NYST: 144.

MR MULHOLLAND: If you just turn over that couple of pages and you'll see the first of them, which is 045. You see that?-- Yes.

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Now this invoice total is for \$226.27?-- That's correct.

Go to the next one, this is again for Pforr, Mr Pforr, 046, \$177.71, you'll see issued to Power and Robbins' Trust Account?-- Mmm-hmm.

As it's described at the top?-- That's right.

Go to the next one. Now, these two amounts of \$11,000 total, \$10,000 plus GST of \$1,000, dated the 27th of January 2004 respectively numbered 048 and 049 relate to consultancy fees of Quadrant?-- Correct.

And they are again in the name Power and Robbins Trust Account?-- That's right.

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Now, in due course these invoices were issued to Lionel Bardon, weren't they?-- That's correct, to the account that he has tabled under that name, that's right.

All right, but here at the end of January, this is before the changeover date, these were issued in Power and Robbins' name. Now, do you remember that happening?-- Yes, quite clearly.

You see, what I would be interested in hearing your comment about is this, that in April of 2005, April this year, the Commission received a bundle of invoices from Mr Scott. Now Mr Scott is a director of Quadrant, correct?-- That's correct.

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And in that bundle of invoices these four invoices were included?-- Mmm-hmm.

When the Commission issued its notice to yourself and was supplied with your material in your letter sent - or with your letter sent in August, those original invoices did not appear. Now, what did appear were invoices which had been re-issued for the same amounts in the name of Lionel Barden?-- Mmm.

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Now, you know that this is so?-- That's correct.

Were you aware at the time that you supplied the material you did to the Commission that there had been these four invoices that had been originally issued in the names of Power and Robbins?-- It was about three or four questions there. If I may explain. Firstly the material that was supplied to the Commission in April of this year was supplied by Tony Scott in my absence, I was overseas at the time. Tony would have taken from the existing ledgers all the pertinent material here and supplied it to the officer concerned. The subsequent request that came through when I had returned to the office, Tony was unaware that I had a complete set of information on the accounts and - which were in my office - and with the additional request I included all of those.

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Now what do you mean that he was unaware that you had within your office a complete set?-- The invoices that he would have taken-----

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Do you mean on the computer?-- No, no, just - I had a - I had a complete file set aside of all work that I felt was relevant to the campaign, which included these.

This is in hard copy?-- In hard copy.

Right?-- And I had that set aside in my office. Tony was not aware of that. He didn't ask me about it, he just went and in good faith took all the material off the files with all the other-----

You mean, he went - and as you understand it, he took it off - he took the documents off the files not in your office?-- Not in my office. Just the normal ledgers where all accounts are relevant, which were all filed in lever arch files.

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Right?-- And to the best of his knowledge at that time he provided everything that existed at that point. The material - sorry, the request for additional information was quite specific and I've provided every other single item that I had in my office, which included that other information. Tony would have been totally unaware that they existed at that time. And now I'd like to also address why there are two sets, if I may. The original account, and there is I think an e-mail there from Brian Ray, instructing us, basically stated that we were to - or a trust account campaign account was to be opened in the name of Power and Robbins within Hickey Lawyers, and you have an e-mail there to that effect, and that is exactly what we opened, the internal documentation within Quadrant under that name. We prepared our accounts at the end of the month as we normally do with all clients, including this particular one, dated the 27th of January and it was under the name of the Power and Robbins Trust. When I went to present that account for payment I was advised no, that was to change, and we'll get to obviously letters of appointment and other names in due course, but we were advised that that was to change and on the 30th of January, a day or so after I would have had these, I was advised that the trust name was to change to Lionel Barden, and I subsequently received e-mails to that effect. Now we had raised two lots of our consultancy fee invoices and this initial material for Grant Pforr's campaign under the name Power and Robbins in good faith at the end of January. We were subsequently advised that name had to change, which I received an e-mail for, and on I think the 6th of February I think it was, I instructed our accounts people on the information that I had received to change the name and to change all the documentation from Power and Robbins to the Lionel Barden Trust Fund. A complete duplicate set of accounts were made relative to those ones, which is why there are two. The ones for Power and Robbins I just simply put on my file because they were not relevant to the campaign any more. The client name had changed and all of the accounts for Scott, for Pforr, and for Betts, plus our own fee account, were all changed to the Lionel Barden Trust Fund.

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Now, let's get back to the first point that you made. These were issued - these four were issued on the 27th of January?-- Mmm.

Are you saying that you did not send them at that time, you held them?-- I went to present them and-----

When did you go to present them?-- Would have been between the 17th and around about the 3rd or 4th of February I would think.

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Right. Well, is there some record that you can refer to, to inform us about that?-- Not really. They would normally have been put in the mail; I would've sent them through to Tony Hickey, I would think.

Well, did you send them through?-- I can't recall whether it put it in the mail, faxed or otherwise. They would have been presented for payment.

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Who did you speak to in relation to these not being acceptable that there was going to be a name change?-- I think it was David - David and/or Sue, I can't recall specifically, indicated that no, these were not to be paid as the Power and Robbins Trust Account.

Right. Well, presumably they told you why?-- Not necessarily. It was to change. I didn't question why. My whole point was what on earth are we going to be invoicing this as; how are we going to get paid; if it was going to change, what it was going to change to. There was some indecision on that initially. We've got fund sitting there, we're expending dollars. What are we going to call it? It's basically a bookkeeping entry.

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All right. Well, again I'm not going to take you to what I put to you the other day, but you're saying that there was a conversation which doesn't seem to have been recorded anywhere that you had in relation to these invoices with - with, you believe, Mr Power?-- Yes, it would have been with David most likely. I spoke mostly with David.

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And he essentially indicated to you that there was going to be a change?-- Mmm.

He told you what the name was going to be?-- He indicated that Lionel Barden was either going to give his name to it; whether he had confirmed that or not I'm not sure. I suspect he hadn't because the actual written confirmation of that came through in an email around about the 3rd or 4th I think of February.

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And you're asking us to believe that you had no conversation with Mr Power as to why this change was being made?-- Wasn't an issue. All I'm looking for is confirmation of what is this to be called. If it's not the Power and Robbins which we were initially advised it was, then what is it going to be so we can basically recover the funds.

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Now, these - this change was made. Up until this time within the accounts-----?-- Mmm.

-----the client would have been shown as Power and Robbins; correct?-- Correct; that's right.

And that's what the computer records would have shown?-- Mmm.

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Is that right?-- That's right.

Now, after the change was made, did the computer records of Quadrant continue to show that up until the changeover date the client had been Power and Robbins or were the - those computer records altered so as to obliterate any reference to Power and Robbins? Now, do you understand the question, Mr Morgan?-- Yeah, I understand the question. No, they would not have been altered.

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Okay. So then-----

CHAIRMAN: Well, hang on. It was a double-barrelled question and I'm not sure what the answer quite refers to.

MR MULHOLLAND: Go on?-- They were altered to the extent that we'd been instructed to effect a change of name of a new client. It's not uncommon. Quite frequently we - we get changes to names. It's - it's not something we question. This particular exercise we were going through is not unlike a number. You - you're looking at new business. We have to for the purposes of quotations enter some ledger, we have to create some documentation in the office as to what this is called. We often create just a working title name until we get a clarification as to which particular company we're working for.

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So if one went after the changeover date to seek to generate from the computer the accounts or the invoices which had been raised in relation to Power and Robbins, that would have been easily achievable?-- It should have been. I didn't seek to hide that. I wouldn't have included that information in the subsequent documentation. It was relevant-----

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But you didn't?-- -----to, you asked for it; I supplied it.

Yeah, but you didn't. You didn't-----?-- Sorry, I didn't what?

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You didn't include those four original invoices or copies of them when you supplied information to the Commission?-- I was not in the country to receive your instructions to that effect. My partner, who wasn't aware that they existed, sent what he thought was exactly available on the current files.

That's not what I was asking you. When you supplied information to the Commission in August, you did not supply copies of those invoices in the names of Power and Robbins, did you?-- That's how they arrived here. They came up with the material I supplied in August.

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You're saying that these four invoices-----?-- Mmm.

-----in the name of Power and Robbins were supplied by you in August?-- That's what I would imagine, if they weren't in there in the original material.

Well, I'm suggesting that's what I am suggesting to you that they were supplied with the original material?-- Oh, my apologies. I'm - yeah.

But not with the material that you supplied, and I'm seeking an explanation as to why that is so.

MR BOE: Could I just - the witness is being asked to respond to an assertion that he does not presently as he is sitting there seem to know. If in fact it's true, it should be shown to him that it's true that he did not provide it.

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CHAIRMAN: Well, if he's not accepting that, then it can be if necessary shown to him-----

MR BOE: Well, what I would ask is that-----

CHAIRMAN: -----but I'd go to a more basic point than that, Mr Mulholland. The notice that was served on this witness requiring him to produce material does say it requires him to produce all documentation not previously given by you to the CMC by letter under the hand of Tony Scott dated 19 April '05, so-----

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MR MULHOLLAND: That is so, Mr Chairman. However, the letter itself is a document that I'm about to take the witness to, and that is in different terms. I'll do it now to be fair to the witness.

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CHAIRMAN: Okay.

MR MULHOLLAND: Let me - let me take you to the letter of the 19th of August 2005. What you said - have you got that letter there?

CHAIRMAN: Where does that appear? Is that-----

MR MULHOLLAND: That's - well, that's part of the documents. Perhaps the witness could be shown that. Now, on that first page you say that you replied to the schedule which had been provided by the Commission-----?-- Mmm.

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-----as follows, "1. All documentation not previously supplied by Tony Scott on 19 April 2005, specifically information contained on any computer or computer disk or other electronic storage medium relating to the GCCC elections of 27 March 2004, is attached in hard copy form"-- Right.

Right?-- Okay.

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"The attached material includes printouts of all emails and word documents during the campaign period and defines the services Quadrant was requested to provide by individual Council candidates. Specific services requested/offered are detailed in the letter of 16 December '03, attached, presented at the initial meeting" etcetera. You then go on to say, "We also include are" - I think "We also include copies of all

invoices, receipts, remittances, advices, or similar documents previously provided to your office on 19 April 2005"-- Mmm-hmm.

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So what you're saying is that you were including with this letter all of the documents which had been previously supplied by Mr Scott, and what I'm suggesting to you is that, in fact, that did not happen; what you did not supply to the Commission in August were the four invoices which had been issued in the names of Power and Robbins Do you follow what I'm putting to you now?-- Yeah, I'm following - yeah, I understand where you're coming from, yeah.

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Can you explain to the Commission why that is so?-- I've supplied what ever other material I had in a complete file to the Commission. I haven't gone back and completely replicated everything we had on file because all that information was already here. Anything and everything that I had relevant to it, I've included. As to the best of my knowledge, everything that we've produced by way of invoices to you are either in the Commission's hands or have been supplied subsequently.

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So what, if the position is that the Commission didn't receive these four invoices I've asked you about this morning in the names of Power and Robbins-----?-- Power and Robbins.

-----then that's just an oversight, it's occurred by accident?-- I didn't go back and do a complete rerun of every invoice. I - basically, I had copies in my office which Tony was not aware of and I've included all of those again.

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Well-----?-- Largely - the large - a significant amount of material actually, all the material from - that was supplied in April are just simply copies of what I had largely were the originals.

But you have said that you were sending, also, copies of what had been provided in April. That rather seems to suggest that you had-----?-- I didn't have any further copies of them, no.

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Well, sorry, but you're just saying you're supplying copies of the documents that had been supplied in April by Mr Scott. Now, how are you able to say that unless you checked, and that is what you were intending to provide to the Commission?-- I think we provided another set of copies of the material that Tony had. To be perfectly honest, I can't quite recall exactly.

Did you turn your mind at the time that you were supplying this information to the Commission in August to the question of whether or not these invoices, the four invoices in the names of Power and Robbins should be sent to the Commission with your letter?-- Absolutely.

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You did. And you intended to send them?-- As far as I was aware, if they hadn't been sent they were - they would have been. There was nothing that we've attempted to do in any respect here to disguise the fact that the accounts that we

initially established were under the name of Power and Robbins. We had invoices there initially, which we've supplied. These were subsequently changed on the instruction of the client. But I was well aware that that information was there and there was a variety of emails there to substantiate that as well.

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And you also generated the documents that you sent from the computer, did you not?-- I generated the emails from my email files, yes.

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Well-----?-- Went through and copied every one of those. That information hadn't been previously requested.

Well, did you generate in the material that you sent to the Commission in August any documents from the computer as distinct from hard copies which you kept?-- I went through - I had individual accounts - or sorry, individual files in my computer of all correspondence that I had retained for each of the individual candidates, plus the campaign resources I've referred to it, plus Brian Ray, all of that information I generated from within my computer, yes.

20

When you were asked to perform this exercise in August?-- Mmm-hmm.

Were you able, if you had wanted to, to go to the computer and generate these four invoices which I have shown to you this morning?-- I don't know. I haven't asked the question.

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You haven't sought to do that?-- I haven't sought to do that because that information was already there.

The invoices-----?-- It's possible. It's possible. I'm not sure, I'd have to check with our accounts people.

The invoices which were reissued were issued with the same number?-- Correct. It was just basically a name change. If we wanted to get paid, we had to change the name.

40

Well, that might suggest that, in fact, what you've also changed was the name in the records so that, in fact, the answer to my question would be "it would not have been possible to generate invoices in the names of Power and Robbins?-- Possible. It depends on the extent to which we can access archived files. I'd have to check with that.

Did you ever check with your accountant as to once this correction or change, sorry - once the change had been made from Power to Robbins to Barden, that it was an acceptable practice to simply reissue the invoices in the names of Barden and with the same numbers that had been issued to Power and Robbins-----?-- The Power and-----

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-----did you ever check with your accountant as to whether that's-----?-- No, not at all. It wasn't - it wasn't even an issue to refer it to our accountant. We had raised invoices, as we understood it, for the Power and Robbins Trust. They

were not to be paid and they weren't going to be paid in that form. They were to be paid in the form of the new account that we were - we were requested to change it to. These never really went anywhere. They basically stayed within the office.

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You see, if you go back - sorry, I don't want to interrupt your answer to the question. Maybe you were distracted from something that was being said to you?-- No, basically the-----

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Do you want to say anything further?-- Not really. The invoices were raised. They went nowhere. They were changed at the request of the client. They-----

But according to this email of the 2nd of March 2004, you're saying that the invoices which would appear to be the invoices we're speaking about, do you agree?-- They wouldn't have been the Power and Robbins invoices; they would have been the same amounts of money. We were still looking for our funding. But it would necessarily have been the Power and Robbins invoices, no, because they - they had been changed.

20

"The invoices which you initialled for payment and which I forwarded to Tony Hickey's office some four weeks ago remains unpaid."?-- Correct.

Four weeks ago - some four weeks ago, the 2nd of March, which rather suggests it was the end of February. The date of the invoices that I put to you issued to Power and Robbins is the 27th of January?-- The only invoices that we sent to-----

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MR BOE: Can I just correct that. It wouldn't be the end of February.

WITNESS: It would-----

MR BOE: It would be the end of January or March - early February.

WITNESS: Early February.

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MR MULHOLLAND: Yes?-- We restructured those accounts back around about the instruction of which you've got a copy of there that I sent to our accounts people was dated I think the 5th or the 6th of March. Sorry, the 6th of February. That would-----

So you're saying, are you, that the invoices referred to here are the reissued invoices?-- Correct, yeah. They were the only ones we ever obtained payment of.

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CHAIRMAN: Mr Morgan, you've confused me a little bit, because you said a minute ago that the original invoices in the names of - client names of Power and Robbins Trust Account went nowhere, whereas previously you had said that you submitted them to Hickeys and then you received the phone call from-----?-- And we got them back.

-----Councillor Power?-- Basically.

1

I see, so-----?-- They basically came back.

-----you submitted them but they came back?-- Correct.

Okay?-- So they went nowhere. They were not going to be paid in that form.

All right?-- We reissued them out on the instructions of our client so we could get paid.

10

So Mr Hickey's firm must have forwarded them back to you?-- If in fact - yes, correct.

Yes, okay.

MR MULHOLLAND: But these initialled for payment, they couldn't have been the reissued ones, could they?-- Absolutely. They were the only ones that were going to get paid.

20

But why would they have been authorised for payment by Mr Power if the changeover had occurred?-- The only - the only authorisation - I'm not sure whether David authorised them or Lionel. As far as I was concerned Lionel authorised everything for payment that we were paid for.

Lionel issued?-- Well, can I have a look please at the invoices you're referring to and there will be an initial on there and I call you whose initial it is?

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Well, I've passed the - I've passed the - do you mean the reissued ones? Do you want to have a look at the reissued ones?-- Correct, because the other ones certainly weren't paid.

CHAIRMAN: Well, the ones that were issued presumably would have been with Hickey Lawyers as their authority to pay out of the trust account, so it would be a matter of whether Mr Hickey has supplied them to this Commission?-- Well, Mr Hickey requested that we produce an independent authority.

40

Yes?-- Or a signature on all of our invoices prior to payment of anything from what became the Lionel Barden Trust Fund, and-----

Well, that's exactly what I was meaning, that presumably the ones that had the initial authorising the payment would be with Mr Hickey as his authority to pay the money out?-- Yeah, the only ones that were actually paid by the Hickey trust fund to us were all in the name of Lionel Barden, and initialled by Lionel. We had nothing paid to my knowledge.

50

But you're not answering my query?-- Sorry.

The ones that had been initialled for payment should have been with Mr Hickey?-- Ultimately, yes.

Yes, all right. Yes, Mr Boe?

MR BOE: Your Honour, the witness asked counsel assisting to see the documents he's referring to. I think he should be given that.

CHAIRMAN: Well, I think that was what they were just looking for and that's the reason why I was asking that question, because presumably they would be ones that would have had to have been, if they were supplied, supplied to the Commission by Mr Hickey, because he would be the person who would have those.

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MR BOE: Yes, and there may be copies in existence as well, of the document.

CHAIRMAN: Yes, yes, I realise that, but they'd have to have come from Mr Hickey's office.

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WITNESS: We have supplied invoices from - all featuring Lionel's initials and authority, that is part of the evidence that we supplied you.

CHAIRMAN: So are you saying that you would photocopy the initialled invoice, send the original initialled invoice to Hickeys but keep a photocopy with your records?-- Actually I think the originals are still here, I think we may have faxed that information across.

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MR MULHOLLAND: Mr Chairman, the Commission has no such invoices initialled by Mr Power. The only-----

WITNESS: No, by Mr Barden.

CHAIRMAN: I must say, I haven't seen any.

MR MULHOLLAND: The only invoices that the Commission has are those initialled by Mr Barden, and that is what I am putting to you, Mr Morgan, and what I am asking you therefore is what you meant in this e-mail when you said, "The invoices which you initialled for payment and which I forwarded to Tony Hickey's office some four weeks ago remain unpaid, which you initialled for payment," that is Mr Power initialled for payment, and I'm suggesting to you that there have been no reissued invoices, certainly that the Commission has been provided with by anyone, which have been initialled by Mr Power and what - do you follow me?-- I do, yes.

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And what I am therefore suggesting to you is that this is clearly a reference to the original invoices issued in the names Power and Robbins. Now do you follow what I'm talking to?-- Mmm. Yeah, it's possible.

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It's possible?-- I don't recall them. I have no idea where they are. If they did go across there then we certainly reissued them, there's no question of that because this is why I'm chasing the money.

You see, the whole thing looks very odd, doesn't it? If he initialled them for payment why were they not paid?-- I can't answer that. That's my problem. That's the whole point of these e-mails is what have we got to do to get paid.

Yes. And the upshot of all of this is, I suggest, that there's no record of those original four Power and Robbins invoices so far as what you provided to the Commission, we got them from Scott, that is the Commission got them from Scott?

MR BOE: But he wasn't asked to provide them. He was asked to provide what hadn't been provided by Mr Scott, so I don't understand the point of criticism.

CHAIRMAN: Mr Boe, that point is correct and I raised that point, but Mr Mulholland-----

MR BOE: But he seemed to be passing an aspersion on this witness's-----

CHAIRMAN: -----pointed out that this gentleman signed a letter in which he indicated that he re-sent-----

MR BOE: Well, is the suggestion being made that this witness has not complied with the request by the Commission? That seems to be the suggestion being made.

CHAIRMAN: No, with respect, that's not the suggestion being made, it is the suggestion being made is that even though your letter said you were forwarding these - all the documents that were sent and-----

MR BOE: And he's answered that, with respect. He's answered that. He thought he had done it, he may not have done it. I don't understand why a suggestion is being made to suggest that this witness has not complied somehow with the rather anal request from the letter writers on behalf of the Commission about a document that he has provided. Both Mr Scott and this-----

CHAIRMAN: Sorry, I don't understand that comment or the need for it.

MR BOE: The suggestion has been made that this witness has somehow been part of some conspiracy to keep from-----

CHAIRMAN: No, it was more your offensive comment about some anal request on the part of letter writers for the Commission.

MR BOE: Well, I'll withdraw that, with respect.

CHAIRMAN: Yes, thank you.

MR BOE: I was meaning what that word sometimes means which is a particularity which exceeds the needs of this inquiry which is-----

CHAIRMAN: Well, if you think about it sensibly for a minute you'll realise that the Commission had not requested him to forward again the material that had already been requested.

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MR BOE: I accept that.

CHAIRMAN: He chose to say that he was doing that.

MR BOE: Yes, I accept that.

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CHAIRMAN: It was being pointed out to him that apparently he did not do what he said he was in fact doing.

MR BOE: And that's been answered and the - I don't understand where there's room for a suggestion that this witness has not done something he's been asked to do.

CHAIRMAN: Yes, Mr-----

MR MULHOLLAND: I'll leave that question. What I'm suggesting to you finally in relation to this subject is that, Mr Morgan, that you are not telling the Commission all that you know in relation to the changeover that occurred from Power and Robbins to Lionel Barden. You know more than you have told us about why that changeover occurred. What do you say to that?-- We're an advertising agency, we've taken on a commercial proposition by way of a new client. We've expended a considerable amount of money and we're trying to get paid. There is confusion over what it is that we are supposed to - or the entity to which we are supposed to invoice. I've been repeatedly requesting confirmation of just who it is and what is the party. We were told Power and Robbins in one instance, then we were told no, it's not. We're not given a clear indication of who it is. We finally get it in as - we were finally advised that it's the Lionel Barden Trust Fund. I'm not going to query that. I want to get my money back, I want to get paid, I want to have this accounting nightmare sorted out. I'm not going to argue with David Power or anybody else as to what the name of it is that they want to call it. There are reasons that I could surmise as to why that would be made but I had no specific conversation with them as to why they made that change other than for goodness sake can somebody tell me who we are to invoice so we can get paid.

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Now, would you go back to the email of the 2nd of March? You can return that exhibit that I was asking you about to the Orderly. And you see that David replied to that email, "Yes, I" - "Chris, I understand your feelings", et cetera. I won't read it all out. But he replied to that email you had sent him. Is that so?-- Correct.

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And there is also the - if you go to the later email on that date, the 2nd of March at 6.42 p.m.-----?-- Mmm.

-----this is sent from David Power to yourself. "Chris, just to let you know there are some cheques coming in now that I will be instructing to go to you. That should bring you up to date"?-- Yes.

So, again, this is Mr Power who seems to be controlling these?-- With respect to funding, that was exactly what I was talking to David about.

And would you accept that it indicates that you know that Mr Power is chasing donations?-- Absolutely. There was never any confusion about that at all from day 1.

Now, if you just look at the subsequent emails, I won't take you to each of them-----?-- Mmm-hmm.

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-----but you continued to report to Mr Ray?-- Mmm-hmm.

And there are emails of the 9th of March, also the 17th of March. Is that so?-- That's right.

This is just reporting to Mr Ray?-- That was just basically a work in progress; what the status was with respect to the work that we were doing.

20

And you were also reporting, as the emails show, to Power and Roberts, aren't you?-- Yes, that's right.

Now, do you have a document behind the email - or emails of the 17th of March?-- Yes.

A document headed "18 March 2003, \$55,300 in Hickeys' Trust Account"?-- Yeah.

30

Can you just tell us something about this document? Where did this come from? Did you create this document?-- No, we didn't. I'd say it's probably - again, I - who produced this I don't know. My - looking at this, the way it's phrased, I'd say it's probably from Hickeys. They were controlling the trust account. They'd be in the best position to know who donations had been received from, and where donations were anticipated to come from.

I can tell you that there is a similar document to this one - not identical, but a similar one. Look in the grey material-----?-- Mmm-hmm.

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-----in Exhibit 100. Only that document, which, as I say, is similar, but not identical-----?-- Right.

-----is dated the 21st of April 2004. So you see that it's dated the 21st of April 2004. It's obviously this document which is headed "2003" should be 2004?-- Yeah, it's a typo by the look. Yeah.

50

So do you recollect this? That during the course of the campaign there were documents, such as this one produced, to indicate to yourself and others who were involved in this campaign how the donations were going?-- Yes, there were a number of these. Yes.

Right. We don't seem to have all of them?-- I have no idea.  
This is one-----

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Do you remember how many yourself?-- No, I don't. This is -  
if there were more in the files, then we obviously received  
more. I have no idea. I wasn't aware that there was a  
subsequent update. It doesn't surprise me. It's a work in  
progress update. This is the only one I would appear to have  
here.

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Well, if you look at this document, if you go down under the  
heading "Still to Come", you'll see the entry fourth from the  
end, "Royal Pines. David to ask La Castra to follow up"?--  
Right.

So someone has indicated that David Power was going to ask Mr  
La Castra to follow up a donation, apparently, from Royal  
Pines?-- That's what I would assume that is.

Do you remember that happening?-- No, I don't remember that.

20

But you say this document is not your document?-- No, it's  
not.

And, also, in relation to Thackerell, "David to ask La Castra  
to inquire"?-- Correct.

Then do you have an email of the 24th of March 2004 from you  
to Brian Ray? This is from you to David, first of all. It  
goes at 4.49 p.m. on that date, and then there's an email that  
came back-----?-- What's the date of the email you're  
referring to?

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24th of March-----?-- March.

-----2004?-- Yes. I've got one here which is to - it's from  
me to my accounts people dated 24 March. That's the only one  
I have of that date.

Right. Let me show you exhibit - perhaps it's not in your  
records. Could I see Exhibit 100, please? My apologies.  
That exhibit - it doesn't appear in that exhibit. It would  
appear to be in Exhibit 89. Now, you see that, first of all  
there, at 4.49 there's an email from you to David  
Power?-- Mmm-hmm.

40

This is just before the election?-- Yes, that's right.

"Assuming the trust account still has a balance of \$10,300  
from early in the week, we'll need a further \$43,000 in total  
to clear the balance of expenses. This does not include any  
contribution to Rob Molhoek's campaign", etcetera, and  
speaking about various prospective donors; is that  
right?-- That's correct.

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Yes. And also referring to setting up a new candidates only  
session at Innovation Showcase-----?-- Mmm-hmm.

-----this Thursday. That goes to David Power and he replies, "For your information" - "For your info - almost there." Is that right?-- That's what it says, yes.

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"Almost there"?-- Yeah.

Which you took to mean what?-- Well, it would appear that we're almost there in terms of, you know, securing the funding that was required.

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And the reference to the meeting of new candidates session-----?-- That's right.

-----at Innovation Showcase, that didn't go ahead?-- No. As we've discussed previously, that was cancelled.

Cancelled because of what?-- It was originally suggested as a means of generating funding. Normal circumstances, probably would have been appropriate but where you have a trust fund, and the whole basis of that trust was donor anonymity, it contradicted that. It was not a good idea and it was subsequently cancelled. Sue Robbins I think made the suggestion and she was quite right.

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Right. Well, was it your idea?-- No, it wasn't my idea although I went along with it initially. We were looking to get paid. It was one way of doing it but I must admit we didn't really think the consequences through quite fully.

I suppose the publicity which was occurring at about this time would not have made it a good idea either, would it?-- Publicity at that stage was irrelevant. We probably would have welcomed some actually. It would have got more people there.

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What, candidates meeting developers?-- The invitation list was not specifically to developers; never was.

All right. Yes, you can return that now. Do you remember having some work done by Pronto?-- Yes, we do.

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And that work that was done by Pronto, what did that involve?-- It was distribution of leaflets. They're a distribution company.

And I think you said that the sum of \$18,000 was paid to them?-- I can't remember the exact figures.

\$5000 was later paid by Quadrant - paid to Quadrant by Pronto?-- That's correct.

50

And did you know about that?-- I was aware that a sum of money had come into that effect, yes.

Yes. And that was at a time later in 2004 when fees outstanding were - there were still outstanding fees to Quadrant; is that right?-- That's correct.

So did you approve that transaction occurring?-- I approved of it in the sense that it defrayed some of our expenses.

1

Right. That Pronto would pay back \$5000?-- It was basically a donation on behalf of - on the part of Terry Morris, essentially. That was something that she had undertaken to do and it came from that particular company.

Well, was it shown as a donation?-- I can't recall.

10

Well, you understand it was a donation, essentially, from Pronto back to Quadrant for the campaign fund?-- Correct.

That's what you understood?-- I think - I'm not sure of the exact dates. I'm not sure if - we originally requested and I think you'll find emails to that effect, that these - any amounts of money go back via the - the trust account, I think - I'm not quite sure just exactly when that amount was received, whether it was outside the declaration period or within it.

20

Yes. Had the amount that you charged Pronto in relation to the work that they did, had that involved any discount?-- We didn't charge Pronto for anything; they invoiced us.

Sorry?-- No-----

The amount that you paid Pronto, was that a discounted amount-----?-- Not to my knowledge, definitely not. It was implied in an email from Mr Morris that it was but it certainly wasn't our understanding.

30

Right. So the \$18,000 that was paid was just simply a proper professional rate?-- Over a number of individual candidates divisions, correct, yes, that's right.

And you understood that the \$5000 that came back from Pronto to Quadrant was, in fact, a donation by Pronto to-----?-- Absolutely, yes, that's right.

40

And to your knowledge, did everyone understand that, everyone involved in the transaction?-- As far as I was aware, they did. The individuals concerned would have been myself and Tony I think. That was about all. I'm not sure whether anybody else was aware.

All right. Now, would you go, please, to the last email?-- This is still in Exhibit 139?

Yes. No, no, the last email in the folder that we've been looking at, the Ray - behind the divider?-- Right, 139, yep.

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This is for the 29th of October 2004?-- Mmm-hmm.

Now, this is an email sent from Sue Davies to Tony Scott of Quadrant?-- Mmm-hmm.

Your partner?-- Correct.

29th of October, 9.03 a.m., "Subject: Gold Coast Elections. Hi Tony, Tony Hickey spoke with Craig Treasure of Sunland. Craig requests you raise an invoice for the \$7000 plus or minus, plus GST, for 'general marketing advice' or similar and he will forward a cheque straight away." What do you know about this matter, Mr Morgan?-- With respect to that email, nothing other than the fact I have now seen this. I'm aware that it was included in the documentation and that I believe we received a cheque to the - to the value of \$7700.

10

May Mr Morgan see Exhibit 101, please? I beg your pardon; can I see Exhibit 101. And I'd ask you to have a look at this. Now, you see that there has been an invoice raised by Quadrant-----?-- Mmm.

-----0491, 1st of November 2004, client Sunland, "Attention Craig Treasure, job description" - apparently - "marketing recommendation \$7,000 and service fee of \$700," making a total of \$7,700. Now-----

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CHAIRMAN: What exhibit number's this, Mr Mulholland?

MR MULHOLLAND: Sorry, it has not yet been tendered.

CHAIRMAN: Oh, it's a - it's a new one. Okay.

MR MULHOLLAND: Sorry, I was referring to a different exhibit. And there is a remittance advice of Sunland for that amount, so the money was apparently paid to Quadrant; correct?-- Correct.

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So what do you know about this?-- Very little other than the fact that it's a payment - it's - it would represent the final amount of moneys outstanding relating to the campaigns that we ran.

Yes?-- And it's an invoice for \$7,700.

Well, on its face it's suggesting that some marketing work or marketing recommendations, some type of marketing work has been done by Quadrant-----?-- We certainly did with respect-----

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-----and it's been raised and addressed to Sunland-----?-- Correct.

-----so it's suggesting that this is the amount of work that has been done. Was any such work, to your knowledge, done by Quadrant for-----?-- Well, marketing recommendations-----

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Hold on; hold on?-- Sorry.

Was any such work, to your knowledge, done by Quadrant for Sunland?-- I have no idea. I'm not aware of any, no.

Well, you - this purports to be of course in relation to the campaign fund?-- This invoice is specifically raised to recover funds outstanding from the election campaign.

1

Yes?-- In relation to marketing recommendations, which is a broad description of what we did during that period, and it's addressed to Sunland.

For Sunland?-- Sorry?

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For Sunland?-- We did no election work for Sunland, to my knowledge, no.

Well, then, why would Quadrant be raising an invoice for this amount in relation to such work that wasn't done?-- I can't answer that, other than to recover funds that are outstanding. One, I didn't raise the invoice. I'm aware that the money came in from Sunland. It says on the bottom in somebody's handwriting, whom I don't know, "Donation in kind". I've no idea what that implies either.

20

When was the first time that you ever saw this?-- Supplying the material to you in August with the information that was sent up.

Right. So did you discuss the matter with your partner?-- Other than that this needed to be included.

All right. Well, did you have a discussion and say to Mr Scott, "Well, what's all this about?"?-- No. I was aware that we'd recovered the final balance.

30

But it would have - well, did you ask him whether - well, you didn't know of any marketing work that Quadrant had done for Sunland in connection with the election campaign, did you?-- No. No, I didn't, no.

Right. Well, did you say to Mr Scott when he raised it with you, "Well, what's this about? We didn't do any work for - for Sunland. How come we've got an invoice-----"?-- Wasn't - this wasn't a conversation I had.

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Hold on, "How come we - how come we have an invoice in this amount if we did no work for them?" You just-----?-- I didn't discuss this with Tony at all other than the fact of what we got there by way of information, invoices, emails; anything and everything we have on file has to be included in this documentation. I didn't ask why that was sent. It's fairly obvious to me - final amount of money that we needed to get paid. It was another - it was a donation from Sunland.

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The fact that you needed \$7,700 because of outstanding fees due to Quadrant would not justify Quadrant raising a false invoice, would it?-- It's a matter you'd have to take up with Mr Scott.

No, I'm taking it up with you. You're his partner. He, you say, the first time you knew about it, was when you were

getting material together in response to the Commission's notice, and you - you spoke to him. Well, I'm suggesting to you that if that is correct that that's the first knowledge you had and if you were speaking to him about this, you'd want some explanation from him. Are you telling the Commission you didn't seek any - any explanation from him for this?-- Not at all. Why should I raise that with Tony?

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Wouldn't it be important to you, Mr Morgan, if your company had raised a false invoice?

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MR BOE: Well, can I just firstly inquire as to the relevance of this issue in the terms of reference of this inquiry? It doesn't seem to be a situation where witnesses are open slather to criticism of their accounting when it's got nothing to do with the issues the subject of this inquiry.

CHAIRMAN: Do you want to make a comment, Mr Mulholland?

MR MULHOLLAND: It is (a), in relation to the campaign fund which was used towards the election of the candidates. Clearly it's relevant to the terms of reference. What it suggests, Mr Chairman, is simply this, that Quadrant raised a false invoice and the money that was paid went into the fund that had been used to support these candidates. That's the relevance of it - clearly relevant, in my submission,.

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MR BOE: That's why I didn't object to the questioning of this witness's knowledge of this document and that it was to cover this payment. I'm questioning the suggestion being made that somehow this witness in these proceedings has got to account to Mr Mulholland for accounting practices that he had nothing to do with, casting a general aspersion against its character.

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CHAIRMAN: As often happens in the circumstances I've now forgotten the exact question, but I think it was along the lines of "why you didn't raise it with your partner, Mr Scott."

MR MULHOLLAND: Yes. And the next question that I sought to ask of him is, would that not be of interest to you if Quadrant had raised a false invoice in relation to this amount?

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CHAIRMAN: Well, the answer to that question should be fairly obvious but it does perhaps stretch a little bit beyond our terms of reference in this case.

MR MULHOLLAND: Well, it's part of the fund and is shown actually by Quadrant as part of the fund used in connection with the selected candidates. That's the relevance of it.

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CHAIRMAN: I think-----

MR MULHOLLAND: I'm really trying to explore with this witness what he - what he knew about it because on the face of it, it sounds highly implausible, the explanation that we've been given, Mr Chairman.

CHAIRMAN: His explanation for the moment is that he had no part to do with this.

MR MULHOLLAND: He had no part to do with this but he goes on to say that when he first heard of it in discussions with Mr Scott, his partner, he had no conversation with him and apparently wasn't interested in the fact that this was a false invoice.

CHAIRMAN: Yes, well, I must-----

MR MULHOLLAND: That seems to be the implication of what he's saying.

CHAIRMAN: I must confess that seems a little bit strange that he wouldn't have any interest in it when he knew the circumstances and to whom he was handing such a document over, but he has answered that question. I don't know whether there's much point served by continuing to push him with it.

MR MULHOLLAND: All right. Now, there's another invoice along the same lines. Could the witness be now shown Exhibit 101. Now before I go on perhaps we should tender - perhaps just pass me - I should tender the copy in relation to the Quadrant invoice to Sunland dated 1/11/04, invoice number 0491 in the amount of \$7,700. I tender that - those two documents.

CHAIRMAN: Yes, they'll be Exhibit 146.

ADMITTED AND MARKED "EXHIBIT 146"

MR MULHOLLAND: Now the transaction that we've just been looking at, the invoice of November, 1st of November, what I'm showing you now, Mr Morgan, is documents in August of 2004, in particular a Quadrant tax invoice number 0408, 4/8/2004, addressed to Ninaford Pty Ltd and Framelgate Pty Ltd, a total of \$11,000. See that?-- Yes, I do.

And it purports to be in relation to consultancy fees. This is a few months earlier, you see, to the one we've just looked at. What do you know about this?-- It's a sum for \$11,000 which we received - for which we received payment. It would obviously be in relation to the - to the campaign. It's dated 9th of August and it would have been part of our attempts to recover the outstanding balances.

Did Quadrant, to your knowledge, perform any consultancy work for Ninaford and/or Framelgate, those companies, in relation to the election campaign?-- I have no knowledge of that.

Well, this on its face, I suggest, having regard to the fact that there's no suggestion that Quadrant did perform such

work, is again a false invoice. What do you know of it?-- I know nothing of this invoice.

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When did you first become aware of this invoice?-- This particular invoice I became aware of when we compiled material to be sent in August, 19th of August.

Have a look at the number of the invoice?-- Mmm-hmm.

A curious thing about the invoice number is it's 0408?-- Mmm-hmm.

10

And the date is 04/08. It might suggest that we have simply a random number being chosen in relation to this invoice?-- I have no idea. It appears to be a manual invoice.

Did you also-----?-- Whether that's-----

Sorry?-- It appears to be a manual invoice.

20

CHAIRMAN: What do you mean, a manual invoice?-- Well, not raised as part and parcel of the normal activity. Quite often when we raise an invoice for an individual job or a one off or whatever, this appears to be a manual invoice raised.

MR MULHOLLAND: And this money, which I suggest to you was actually a donation from those companies that came to Quadrant in connection with the campaign fund but shown as consultancy work, that money was used by Quadrant in relation to outstanding fees. Is that right?-- It would have been attributed to it. I'd say yes, it would definitely have been to offset the outstanding balances that we had from the campaign that concluded in March.

30

When you raised with - when you learnt of the other invoice, that is the one in relation to Sunland, did you also speak to Mr Scott in relation to this one?-- I've had no conversations with Tony Scott on this, in regard to this invoice or this amount at all, other than-----

40

So when did you become aware of it?-- Sorry?

When did you become aware of it?-- The specific invoice details, the names of the companies, in August.

In August?-- Yep.

At the time that you were supplying the material?-- We were putting this material together. I have had no direct association myself with either of those two companies.

50

Well, did you find out within your firm who did have - who was responsible for raising this invoice?-- I would imagine it would have been raised by Tony. It wasn't raised by me so it would have been raised by Tony, I guess.

It doesn't - it wouldn't take you very long once you actually looked at that document, having regard to the part you played

in the campaign to know that you had not done any work for these companies?-- Oh, I quite freely admit that, yeah. It's not an issue.

1

But you've never had a conversation with Mr Scott to this day in relation to seeking an explanation as to why this false invoice was raised - what I suggest is a false invoice, was raised within Quadrant?-- Tony was seeking, as I indicated before in the earlier session, undertook to chase up funds particularly through Brian and through the Hickey Trust Fund, to seek the balance of funds that we'd incurred for the campaign. My primary interest and Tony's primary interest was to get paid. When I see a sum come in, right, that's \$11,000, excellent, that's another contribution, it's come through from Hickey Lawyers. No, I didn't stop to sort of say how, when, where, why. We'd received 11,000, there was another 7,7 that came in. As far as we were concerned they were contributions that we'd received either by Hickeys or as it subsequently turned out on a direct basis. I didn't query those with Tony. It was something that we could just tick off our debtors.

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20

The fact that your principal concern was to be paid wouldn't warrant false invoices being raised by your company of which you're the principal, would it?-- I'm not accepting that these are false invoices or - these are invoices that Tony's initiated. To the extent to which they're false or otherwise, I'm not going to debate.

So, again, we're in the situation that you've just never had a discussion with Mr Scott about-----?-- Not about these, no.

30

About these?-- No, not at all.

Now, can I ask you to have a look at Exhibit 141, please. Now, this is a faxed letter you provided to the CMC Financial Investigator, Mr Hansen?-- Correct.

On the 10th of October. And you explain that the payments - and what you say is you are attaching "a detailed summary of all invoices, all payments received, from whom, and the relevant date received, from and to all individual candidates or groups in any way associated with the 2004 Gold Coast City Council local body elections", etcetera, etcetera?-- Mmm.

40

For which marketing services were performed by you?-- Correct.

Now, in relation to these amounts, would you just - the amounts that I've been discussing with you - would you have a look at this document, and the first one that you will see is on page 2 at the foot of the page. Do you see there "Framelgate \$11,000"?-- Oh yes, yes.

50

Now, that's a payment which you - what are you doing here? You're attributing it to G. Betts's campaign; is that-----?-- In the way this is - yes, that's correct.

Right. So this is a donation apparently received from Framelgate, if you accept the proposition that I put to you. Forget about whether it be a donation-----?-- Right.

1

-----but at any rate, \$11,000 is being attributed to Betts?-- Right.

Yes. And if you go over the page - oh sorry, before leaving that page, on the same - on the next line - this is on page 2 - you will see an amount of \$546, is it, 84 cents?-- Mmm-hmm.

10

And that's part of \$7700 that was paid by Sunland?-- That's correct.

The amount that we discussed. If you go over the page, that \$7700 seems to have been set against a number of different people. That amount was-----?-- Different ledgers.

That amount was put along side Mr Betts. If you go over the page you will see \$12.84 was put against the Southport Citizens for Change which I'll come to shortly; do you see that?-- Yes, yeah.

20

And then the next amount \$7,140.52, is it?-- Yes, I think it is, yes.

Again, from Sunland, part of \$7700?-- That's right.

So would you just explain what you've done there?-- Well, basically-----

30

Why have you broken them down in that way?-- Well, you've got a variety of - you've got one, two, three, four, five, six, there are seven individual ledgers there. Work was carried out against those individual accounts and at a certain point there was a balance outstanding. It was \$12,84 or 64 cents, whatever it was, for Southport Citizens for Change. We've taken that sum of \$7700 and apportioned it over those outstanding balances, and that's been done actually with a number of accounts. The same thing applies.

40

Well, just have a look here at Lionel Barden - this is on the last page - Quadrant consultancy fees?-- Yes.

We see the total amount of \$33,000 shown there?-- Mmm-hmm.

Are you aware that no candidate declared the benefit of that amount?-- What, of \$33,000?

Of \$33,000?-- I'm not aware of that, no. I don't - I'm sorry-----

50

Well, Quadrant provided consultancy in relation to their campaigns and yet we have a situation where no candidate has declared any amount or any benefit having been received of that figure of \$33,000. See what I mean?-- Mmm.

So the \$33,000 hasn't been attributed to any candidate, has it?-- No, it hasn't, no.

1

And likewise, in relation to Southport Citizens for Change, again I suggest no candidate declared the benefit or any benefit out of that figure?-- I'm not aware of the individual candidates' returns but I'm not aware that they would have done so, no.

And certainly you would be aware that Southport Citizens for Change never put in a return?-- I don't imagine they did, no, but they weren't standing for election either.

10

So we've got some \$40,000 at least; it might be more but I'm just dealing with these amounts at the moment. There's \$40,000 which has been used to support the candidates, the selective candidates, and they have not, I'm putting to you, declared any part of that figure as being services provided to them, you see?-- Yes, I hear what you're saying.

20

Well, wasn't the whole object of this exercise that you were performing trying to ensure that candidates fulfil their obligations, that is, their statutory obligations?-- As far as we were concerned, I thought, we had done that. I provided detailed accounts, which we have copies of, to each of the individual candidates, invoice by invoice, dollar by dollar, for every bit of work that we did for them. I did not, at any stage, sort of say, "Yes, you have to have a share of this \$33,000 or \$30,000-odd in fees".

30

Well, add the 7,000 on?-- Sorry?

Add the 7,000 on as well. Roxanne Scott, that was related to her campaign-----?-- This is the work done in the Southport area? Yes, definitely-----

So that - so the \$40,000, you see, we've got four candidates we - who had agreed, receiving - leaving aside, Mr Molhoek and-----?-- Mr Rowe, yes. There are only three candidates here that we're really referring to other than about \$400 worth of work we did for Brian Rowe.

40

Well, you can accept the fact that the Brian Rowe - well, at any rate, he received - you did some work for him?-- Mmm-hmm.

But what I'm suggesting to you is, at the end of the day, \$40,000 hasn't been declared by the candidates and they wouldn't have known to declare it if you didn't tell them so why didn't you tell them?-- Well, firstly-----

50

MR BOE: Well, there's a couple of - can I just object to the way it's being put; how does this witness know what they, as candidates in an election, knew or did not know?

CHAIRMAN: Well, he can be asked to assume that because the facts establish it. So perhaps-----

MR BOE: And-----

CHAIRMAN: -----it - he should be asked to assume that, yes.

MR BOE: And what is the question being asked if - this witness is to explain why they didn't declare it.

CHAIRMAN: No, no. This witness has said that he gave detailed accounts to the candidates to assist them to know what they should be putting in their returns. In fact, they returned, according to the accounts that he gave them, that it's being put to him that in giving those detailed accounts to the candidates, he made no allowance for the 33,000 that was received in consultancies or the 7,000 paid to Southport Citizens for Change so that those amounts could be returned by the respective candidates.

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MR BOE: And I thought he answered that, that question. I don't understand why - is there a further suggestion following from that that the Commission wants to know? The witness has said he was engaged to provide certain services paid for by another entity.

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CHAIRMAN: But, Mr Boe, the mere fact that he says, "No" in one instance on that, doesn't mean to say that he can't be asked the same question probing a little bit further, does it?

MR BOE: All right. Okay.

CHAIRMAN: I didn't know of any such rule.

30

MR MULHOLLAND: Well, this is, as I say, on the assumption that they did not declare this in their returns. Do you accept that you should have given them some breakdown so they could have included it?-- I didn't regard it as being necessary, to be honest. My understanding was that we were obliged to provide information to each of the candidates, the work that we did under their authorisation. In other words, what was authorised by them as candidates with respect to promotional activity, whatever it was, with respect to their election campaign. In other words, anything that went out there into the public domain that had authorised by, et cetera. Now that's what we have supplied to them.

40

Mmm-hmm?-- Southport Citizens for Change specifically, while it took place in the Southport Division, was not something approved or agreed to or acknowledged by Roxanne Scott. As a consequence, I didn't provide her with detail of that because it didn't form part of her campaign and, frankly, as far as the - our consultancy fees were concerned, it never entered - it never was really an issue as far as whether that was to be apportioned equally or in any form over the candidates themselves.

50

Well, it was a consultancy in relation to trying to get the selected candidates elected, wasn't it? Trying to get the selected candidates elected?-- It was our fees for work done because everything else was done on that basis; that's correct.

So you agree with me?-- Yes.

All right. In your letter - do you have your letter that you sent to the Commission?-- Is this - be one of the 10th or 19th or-----

19th of August?-- No, I don't.

So we'll just get you a copy of that. That's 127, Mr Chairman. If you go to page 4 of your letter and you'll see in (ii)-----?-- Mmm-hmm.

10

-----second sentence, "The monthly consultancy fee was applied in lieu of March and allowed a totally transparent presentation of actual individual cost for each candidate's campaign"?-- Correct.

What are you saying there?-- What I'm saying is that we charged each of the individual candidates on a net basis and that our fees were purely the \$10,000 a month consultancy fee. We didn't apply our normal margins, printer's invoices or signwriter's invoices, or what have you. Just that we passed through on a net basis.

20

But you're saying that the consultancy fee was related to the costs of these candidates campaigns?-- Yeah, it was applied in lieu of margins; correct, yes.

So you would accept this is something which should have been declared. Some apportionment should have been made as to-----?-- In retrospect, yes. In retrospect, it should have been that.

30

This is just something which has been overlooked?-- I didn't really actually look at it. We focussed on what we actually spent on behalf of each of the individual candidates. An apportionment of those fares, in retrospect, should have been done. I'm not quite sure how we would have done that, but-----

40

Yes, return that. I'd like you to next go to some emails behind the divider - the Power/Robbins divider in the material you supplied to the Commission. So perhaps that could be provided to you?-- Is this Power and Robbins?

Yes?-- I don't have that.

No, well I'll get it for you. Exhibit 135. All right. The first email would be of the 11th of December.

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MR BOE: Chairman, could I just raise a matter? The - I think we're moving to another subject matter. The - Mr Morgan arrived in Brisbane at 4.30 a.m.-----

CHAIRMAN: Do you need an adjournment?

MR BOE: Well, I just need to be fair to him. I don't know how long - much longer-----

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CHAIRMAN: Sure. I realise the time. It's an appropriate time, Mr Boe. We'll adjourn for 10 minutes.

THE HEARING ADJOURNED AT 11.34 A.M.

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THE HEARING RESUMED AT 11.47 A.M.

CHRISTOPHER LAURENCE MORGAN, CONTINUING:

MR MULHOLLAND: Now, I'd like to ask you some questions in relation to some emails which appear behind the Power/Robbins divider in the material you supplied to the Commission. Could they be provided to the witness?-- I do have the-----

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You have them there?-- -----135 Exhibit.

All right. If you go to the email. These are out of order, so you'll need to go to - past the 9th of February to an email from you to Mr Power on the 5th of February 2004. Subject is letter of appointment?-- Mmm.

30

Tell me when you've reached that?-- 5th of February.

Yes?-- Yes, I've got that.

All right. Now, there seem to be several emails here. One is on the 4th, and you see the first - I think we go to the foot of the page, do we, from you to Mr Power. "Thanks, David" - sorry, "Hi, David. Once the primary client has been confirmed, I would appreciate its return. Attached" - you say just prior to that, "Attached is the draft letter we discussed." So this refers to a discussion that you had with Mr Power?-- Correct.

40

And this primary client, I think you've discussed - you say that you regarded the candidates as clients as well. Is that what you mean?-- We work individually, and we conducted three individual candidate campaigns. The primary client in terms of billing was a separate entity again.

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All right. And then you are told in the next email of the 4th of February by Mr Power, "Chris, Lionel Barden has agreed to act as primary client, so if you change the name, I'll get it to him ASAP for completion." Is that right?-- Correct. I'm just looking for that email, but, yes, I do recall that. Oh, yes, I've got that.

What does that mean? What did you understand it to mean when you received that from David Power? "Lionel Barden has agreed to act as primary client, so if you change the name, I will get it to him ASAP for completion." Does that suggest that there's been some other name contemplated?-- The primary client prior to that was the Power and Robbins Trust.

1

Yes?-- I had gone to present material to - these invoices - sorry, these emails relate specifically to the letter of appointment.

10

Yes. Sorry, go on?-- And attached - and there should have been with these - wouldn't have been on these particular ones, but in the two emails that were sent, there was a draft letter of appointment attached. There was a draft letter of appointment attached to the email of February 4, which I sent initially to David Power. That particular email referred to - acknowledged that the Power and Robbins name was to change, and I had sent that to David, copied, I think, to Sue as well. It was on the actual attachment.

20

So this appears to be on the 4th?-- That would be on the 4th. And I was looking to have David and/or Sue confirm that they were the primary client, and that we were to have a letter of appointment from the Power and Robbins Trust. I was subsequently advised that was not to be the case, and I amended the letter of appointment to that of Lionel Barden on the 5th, when that came back from him.

So the first - so when you refer to "the draft letter-----?-- Mmm-hmm.

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-----we discussed"-----?-- Yes.

-----in that email at the foot of that page-----?-- Right.

-----that's a draft letter in which you had someone other than Lionel Barden as the appointee. Is that-----?-- Correct.

-----what you're saying?-- That's right.

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And the person whom you had was who?-- Well, it wasn't a person at all actually. We didn't know who that person was to be.

MR BOE: Can I just - perhaps the solicitor - from our inquiry of the material that was provided to the Commission by Mr Morgan, the draft letters may not have been provided, and I ask Mr Morgan to produce them. I have copies of them, if that would assist Mr Mulholland.

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CHAIRMAN: All right. Well, if you'd hand them along to counsel assisting, thanks. Thank you for that, Mr Boe.

MR MULHOLLAND: Would you have a look at this document, please? Now, that's an email of the 30th of January?-- Correct.

And in that email there is the draft that you refer to. Is that correct?-- That's correct.

1

So that's the-----?-- This is basically-----

-----email that I've just shown you with the date on it?-- Correct. The-----

Correct date?-- -----one that was earlier submitted in evidence for some reason doesn't have that date on it, but this does. That's 30th of January.

10

30th of January, all right. And it's in the terms that I previously read out - that's the email?-- That's correct.

And with it is the draft letter and the draft letter at that stage showed that the people to be appointed were Robbins and Power; is that right?-- It's an authority from them because they're the primary people that I've been dealing with. We had been advised and I think the - on the 30th of January there's a day book notation of mine sort of saying, "Lionel Barden to be approached." We were - we had been made aware at this point in time that the trust account name to which we were to invoice funds was to change. I didn't have a clear indication as to what that was and I've termed in here, "candidate resource trust account care of Hickey lawyers for payment". Now, that's, for want of a better term, a working title. I had no idea to what it was to be at that particular point and which is why I've sent this across as a draft to David and to Sue sort of saying, "Look, this is a letter of appointment that I need. Whatever the name is, please fill it in and can I have your authority to act on this basis so we can get paid." David subsequently came back to us with that further email that we referred to here and asked me to change it advising me that, "Lionel Barden has agreed to act as primary client so if you change the name, I'll get it to him ASAP for completion", it being the revised draft.

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Yes?-- Which you actually have a copy of there.

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So that name, "candidate source", what is it, "candidate resource"?-- Candidate Resource Trust Account-----

Trust Account?-- -----was basically what it was. It was a Candidate Resource Trust Account.

Right?-- It was never intended that that be the ongoing title. It was just, "What are going to call this thing? Please give me a name."

50

There is a name very similar to that that you indicated you believe was the name held within Hickeys. That is the name in which the fund account at Hickeys was held; is that correct?-- This was - I'm referring to the fund at Hickeys.

Well-----?-- What are - "What are you calling it? What is it going - well, it was Power and Robbins. You're now going to change that. I've got a verbal that Lionel Barden may be

involved. I don't know this guy." At this point I'm seeking clarification from Power and Robbins as to what the name of the account is to which we are seeking, one, a letter of appointment, and secondly, to whom we will raise accounts for invoicing purposes. At this point I've just created a working title there, "Candidate Resource Trust Account", whatever that is, "Please give me some clarification".

1

So you are aware that the name within Hickeys was not changed until March?-- I'm not aware of that at all. I have no idea when that change took place. As far as we were concerned at Quadrant, it take - took place virtually immediately, the first week of February.

10

So these emails are referring to the primary client within which company?-- Quadrant.

To be in Quadrant?-- And number one, because we've got to raise the invoices in a form that's going to be acceptable to Hickey Lawyers.

20

Were you assuming that they were going to use the same name at Hickey Lawyers?-- I wasn't making any assumptions at all; I was seeking clarification.

Okay. So that name you were wondering whether or not the name of the account that you held in relation to the campaign fund was going to be the Candidate Resource Trust Account?-- It was never intended to be that. That is just a working title. We've got to - it's not going to be Power and Robbins. It's a Candidate Resource Trust Account, yes, "but what do you want us to call this thing".

30

Right, okay. You - just on that, the other day you said - this is at 916 of the transcript - you said that you noted - I asked you when you first Lionel Barden's name, and you said you had an entry, 30th of January 2004, in your diary or in your day book?-- Correct.

I'd just like you to go to your day book, if you wouldn't mind again.

40

CHAIRMAN: Mr Mulholland, are you tendering that letter that's-----

MR MULHOLLAND: I shall. I shall. I'll tender it now.

CHAIRMAN: Okay. So it's Exhibit 147 and what is it? It's a draft letter-----?-- It's an email and attached letter of appointment document. There's a word document attached to it.

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So it's an email of 30th of January 2004 from Chris Morgan to Councillor David Power with an attached draft letter.

ADMITTED AND MARKED "EXHIBIT 147"

CHAIRMAN: Yes, thank you.

MR NYST: Is there a copy available?

CHAIRMAN: It came from Mr Boe so ask Mr Boe. I wouldn't mind a copy if one becomes available.

MR MULHOLLAND: Yes. Exhibit 131 is the day book.

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MR BOE: Chairman, you can have mine now if-----

CHAIRMAN: No, no, if it become available. Thank you, Mr Boe.

MR MULHOLLAND: Will you just go to - you said that it was the 30th of January. I'll just read what you said, "When did you first hear Lionel Barden's name?-- 30th of January 2004 is noted in my diary - is noted in my day book. That's the first reference I have to his name. 30th of January I made a notation to that effect in my day book." Now, could you just have a look at the entry for the 30th of January and what I want to ask you is to look at what you referred to the other day and tell us if that is, in fact, an entry for the 30th or is it more correctly part of the entry for Monday the 2nd of February?-- In terms of sequence, it appears to be Friday, January 30. That's what I've always assumed it to be. There's a notation underneath that, "3/2" which is not related to this at all. The next entry is Monday the 2nd of February. I have no reason to believe it was any other date other than the 30th. It doesn't hold any particular significance.

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30

Well, you've got the whole of the page devoted to the 30th of January-----?-- Correct.

-----and then on the opposite page-----?-- Mmm.

-----is that - what's that, is that-----?-- Just an extension.

Of the 30th of January?-- That's what it would appear to be, yes.

40

Well, in that case, if you go to the page which is marked Monday the 2nd of February, why isn't the opposite page part of Monday the 2nd of February?-- Because the annotations are made on Monday the 2nd of February.

Yes, but what I'm - what I'm asking you is how can you tell - I understood you to say Friday the 30th of January, the opposite page, which the top of page Lakelands, that all relates to the 30th of January; is that right?-- No, the - that notation for Lakelands was Thursday the 29th.

50

Are you looking at a copy? What are you looking at?-- I'm looking at my notebook.

You're looking at the notebook, okay?-- Yeah.

So you're able to say by looking at your notebook that is for Friday the 30th of January?-- Correct.

1

All right. Well, now, come back to these emails. Can you then go back - Mr Boe has also produced two documents, emails of the 4th and 5th of February 2004 with a draft letter of appointment attached to it signed Lionel Barden. That was included in the documents that were handed over to us a short while ago. Just have a look at these documents, would you please, Mr Morgan, and just confirm that that is so?-- That's correct.

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All right. I tender those documents, Mr Chairman.

CHAIRMAN: All right. So this is an email of the 5th of February from Chris Morgan to David Power, with then the attached draft letter of appointment. That will be Exhibit 148.

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ADMITTED AND MARKED "EXHIBIT 148"

MR MULHOLLAND: All right. Now, can I ask you just to go back to the email of the 9th of February 2004. This is about half a dozen pages back. It's from you to Sue Robbins. Have you got that one?-- Mmm. Yes.

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And you see that there's a succession of these?-- That's right.

If you go over the page, we'll start there first. 6th of February, change of client and account name, "Kim". This just an internal email, is it?-- That's correct.

From you, "Would you please alter our records on the following job codes" and names are given?-- That's correct.

40

So who are they?-- Those are the individual job codes relevant to each of the individual campaigns that we worked on for the candidates.

Right. And do you recognise what each code - which name each code relates to?-- Not specifically. They're all detailed on the individual invoices.

Any rate, they're the four candidates?-- They're the four candidates, yes.

50

Right. "Change client name from Tony Hickey to Lionel Barden, retain same address details"?-- Correct.

"All jobs," et cetera. Does that assist you in relation to what the computer records then showed after the alterations were made?-- That was my instruction to our accounts team to comply with a request from the client.

So Power and Robbins was removed?-- That's correct.

Okay. And then if you go - come back then to in sequence, there's an email of the 8th of February?-- Mmm.

"I'm pleased to read" - this is from Sue Robbins, "I'm pleased to read this latest email the change of name is essential." That's her to you. Again, you don't know why the change occurred?-- We didn't discuss this other than what I've discussed with you before. I certainly didn't discuss it with Sue.

10

Can I just remind you of something that you said to the Commission investigator when interviewed on the 10th of October this year. "Initially" - just please listen to this - "Initially it wasn't called anything" - this is page 6, page 7, of the transcript of the interview. "Initially it wasn't called anything, then it became the Power and Robbins trust when we started submitting invoices in January for payment. The - it was decided to have it called the Power and Robbins Trust was inappropriate 'cause it was always going to become public and it was deemed to be sensible to give it another name. Lionel Barden, who had been very active in the Chamber of Commerce area and basically right across the whole business spectrum here on the Gold Coast for many years was approached. I think David Power actually made the approach and asked him if he put his name to the trust. They wanted a professional, well-credentialed, active businessman who wasn't involved in the development industry in any way or any direct dealings with Council, that basically put his name to it, and Lionel, regrettably I guess from his point of view, now did so 'cause he felt, you know, it's a good cause, it was above board." Do you remember saying that?-- Mmm. Yes, I do.

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So apparently from what you were saying there, "The Power and Robbins name was changed 'cause it was regarded as inappropriate because it was going - it was always going to become public." That's the explanation you gave there; is that right?-- Yes, that's what - that's what I said to the officer, yes.

40

So the position why, as you understand it, for the name change was because the name, that is, the Power and Robbins name, was always going to become public if it continued in that name?-- Yes, I guess it would have done so at some particular stage. There was no secrecy about it.

Now, can I, before going to the next set of e-mails, just ask you to comment on this proposition, Mr Morgan. Do you agree that you supported the selected candidates having a common theme to each of the individuals' campaign? You supported them running common themes?-- There was no specific common theme. We supplied information or recommendations to the individual candidates with respect to the term "common sense," and that, to varying degrees, was utilised by them. It was actually utilised outside of this particular group as well.

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Right?-- But we - yes, we applied the term "common sense" as being an attribute that the electorate would like to see evident perhaps at a greater degree in council.

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Let me just take a couple of examples for you which I'll summarise. First of all, from Mr Pforr's electoral material which is part of Exhibit 132. What is apparent there is, he's described as "Your local independent council candidate"?-- Mmm.

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In relation to Mr Betts, Exhibit 133, he's described also as "Your local independent council candidate"?-- Correct.

Ms Scott, in Exhibit 134, "Your local independent candidate"?-- Mmm-hmm.

Well, you would have been responsible for them each running that line?-- We produced art work that featured that, yes.

And then you've already referred to the common sense. I suggest that is also picked up in each of those exhibits?-- To varying degrees it was incorporated by them into the various statements that they made in terms of the material, yes.

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All right. And let me just put these others to you. In relation to Mr Pforr, same exhibit, 132, "Grant believes in a dynamic Gold Coast City Council team working for our beautiful city with a common sense approach"; Mr Betts, Exhibit 133, "A change for the better, better professional standards of conduct among city councillors. I will work cohesively with other councillors, business people and residents,"; and Ms Scott, Exhibit 134, "It's time for a change, we deserve better. Better working relationships among city councillors. Is your current councillor a team player?". Are those themes that we see, which I've just taken as examples from their respective campaigns, are they themes that you were responsible for?-- No. These are individual copy lines or what you've just read there of those three individuals candidates is copy supplied to us by them. We didn't write that copy.

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Well, the local independent council candidate, you were responsible for that, I thought you agreed?-- That is something which we established. That's what they always were.

The common sense theme is also something that you were responsible for?-- That is something which was discussed and agreed in general terms as being applicable and an integral part of what was important as far as the electorate were concerned, but the other items of copy you refer to there are all written independently by those candidates, not by ourselves.

50

Well, what I suggest to you, and I'm not going to take you back over it again, but what I'm suggesting to you that the material that you did produce and which I did refer to the other day, the material that you did produce in December of 2003 does suggest that in fact you were responsible for

several of the themes being run by these candidates. Would you agree with that proposition?-- Could you define the material that we produced in December please.

1

The material, for example, that was produced prior to the meeting of the 16th of December. You remember I took you to a document?-- There's a two or three page summary that I brought to that meeting by way of briefing information.

That document?-- Yes.

10

I also took you to a document which is dated the 10th of December 2003. Remember that?-- Which is a draft agenda I prepared for myself, yes.

Yes, those are the - those are the documents that I'm referring to. Do you agree that you certainly were responsible for some of the themes being run by these candidates?-- That's what we were being employed to do.

20

Thank you. Now, could I ask you to have a look at the e-mails behind the - Roxanne Scott, the divider marked Roxanne Scott, Exhibit 134?

MR WEBB: Whilst that's being obtained might I see Exhibit 145 which I think-----

CHAIRMAN: Well, after this has been provided, yes.

MR WEBB: Yes, thank you.

30

CHAIRMAN: 145 is-----

MR WEBB: I've given you the wrong number, I'm sorry. I'm after the workbook.

MR MULHOLLAND: If you'd go to the first one. May I go on, Mr Chairman?

CHAIRMAN: Yes, yes.

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MR MULHOLLAND: Would you go to the first e-mail. This is from Roxanne - from you to Roxanne - to Roxanne?-- Mmm-hmm.

This is in relation to a meeting dated the 29th of January 2004, "See you and Bob on Monday at 1 p.m." You've agreed with me that Bob La Castra was something in the way of a mentor for her, is that right?-- That's correct, yes.

Now we know that Mr La Castra didn't make the 8th of January meeting. Is that correct?-- I don't believe so, no.

50

But he came to several meetings at Quadrant, did he, to your knowledge?-- Yes, he came to - he came to a number of meetings at Quadrant, that's correct, yes.

I won't go on, it speaks for itself. The next one is, go to the e-mail of the 15th of March 2004. This is from you to Roxanne, cc Bob La Castra, 15th of March 2004?-- Yep.

1

Have you got it?-- Mmm-hmm.

And you'll see that "cc Bob La Castra"?-- Yes, that's right.

This is from you, "Thank you for your email". And email is - also appears on that page at the foot of it and the following page referring to "Bob", apparently Bob La Castra; is that right?-- Mmm.

10

So this reply by you, "Thanks for your email; however the attachment is missing, could you please resend"?-- Yes. Mmm.

Right. What was that attachment?-- I have no idea. No, short of going back over and rereading all this.

All right. Then it goes on, "I was in touch with Bob this morning and he recommended that we should have another household mail box drop this week and so on?-- Mmm.

20

Just at the penultimate paragraph of the email, "Good news from Bob on the Margo front"; what's that about?-- Oh, Bob had been talking to Margo Mott with respect to having some models available, and I think it's something he'd been able to organise. He knew her apparently.

Now, that was going to be arranged for - for what, for some function, was it?-- No, that was to have them assist at the various booths on the day of the election, you know, which they subsequently did.

30

And is that for Ms Scott and also Mr La Castra; is that what you mean?-- No, it's just for Mr - for Ms Scott.

For Ms Scott?-- Yeah.

And so Mr La Castra is helping out there?-- It was something he undertook to organise in support of - of her.

40

Yes. Well, would you go back to the second paragraph in the last sentence. It ends this paragraph, "This would provide a nice soft but positive counterpoint to the more radical stuff that your former campaign worker Stewart Hill is apparently circulating?-- Yes.

So that is you to her?-- Yes. That's right.

50

All right. Now, would you go from there - I want to ask you about Mr Hill - would you go to the 27th of March 2004. This is an email headed Campaign Tactics. Now, the first email in this sequence would appear to be the one which appears at the foot of that page for Friday, the 26th of March?-- Yes, that's right.

And this is to Ms Scott from apparently a disgruntled elector?-- Oh, it's from a Dawn Crichlow supporter, yes.

1

Sorry?-- It's from a Dawn Crichlow supporter.

Right. And she's unhappy her campaign tactics. I'm not going to read it, but what it refers to is some material which was - there was nothing to say, he says, it was linked - if it was linked to a candidate except for authorisation at the bottom which is S. Hill?-- Correct.

10

All right. And then Roxanne Scott writes - sends this email to you?-- Mmm.

Re - or the subject is campaign tactics, "It appears that Stewart's leaflets have upset some people". Now, this is also reference to Stewart Hill, is it?-- That's correct.

And then you send the email at the top of the page which I first referred to, "Hi Roxanne" - this is on Saturday the 27th of March at 4.30 p.m?-- Mmm.

20

"Hi Roxanne, you need a reply to it in writing to this person, you need" - sorry, "You need to reply to in writing to this person. While she may be a Crichlow supporter you do need to set the record straight. Stewart acted without your authority. As a consequence you appointed Michael Lindsay to fulfil that role"-----?-- Michelle Lindsay actually.

Sorry, Michelle Lindsay to fulfil that role. You do not support negative campaigning. It was most regrettable that the Peter Lawler letters had been previously authorised by Stewart and printed. However, that was out of your control. You disagree with the word 'vile' as you believe you've conducted a professional and positive campaign. Personal attacks have been a hallmark of the Crichlow political style for years. She even attacked the Premier and was told to get out of the Government. Not surprisingly there are people equally opposed to Crichlow as there are against and if Crichlow's past actions as advertised in the leaflets that you saw are an embarrassment to her, then she only has her own self to blame. Personally you feel appalled at her behaviour and the disrepute she has brought upon the Gold Coast, et cetera; that's why you decided to stand. Thank you for your concern, et cetera, et cetera. Worth responding to regardless of the result, probably send it to The Bulletin/Sun as well. Hope the day's going well for you. Regards." Now, all of this is your telling her what you suggest she reply to this disgruntled elector?-- Correct.

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And you are suggesting to her that she say that Stewart acted without your authority. Is that right?-- Which he did. He - he did not seek her authority in respect of that activity.

50

Right. Now, I need to ask you about Mr Hill. First of all, you - you know Mr Hill?-- Only within the context of the election campaign over that period.

And you knew that Mr Hill was running a negative campaign; is that correct?-- I was aware that when he ceased to be campaign manager for Roxanne that he initiated that campaign, yes, that's right.

1

Was Mr Hill to your knowledge Roxanne Scott's campaign manager?-- He was initially.

Mr - you would be aware that there were invoices which were raised by Quadrant in relation to this. We've touched upon it briefly this morning. Those invoices - I just put this to you that the invoices in relation to this campaign were raised on the 31st of March 2004 for - there are five invoices in total?-- Correct.

10

And the amounts respectively are \$1279.65, \$295.63, \$199.38, \$618.75 and \$4618.10; is that right?-- Correct.

Now, those invoices were prepared in the client's name, Southport Citizens for Change care of Stewart Hill, 18 Egerton Street, Southport, Queensland, 4215. Do you have a copy of those there?-- The invoices?

20

Yes?-- No, but I don't dispute them at all.

Yes. I might just have one before you. One of them - let me just ask you about this: one of them, the one for \$1279.65 appears to be related to "DL letterbox drop single-sided on colour by two kinds, 10,000 each run." You caused these-----?-- To be produced.

30

-----to be issued?-- Correct, and we did the artwork and had them printed and organised for distribution.

So - and that work was done, 10,000 were run?-- Mmm-hmm.

Is that right?-- That's right.

Now, what do you say - I need to put this to you - you see, Mr Hill has told the Commission that he didn't know who Quadrant was and he didn't receive a copy of any invoice from Quadrant?-- The invoices wouldn't have been supplied to him directly, those costs I incurred, and - and had paid. They weren't billed to Stewart - they were billed to Stewart or to Southport Citizens for Change as an entity. He may not recall the name of my company. I met with him on a couple of occasions to produce this material at his home.

40

You say you actually went out to his home. This is his home at 18 Egerton-----?-- Correct.

50

-----Street, Southport?-- Yes, I met him there on at least two occasions.

Yes. Who owns that house?-- I have no idea. Stewart I presume.

Well, he has - he said that - he's told the Commission that Mr Hickey owns the house; did you know that?-- No, I can't confirm or deny that one way or another. It's the first I've heard.

1

Mr Hill has also told the Commission he was not involved in the organisation - this is Southport Citizens for Change - nor does he know who was involved in it, nor can he recall being asked to put his name to the organisation. He says all of that - or he has said all of that to the Commission. Now, I put them to you individually to ask you for any comment that you want to make. First of all, he says he didn't receive a copy of the invoice - of any invoice of Quadrant. You say well, that would be correct?-- That would be correct.

10

He says that he didn't know who Quadrant was; what do you say to that?-- Well, he had a business card of mine. He's in our address book database at work. I know how good Stewart's memory is but he certainly would have known who we were although that was not a big issue. We were working with and for Chris - for Roxanne at the time. I don't necessarily think our company name would have made a lot of difference to him one way or another.

20

So you say that you met with him?-- On at least two occasions, yes.

Right. What were you meeting - what did you meet him for?-- To put together a leaflet drop, three of them, three individual leaflet drops through the Southport division, completely separately - or completely separate to any activity of Roxanne Scott. Stewart was disenchanted, I think would be the nicest word, with the behaviour of some of the Crichlow supporters, which is probably the nicest way I could phrase it. He wanted to do a number of things and say a number of things which probably would have satisfied himself but would not necessarily have perhaps in Roxanne Scott's interest. I said, "Look, if you wish to do that, you've got to disassociate yourself from her campaign. You can't do that and also act as her campaign manager." He subsequently stepped down from that role. Michelle-----

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40

So he wasn't sacked; he stood down?-- Oh look, I don't know whether he's - I have no idea. He ceased to be her campaign manager. I can't-----

Who initiated the meeting at his house or the meetings at his house?-- I have no idea. He may have suggested it, I may have suggested it. Possibly myself. Certainly that was the most appropriate place. He wasn't all that mobile.

50

Well, why was this charged to Southport Citizens for Change rather than Roxanne Scott?-- Because it was completely separate to Roxanne's campaign.

But wasn't it all - completely separate to her campaign. But look, this campaign fund that you were a part of, or the campaign that you were a part of, raising of moneys and so on

and using them among the selected candidates, she was one of the selected candidates?-- She was a candidate who employed Quadrant to do work on her behalf.

1

Yes. So your brief, as it were, is to support the selected candidates in different ways and the relevant candidate in this case was Roxanne Scott, wasn't she?-- Yes.

And what you seem to have been party to - correct me if I'm wrong - is running a negative campaign against Councillor Crichlow; is that correct?-- Correct, that's right.

10

Right. And you did that with the object of assisting the only other candidate in that division, namely Roxanne Scott; is that correct?-- We backed up Stewart and we supported him to the extent that we were able to distribute within the division three leaflets that highlighted clippings from the Gold Coast Bulletin. We created no copy other than the phrase "Dump Dawn". The rest of it was all in relation to Councillor Crichlow being censured or the first Gold Coast City Council to be censured, her disputes with the Premier, and something to do with the Liberal Party. We invented nothing other than to draw to the electorate's attention behaviour on behalf of the Councillor. It was done as the Southport Citizens for Change as a title, as a name. There may have been one or more people involved in that and my understanding that was Stewart. That was a term that we discussed. Who specifically created that term, I can't recall. It certainly was done in conjunction by myself and himself and we ran that as a tactic within the campaign area itself.

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30

According to the Quadrant invoices, thousands of dollars was incurred in relation to this service that you were providing?-- Mmm-hmm.

That is, essentially to run a campaign, what might be termed a negative campaign against Crichlow?-- Mmm-hmm.

Councillor Crichlow, to the benefit of candidate Roxanne Scott. Correct?-- It could be construed as being to her benefit. It was certainly to the satisfaction of Stewart who was looking to basically make a point. But yes, it would be construed as to the benefit of her.

40

Well, Mr Morgan, you're not suggesting you just did this to help Mr Hill out, who wanted to run his own barrow?-- No, the objective was to see somebody other than Crichlow elected to council.

Not just somebody, the only other person standing in this division was Roxanne Scott?-- Correct.

50

So what you were doing was intended to benefit Scott?-- Indirectly, yes.

Indirectly? Well, you mean, indirectly in the sense that it was a negative campaign against Crichlow?-- And the fact that

it was not run specifically by her or instructed by her in any way, shape or form.

1

Can I ask you to comment on this as to whether you agree with it, and this is what Ms Scott has said in evidence, 341. "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"-- Mmm-hmm.

10

So, what Ms Scott has said there-----?-- That's correct.

-----tallies with your recollection?-- Yeah, that's - that's roughly correct.

"And Chris Morgan did think that people had a right to know these events that had occurred." Does that-----?-- Well, they were all-----

20

-----express what you-----?-- Depending on the extent to which people were familiar or were unfamiliar with previous reports in the Gold Coast Bulletin. It certainly was deemed to be appropriate, yeah, that those matters be brought up.

All right. You knew that when this was mooted that Ms Scott did not want to be at least directly associated with it?-- Very specifically, that's why I said to Stewart, "You can't do that and stay part of Roxanne's campaign. You've got to step aside and set down exactly whatever transpired, you've got to separate yourself from that."

30

Yes. And Ms Scott went on to say at 397, "Chris Morgan suggested we needed to get some of that material out because of the barrage that had come out against me and I said I didn't particularly like negative campaigning. I thought it would adversely affect me and I didn't want anything to do with it"-- Mmm-hmm.

40

"I knew Stewart Hill had been very involved. Stewart Hill was very vocal about a lot of the negative things that were going to be put out in the material. Chris Morgan knew that and I knew Stewart Hill. He knew that my campaign headquarters was at Stewart's house and I believe they may have had a meeting organised." Any comment you want to make on any of that?-- Other than what I've already said, no.

So having regard to the fact that this was a fund that was going to be used to pay for this material, that it was going to be to the benefit of - and you were doing this for the benefit of the candidates, one of whom was Roxanne Scott, why didn't you drop the whole idea of using the fund to support such a campaign once you knew that Roxanne Scott didn't want to be part of it?-- It wasn't really a consideration.

50

It wasn't a consideration?-- Not really.

But if the donated moneys is intended to support selected candidates, one of whom is Roxanne Scott, and Roxanne Scott doesn't want to have anything to do with it, why would you then use those moneys or part of those moneys to run a negative campaign to her benefit? Why would you do that?-- It was deemed to be an appropriate tactic at the time.

1

Deemed by you?-- Yes. I was there to advise. You have numerous tactics to this effect going on throughout the Gold Coast. It happens in all elections.

10

Did you ever suggest to Ms Scott that the funds that were expended in relation to this campaign, this negative campaign, should be declared by her?-- No, I did not.

Why not?-- My understanding was that the material that needed to be declared was that which was approved by specific campaign managers during that period and by the individual candidates concerned and that's exactly what we supplied to each of those candidates. That was not regarded as being necessary for her to include in her declaration.

20

Would you have a look at this material please. Have a look at this please. Yes, now, this is a document that is in your - in your material produced to the Commission?-- That's correct.

It has not, I don't think, been tendered. You see that there is a code at the top of it?-- Mmm-hmm.

What's that code say?-- TEE. It's a job number.

30

Well, this is part of the campaign and has apparently been collated to Ms Scott, isn't it?-- It may have been.

Well, that's your code, you saw that?-- TEE, I'll just double check.

You'll see that in your statement-----?-- Yes, it is.

You say TEE is here?-- That's a - that's a job number that was - was raised within the office. It was part of that division that's why it probably was given that number. It wasn't subsequently invoiced as such.

40

Someone seems to think that it was related to her and was related?-- Oh, one of the artists that raised that job number probably, yes.

Yes. I'll just show you briefly again 141, Exhibit 141. Could the witness see 141. If you go to page 1 of the two pages relating to the candidates and you'll see that in fact it was invoiced to Roxanne Scott. Do you see that amount of \$1,234 - sorry, 1279.65, on the 19th of March 2004 and then it appears to have been reversed out. Do you see the minus on the same date?-- Mmm-hmm.

50

1279.65?-- Yeah.

1

So it seems to have been included at one stage and then reversed out. That's what that would suggest?-- Without sighting that invoice, I couldn't tell you what that refers to.

Well, this - I'll show you a copy of the invoice; 813 - sorry, 817318. Just have a look at the - this copy of the invoice, and see the work involved? What's it relate to? It relates to what I've already put before you, doesn't it?-- It relates to A DL letterbox drop, single sided, one colour, two clients. Whether it relates specifically to this one or not, I'm not sure. We did a number of letterbox drops for Roxanne as well.

10

Well, subsequently, it was re-issued, it would appear, to Southport Citizens for Change?-- In which case, it was obviously entered incorrectly.

Incorrectly?-- It's within the same division, so that's probably how that's occurred, but if it's been reversed out, then it was obviously incorrect, and it was attributed to Southport Citizens for Change, where it should have been in the first place.

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I'll tender that page showing T-E-E DL letterbox under heading, "She's Not Fit To Be A Councillor".

CHAIRMAN: It's Exhibit 149.

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ADMITTED AND MARKED "EXHIBIT 149"

MR MULHOLLAND: Mr Morgan, just before leaving this, no-one seems to have been able to find this so-called Southport Citizens for Change. Any idea that you can - any assistance you could give the Commission as to where this entity could be found?-- I've no idea. It was something-----

40

It seems to be a phantom?-- Many - I can only surmise here that many groups are created for the purposes of publicity; community groups and so forth. This particular one would have existed, I would imagine, only during the period of the campaign. I did not create it. I can't really comment any further.

Followed up apparently by you, or you and Mr Hill?-- I was certainly involved, yes.

50

And distancing Roxanne Scott from what was being done?-- Yes, she wanted no part of that.

But with a whole object of having her elected. Correct?-- I argue the toss on that. The whole point was not value for Councillor Crichlow.

Mr Morgan, did you know that this was a fictitious name, Southport Citizens for Change?

MR BOE: Before the witness answers that, could I seek an adjournment so I-----

CHAIRMAN: Sorry, I can't hear you.

MR BOE: Could I just seek some time to speak to Mr Morgan? I get a sense that there's a suggestion being made of some impropriety of some kind which is not something I understood to be the purpose of this witness's evidence. If that inference is to be furthered, I think he's entitled to get some advice and to see whether or not any matter should be raised pursuant to the Act. 10

CHAIRMAN: Certainly. Mr Mulholland, can I ask, are you suggesting there's some specific breach of the Local Government election provisions in the Local Government Act involved here? If you are, then I would be inclined to perhaps leave the questioning on this issue over until after the luncheon break so that any advice could be given by Mr Boe to his client. 20

MR MULHOLLAND: It really-----

CHAIRMAN: If you're not suggesting that, well then we can proceed. 30

MR MULHOLLAND: It really relates to a non-declaration by Ms Scott of what ought to have been declared.

CHAIRMAN: The thought occurred to me whether, in fact, there was a non-declaration by Quadrant that it was a third party that expended moneys. Namely, all these moneys on the Southport Citizens for Change, and they received donation moneys to - which they used in that way. They appear to me that they might well fall within the definition - sorry, within the terms of section 430 of the Act. 40

MR MULHOLLAND: Well, that, I suppose, is the other side of it; the - whether there should be a third party declaration.

CHAIRMAN: By Quadrant.

MR MULHOLLAND: By Quadrant.

CHAIRMAN: Yes, on this particular issue. 50

MR MULHOLLAND: Yes. So it's probably-----

CHAIRMAN: I don't know whether that's a matter that Mr Boe has taken up with his client at any time.

MR BOE: I haven't on that way. I sensed the tone behind the question, and I just wanted some clarity. If so, I think the witness should be given the benefit of time.

CHAIRMAN: All right. Mr Mulholland, would it be convenient to go on with something else and then come back to any further questions on this after the luncheon adjournment?

MR MULHOLLAND: Yes. Yes. I was hoping to finish my lunch. That might still be possible. We'll let - all right. Well, I-----

MR BOE: I'll shorten it. I'll only be a few minutes with the witness if - I don't want to hold up this witness past lunch, for a lot of reasons.

CHAIRMAN: Look, I know Mr Mulholland's optimistic estimates. I think we'll just continue.

MR WEBB: I think you're perhaps misusing the term "estimates."

MR MULHOLLAND: Could I now ask you to have a look at the emails behind the divider for Mr Shepherd, Exhibit 138? Would you first of all look, please, at the email of the 8th of January 2004? Now, this is an email from Ted. That's obviously Mr Shepherd to you. Is that right? 8th of January?-- Yes. I've got two, as a matter of fact.

You say you've got two for the 8th of January?-- That's right. One at 8.39 p.m.

Yes, that's the one that I'm talking about?-- Right.

Re election campaign - program?-- Mmm-hmm.

"Hi, Chris. I've finalised what I think is our winning election program based on my ultra-conservative approach", et cetera, et cetera. "I know that you've put a lot of enthusiasm into the new theme for me." So you were assisting him - you've already said this-----?-- Yes.

-----in relation to his campaign. And then at the - towards the end he says this. "Additionally, by spreading the work around, I can dissociate myself from the other campaigns. I am nervous that too many people know who is involved. Probably I am just paranoid." What's this all about? Let me put to you what - one implication that can be taken from this is that Mr Shepherd was trying to keep involvement - his involvement in relation to other candidates' campaigns secret, and he was-----

MR RADCLIFF: I object to the question. It's entirely conjecture.

CHAIRMAN: Sorry?

MR RADCLIFF: It provides for this witness merely to then guess what the answer will be.

CHAIRMAN: I would have thought it was appropriate for Mr Mulholland to put a possible inference that he might at a later stage going to be suggesting to me it was open on the evidence.

1

MR RADCLIFF: Well-----

CHAIRMAN: I would have thought it was totally appropriate for him to put it to this witness to give the witness the opportunity of making any comment that he can upon that inference.

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MR RADCLIFF: Well, he would have been able to respond in relation to his knowledge of what Mr Shepherd may have told him about this very issue but to go to the conjecture of what this may mean or may mean in the mind of Mr Shepherd, it takes it one step too far and takes it beyond evidence that would be admissible in any Court.

CHAIRMAN: I don't know that it was directing to the mind of Mr Shepherd. It was directing to what this witness knows-----

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MR RADCLIFF: Well, if he-----

CHAIRMAN: -----and the witness, of course, must answer it only in that way.

MR RADCLIFF: Of course, I have no objection to him answering what his knowledge is as to facts in relation to it but if it goes beyond this and this witness has had a penchant in the examination that I have seen so far and his cross-examination to go to what he imagines and what - and these have just been developing. I haven't objected to it yet because it has affected my client but it's clear that this is going down the same path, and perhaps I should just flag it, but I do object to anything that goes beyond his own knowledge of - and factual matters.

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CHAIRMAN: All right. If you can answer the question from your own knowledge, thank you, Mr Morgan?

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MR MULHOLLAND: And - yes?-- Again, this is just a presumption on my part-----

You don't object to it, well, on that basis?-- Because that's all I can do in this context. I can't give you a definitive, Ted Shepherd said, "X, Y, Z". I can't do that.

Mr Morgan, you were on his campaign committee?-- Yes.

50

You knew what he was on about here?

MR RADCLIFF: Well, I object to this too.

CHAIRMAN: With respect to you, Mr Radcliff, there's nothing wrong with counsel assisting putting the proposition to this witness that he knows more than he's prepared to admit to at the moment.

MR RADCLIFF: Yes, I-----

CHAIRMAN: There's absolutely nothing wrong with that. So why do you object to it?

MR RADCLIFF: But it's incorrect for this witness to give any evidence about what he thinks Mr Shepherd thinks about these matters.

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CHAIRMAN: But he wasn't being asked that. So object if that question is asked but, please, don't object to a question that you know is perfectly appropriate.

MR RADCLIFF: Yes, all right. All right.

MR MULHOLLAND: Well-----?-- The only point that I'd be prepared to respond to this is probably "I'm just paranoid" and that was probably a condition that most of the candidates felt. It goes back - to qualify that remark, it probably would go back to an email that I received from Ted on the 28th of November, which should be part of the documentation here, it's correspondence that he sent to the editor of The Gold Coast Bulletin, Bob Gordon, listing a complaint against the then council reporter, Alice Jones. He copied the response to me and we both came to the conclusion that The Bulletin were definitely of the opinion that they were going to pursue a very, very hostile approach to a number of councillors, particularly, Ted and there was ample evidence to testify to that. This, "Perhaps I'm just paranoid" is just purely, I would suggest, a response to - there's just going to be more grist to the mill as far as The Bulletin was concerned and we're not going to see an objective response.

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What I'm suggesting to you, that this shows is at - Mr Shepherd is telling you that he can disassociate himself from the other campaign; in other words, that he was trying to keep his involvement in other campaigns secret and that you knew this. What do you say to that?-- No, he wasn't trying to keep it secret.

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And I'd most-----?-- Ted made it very, very clear right from the start that he wanted to have a very clear distinction between the campaign that he was running and any other activity that was in the marketplace, particularly, as far as the candidates were concerned with respect to the Lionel Barden Trust.

What did you take his reference to, "Too many people know who is involved". What's that in reference to?-- Could be any one of a number of things. I'm not going to speculate on that.

50

What did you take it to be; you, as member of his committee, someone that Mr Shepherd is sending you an email about asking you about it? What did you take it to be?-- I took that to be, "Let's look out for The Bulletin" if they - any information that comes out with respect to the candidates

would be treated as - or treated in a negative form as had been our experience in the past.

1

He was too nervous that too many people. You say, you took that to be The Bulletin - what The Bulletin-----?-- Absolutely.

-----he was nervous that The Bulletin was going to learn something. What reason did he have to be nervous unless-----?-- Oh, I'd say about-----

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Hold on-----?-- -----12 months in negative activity.

Hold on. What reason did he have to be nervous except that it might get out that he was involved in other candidates' campaigns?-- I'd suggest you'd have to ask Mr Shepherd that.

Would you go to the email of the 11th of January 2004, please?-- That's the 11th?

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Yes. Two - 11th of January 2004 from Mr Shepherd-----?-- Mmm-hmm.

-----and Sue to you?-- Yes.

And you'll see at the bottom there is the first - it would appear the first in point of time emailed from you to him. "Hi Ted, this is Saturday, January 10 2004". I won't read all of that. If you go down to the paragraph commencing, "Although we had set up your campaign as a completely separate account here in Quadrant, it is obvious that you are quite concerned with the possible association with other candidates. The absence of any work through Quadrant should, I hope, eliminate this possibility although continued involvement on your campaign committee could possibly be equally comprising. We possibly need to discuss that aspect as well soon." So here there's a specific reference from you to him about his concern with a possible association with other candidates". Doesn't that rather fit in with the email I just read to you?-- It does. What I'm suggesting there is that if he wished me to do so, I was quite happy to resign and step down from any association with this. Ted was concerned, as I've said before, and he's stipulated in emails that are before the inquiry here that he wanted to keep his campaign quite separate. The difficulty is the interpretation that people would put on that and have and still do. What I'm suggesting here is that if he was really concerned I was prepared to step back and step down from any further association if he felt that was necessary.

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If you go to the one at the top of the page, to the email in reply from him to you, "From Ted and Sue, 11th of January 2004"?-- Mmm-hmm.

Go down to the paragraph - final paragraph, substantial paragraph, "With regard to the other campaigns and my connection with them through Quadrant and funding, firstly, our campaign should be fully funded by the end of next week

for what we want to do. So there is no need to source any other funds. Additionally, I had an interesting conversation with Max Christmas yesterday where he aware that I was involved with the David Power Group of Eight. I denied it but you need to be aware that somebody is talking already. I hate to think what will happen closer to the elections. I'm available for advice to the candidates but do not want to be linked financially or politically with the other campaigns". Isn't it implicit in this and you took it to be that he was involved but didn't want it to be known?-- As I stated before, Councillor Shepherd attended the meeting of the December 16th at the offices of Quadrant with the purpose of basically mentoring any of those candidates that were appropriate or felt that was appropriate. The extent to which he did or didn't, I can't really comment. The conversation that he had with Max Christmas, I can't comment on other than what is written there and I just reiterate he made a particular point of making sure that he kept arms length as far as his campaign was concerned from the activities of other candidates that we were working on.

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Yes. Could the witness see Exhibit 89, please, Mr Chairman. Do you have your - you've got your day book there, have you?-- No, it's been returned to-----

Could the day book be brought over as well, please, Mr Orderly. Exhibit 131. Now, if you go to the email of the 3rd of February or emails of the 3rd of February?-- Yes.

You refer there - you send an email to Sue Davies, Mr Ray's PR, "Subject: Nyrie"-----?-- Yeah, that's correct.

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-----"Kristensen" - spelt with a "K"?-- Mmm-hmm.

"Nyrie Kristensen just called and meeting with her and her campaign manager 9.00 a.m. Monday next, February the 9th at the club. I understand this is a 'tell me what you think' appraisal with no immediate commitments. Anything further I should be aware of, could you please advise." Now, in relation to this matter, does this relate to a possible exploration of whether there might be some funding from the fund that we've been speaking about for Ms Christison? Is that what this is about?-- It was - it was a consideration yes, that's right.

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And she was standing against Mr Sarroff?-- Correct.

And Mr Sarroff, along with Ms Crichlow and Mr Young were sitting councillors that the group and the people that you were part of were seeking to get rid of; is that correct?-- No, it's not correct.

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It's not correct. We weren't seeking to get rid of them?-- We did absolutely nothing with respect to this area that would - directly impacted on Councillor Sarroff.

All right. Well, he wasn't - he was - why were you considering whether or not that Ms Christison may be supported

against Mr Sarroff?-- I was asked by Brian Ray to meet with her and her campaign manager, which was her father I believe, and give me - and give him an opinion.

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Well, if consideration is being given to supporting a candidate against Mr Sarroff, it rather suggests the possibility that the funding was going to support a removal of Mr Sarroff. What other conclusion could one drawn?-- What other - what other motivations Councillors Power, Robbins, Brian Ray had, I can't comment. We were employed to run a commercial operation for three candidates as it subsequently arose. During the period of time in conducting those three elements of work, we were asked to provide an opinion to Brian Ray with respect to this particular person. I made some comments back to him the same day. Nothing transpired as a consequence.

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Ms Christison has told the Commission that Bob La Castra told her to contact Quadrant to see about the funding campaign. Does that tally with your recollection?-- I had no conversations with her and Councillor La Castra in this regard. It was all confined to a conversation from Brian Ray which is why I responded accordingly.

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Right. But when - you did meet her?-- Oh yes.

And you met her on the date that you've recorded there, the 9th of February?-- That's right.

And you have noted there what you see as various qualities; is that right?-- That's correct, yep.

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Just read that out to us, please. Read out what you've noted?-- All I have here at the moment is the email of-----

No, no, the - sorry, I thought that you were going to be given Exhibit 131.

CHAIRMAN: Mr Mulholland, you can break at a convenient time.

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MR MULHOLLAND: Thank you. Just read out the entry for the 9th of February, please?-- "Gold Coast City Council elections, Niree Christison plus Joe Hodgson, solid campaign, well-supported, well-connected, don't know her politics, community oriented, bit of an idealist, developer's daughter, conservative, educated."

That meeting, was that attended by her father?-- I believe Joe Hodgson is her father, yes. I could-----

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And Mr La Castra?-- No.

Now, you took that-----?-- I'm not quite sure where this Mr La Castra is coming from. I was asked to do something by Brian. I met these two people and I responded to him.

I've indicated to you where Mr La Castra fits in?-- Yes, but I have no knowledge of that.

Right. Well, that's what I'm asking you. Now, you took that note obviously with a view to reporting to someone?-- Yes, to Brian Ray.

To Brian Ray. And in the result that did not go ahead because she decided not to proceed with it?-- I have no idea why nothing took place. I was asked to meet with somebody. I did. I gave them a response. End of subject.

Yes, thank you, Mr Chairman.

CHAIRMAN: Yes, we'll adjourn till 2.15, thank you.

THE HEARING ADJOURNED AT 1.06 P.M. TILL 2.15 P.M.

THE HEARING RESUMED AT 2.18 P.M.

CHRISTOPHER LAWRENCE MORGAN, CONTINUING:

CHAIRMAN: Mr Boe, there had been - I have a memory that you mentioned you were going to - during the evidence-in-chief of Mr Morgan you said that you were going to get some extra material. I have a note of one of a spreadsheet as at the 10th of December. Have you forgotten all those things?

MR BOE: I don't think I referred to a spread sheet but I-----

CHAIRMAN: Yes, my note is "spreadsheet at 10 December." That doesn't really help me much as to what it was all about but I did note that you said you would get this and provide it.

MR BOE: I'll look at-----

CHAIRMAN: We might have to check back through the transcript.

MR BOE: There were some documents that I was referring to which I said I'll get references to but I don't think there was any talk of a spreadsheet.

CHAIRMAN: Yes.

MR BOE: It may have been the - document 7 or 8 to our statement which was setting out where he had been - trying to set out the break up of each of the expenditures on each candidate but I'll look at the transcript.

CHAIRMAN: My note might be wrong but if we can just check it.

MR BOE: I shall.

CHAIRMAN: And if there was anything you can just see if you can get it for us.

MR BOE: Can I just indicate that matter I raised before lunch. If I understand correctly, Mr Chairman, you raised a possible concern about section 430.

CHAIRMAN: Yes.

MR BOE: Can I just indicate that I would have thought that subsection (c) just would not apply to Quadrant, given that Quadrant was performing professional services.

CHAIRMAN: Yes. It's difficult though, isn't it, because-----

MR BOE: No, I mean-----

CHAIRMAN: -----who does put in the return vis-à-vis the Southport Citizens for Change? They're funded by a donation that comes to Quadrant, admittedly through the Hickey trust account, it's an expenditure of money on what is very clearly a political purpose about an election, but-----

MR BOE: Could I say, I don't think I should be running against anybody, all I'm saying is I don't think Quadrant falls into subsection (c).

CHAIRMAN: Because I'm looking at it in two ways, of course. I wanted to raise it to give you the opportunity to think about it and-----

MR BOE: Yes.

CHAIRMAN: -----give any advice you wanted to, to your client, but also I have a term of reference 2 and 3 which relates very much to any recommended changes to the legislation.

MR BOE: Yes, I see. Yes.

CHAIRMAN: And it's that sort of thing that's been exercising my mind.

MR BOE: Yes. Yes, and I could say those matters don't concern my duty to this witness but I've formed the view I've just said and I indicated that to the witness and he's happy to answer appropriate and relevant questions on that issue.

MR MULHOLLAND: One question in relation to that same topic, Mr Morgan, is this. Who associated with the election fund authorised Quadrant to perform that work to the value of approximately \$7,000, that is to say the work in relation to that negative campaign in Division 6?-- Sorry, the invoices relative-----

No, no?-- Sorry.

Not the invoices. Who authorised - and listen to the question please - who associated with the election fund authorised Quadrant to perform work to the value of approximately \$7,000 in respect of the negative campaign in Division 6?-- No one to my knowledge specifically instructed us or authorised us to do that. We were just acting within the terms of the brief as we understood it.

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Well, who were the clients in a position to give you instructions in relation to whether or not you should perform work to that value? Who were the clients at that time?-- The clients were within the overall framework of the instructions that we were getting.

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Who?-- I wasn't specifically instructed or authorised by anybody to act particularly in that particular of action, it was within the terms of what we felt was appropriate.

So you acted without instructions?-- Other than the general brief that we had on behalf of all candidates.

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Yes. Now, may the witness see Exhibit 3, page 54. This is the media articles. If you go to page 54 you will see this is the Gold Coast Bulletin article of 15 April 2004?-- Mmm-hmm.

And what I want you to do, Mr Morgan, is simply this. Read what is attributed to you by the writer of this article. I want you to do that and tell us whether or not you disagree any - with anything that is attributed to you?-- You want this entire article?

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Well, just the one page article?-- This is Gold Coast Bulletin-----

No, no, sorry, I don't you to read it out, just read it to yourself?-- Oh, I see.

Just tell us whether or not you agree or disagree with what is attributed to you?-- Okay. The second line there, "just following orders" is in line, yes, we were - we were - we then had received a brief and we were working in accordance with that brief; "Denied his leadership tag," I'm not quite sure what that refers to; saying Lionel Barden signed the cheques"-----

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CHAIRMAN: To assist you with that, and you were probably told at the time, if you go to the item before that at 53, see down towards the bottom of the first page, the second-bottom, highlighted, Power said - "Councillor Power said the group's leader was Chris Morgan of advertising agency Quadrant."?-- Well, I don't know that David would have said that. I would dispute that.

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MR RADCLIFF: Mr Chairman, could you assist me with the date of that article, I'm trying to find it. Sorry.

CHAIRMAN: The article that Mr Mulholland referred the witness to is 15 of April '04. The article I've just referred the witness to is also 15 of April '04.

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MR MULHOLLAND: Different page.

WITNESS: Could I just make one statement with respect to all of this. These are articles written by a young lady called Alice Jones, and frankly, from my experience both prior to even getting remotely involved in this exercise and subsequently, that anything to do with accuracy and credibility is just purely coincidental as far as this lady is concerned. To attribute David Power to saying that the group's leader was myself I find quite astonishing. With respect to the page that you referred me to in the first instance, for me to say that Lionel Barden signed the cheques again is totally incorrect. I knew for a fact that he didn't and I would not have said that specifically.

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MR MULHOLLAND: You would not have said that?-- No, because he didn't.

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You didn't say Lionel Barden signed the cheques?-- Absolutely not.

Okay. Yes, just read on?-- I said, "My company was simply employed to perform a service" which is correct. I've said that "the suggestion that all money in the trust fund come from developers was not correct", and I still stand by that. "I wasn't behind it. I was an independent contractor." I stand by that.

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Just pause there. By the way, you know - you certainly know now that almost all of the money did come from developers.

Substantially, all of the funding was from developers?-- A substantial amount. After the event, as we discussed it at the previous sitting, yes, that's been - well, that's after the event. At the time, there was a broad-based approach across the Gold Coast community, business community, for funding, and those particular individual companies have been listed which are obviously not development companies. At the conclusion of the exercise when you tally it all up, developers were the ones, yes, who contributed the majority of funds.

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Okay, read on?-- "We are professional marketing consultancy agency. We were employed to do the job. Lionel Barden had to give the sign off on everything, approved everything. He was the trustee."

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Did you say----?-- That's what I said - in terms of being the trustee that would be an assumption on my part and probably incorrect. All he did was actually put his name to the trust. I've assumed that in that context he was a trustee. "The trust was set up in his name. He was the authorising individual", that is correct. "It was administered by Hickeys", that's correct. "We were given a brief and we

worked to that brief. The brief was to conduct a campaign to assist the individual candidates as required", that is correct. "Confirm that we did work for Roxanne Scott, Greg Betts, and Grant Pforr, Brian Rowe, and we gave strategic advice to Rob Molhoek", that's a matter of record.

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Well, that's correct. That's what you said to the reporter?-- That's correct. "The company also did work for Mr Ted Shepherd but that it - that it was in not relating to the trust fund", and that I had known the Mudgeeraba Council for many years", which is correct. "The whole objective was to prepare a professional campaign. Lionel was just basically asked to head up the trust by the individuals concerned. He did not know whom these people were." I don't know whether I said that. Certainly not a quote of mine so I'm not going to lay claim to that. The implication that-----

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Well, are you denying that you said it or are you-----?-- Well, it's - one, it's not quoted as something that I'm supposed to have said, and I don't recall saying that Lionel wasn't aware who the people were. I don't know that for a fact. "The implication that it's all developer driven", that's just not correct.

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Well, do you agree that that's what you said?-- Yeah, it's basically - reaffirms what I said earlier on, that it's - "The implication that it's all developer driven" is not correct. I can't give you chapter and verse. It's certainly a broad-based community groups, chambers of commerce, developers are definitely in there. That would be correct.

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So you're agreeing that you said most of what is attributed to you in that article?-- Yes.

By the way, you didn't say to the reporter that there was a fund operating under the names Power and Robbins?-- I wasn't asked anything about the fund or the nature of the make up of it.

Well, you spoke of the account in the trust. You knew that there was an account held for a long period of time in Hickey lawyers that was not the Lionel Barden account, didn't you?-- Yes, that's what it was originally set up as, as the Power and Robbins Trust.

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And you didn't say anything publicly in relation to that, did you?-- No. It wasn't relevant to the interview at the time.

Nothing further, Mr Chairman.

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MR NYST: Mr Chairman, could I raise a matter. I think Mr Radcliff would like to go next in terms of cross-examination. I don't have a problem about that. But it's just a matter I wanted to raise if I could before we proceed further, and it really comes to a question of particularity so that we can all, in terms of our cross-examination and otherwise, focus our attention somewhat.

This investigation, as I understand it, is a misconduct investigation and sometime ago I sought particulars from the Commission regarding the misconduct that was being investigated. The response that was given at that time - it's not one that I'm cavilling with or complaining about - was that the Terms of Reference were still being formulated and so forth, but since then the Terms of Reference of course have been formulated and they were published on the CMC website under this broad introduction:

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"The CMC is holding a public inquiry into allegations concerning the Gold Coast City Council election held in March 2004. The public inquiry is investigating allegations concerning councillors of the Gold Coast City Council suggesting possible breaches of provisions of the Local Government Act.

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And then it goes on. And then it sets out the Terms of Reference. Now, following that, when Mr Mulholland opened on the first day of the proceedings, he told us that - and this is at page 24 of the transcript at about line 40 - he suggests to sharpen the focus of the inquiry, he would place on record the general categories of breaches that are contemplated and might arise.

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He then goes on to mention possible breaches of section 427, 427A, 428, 383, 384, 394, 436, 438, 229, 244, 246, 247, and 385. Now, my purpose in raising it - I'm not trying to tie my learned friend down to that, or the Commission down to that, but I did want to ask two questions, if we could at least sharpen the focus to this extent, that we establish that this is, in fact, an investigation into allegations that councillors involved themselves in conduct which proven might constitute a breach of at least those sections mentioned in the opening.

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And the second question I would ask is which councillors, and in particular from my point of view I would ask that it be particularised that it is said that Mr Power - that it's an allegation into such conduct on behalf of Mr Power, or Councillor Power.

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CHAIRMAN: I just say you used the term a little while - just in your last statement there that it was an investigation into the fact that councillors had done something or other.

MR NYST: No, an-----

CHAIRMAN: It's an investigation into whether councillors have done something or other.

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MR NYST: No, the term I used is an investigation into allegations that - I'm not saying that the Commission is making that allegation.

CHAIRMAN: It's into allegations of whether councillors have done anything. I don't propose to particularise - to sharpen the focus to particularise and narrow the terms of reference

down to say that we are investigating whether this councillor did this particular matter or whether another councillor did another particular matter.

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MR NYST: No, I-----

CHAIRMAN: As it says, it is an investigation and the investigation will lead us where the evidence takes us.

MR NYST: But I had understood my learned friend's opening to mean that it's - that it was an investigation into behaviour by various people and that that behaviour might constitute these offences, and that's all I would like to know: is it - is it - does this constitute an investigation of an allegation that Councillor Power involved himself in behaviour that might constitute-----

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CHAIRMAN: Mr Nyst, as I said, I do not intend to narrow the terms of reference into a specific question of whether any particular councillor did any particular thing. At this stage it's a broad-ranging investigation. If the evidence at the end of the day discloses that there is prima facie evidence that a particular councillor did a particular thing, then our report will refer to that.

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MR RADCLIFF: Mr Commissioner, might I further to what Mr Nyst has just submitted put my own gloss on that. What we really need is some direction from the Commission as to what councillors or persons are alleged to have committed what offences-----

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CHAIRMAN: Well, I just-----

MR RADCLIFF: -----and I recognise that it's a-----

CHAIRMAN: I've just made it very clear that I don't intend to do that-----

MR RADCLIFF: No, but-----

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CHAIRMAN: -----because it's - it's a matter - that's what the whole investigation is about is to determine that. It's not a matter of making - setting up an hypothesis like in a scientific experiment and then conducting the experiment to see if the hypothesis is made out.

MR RADCLIFF: It just makes our job - I'm sorry.

CHAIRMAN: That's what this investigation is designed to - allegations generally have been made and the Commission is generally looking at all those allegations to see if there's anything in them. We're not at this stage suggesting that any person has done any particular thing. That's certainly the way I'm approaching it.

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MR RADCLIFF: Mr Commissioner, we don't seek to tie your hands in any way and we recognise we can't, but our difficulty is that without some specific area for each of us - generically

all of the councillors are subject to something that none of us can define and that makes cross-examination very difficult and broad-ranging. We only seek to narrow sufficiently so that I on behalf of Councillor Shepherd know that I should look at these issues.

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And as well that's amplified by the manner in which - and I don't criticise what Mr Mulholland and his team have done, but we are being spoon-fed the evidence. We are being given statements of evidence from witnesses in advance of when they are to be called in the usual course of things, but we now today will be cross-examining Mr Morgan without knowing what, for example, Mr Young says, without knowing - and we haven't got Mr Young's material yet.

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That's the difficulty that we face. It is just so open in its present form and it's causing all of us a lot of difficulty in being able to properly put things to witnesses. If we were given some particularity in respect of - well, the allegation - it seems to be the bloc, the group of eight. If we were told that the group of eight were allegedly said to have done one of the number of offences that Mr Mulholland outlined from the misconduct sections of the Act, then perhaps at least we'd have some ability to say, well, that's where we concentrate on. We can't do that now and that's our difficulty.

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That's only what Mr Nyst I think is trying to say. It's not to try and stop Mr Mulholland from going in any direction. He's constrained only by the terms of reference, and they're wide, but-----

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CHAIRMAN: Well - but that's already been done in that Mr Mulholland in his opening comments did refer to the various sections that he considered could well be appropriate.

MR RADCLIFF: Without reference to which of the councillors, is any, without - in my case for example - without reference to Mr Shepherd as to what Councillor Shepherd is alleged to have done. Presently I have gamut of 12 sections of the Act where he may or may not have done something. Out of that I've got to sift evidence.

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I may ask this witness a whole range of topics only to find that one of those 12 sections comes back to bite me for some reason that's not even disclosed.

CHAIRMAN: Well, you've heard this witness's evidence.

MR RADCLIFF: Yes, I have.

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CHAIRMAN: It's a matter for you to assess-----

MR RADCLIFF: Yes.

CHAIRMAN: -----as to whether there's anything in that evidence affects your client vis-à-vis any of those sections.

MR RADCLIFF: Mmm. Once again, without knowing for example what Councillor Peter Young says. It's really a-----

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CHAIRMAN: I find it a bit difficult to see how anything that Councillor Peter Young says about this witness's evidence can affect the question you're raising-----

MR RADCLIFF: I use it by an example.

CHAIRMAN: -----but I take the - I take the general point.

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MR RADCLIFF: I don't - I don't use that as the benchmark and I-----

CHAIRMAN: Yes.

MR RADCLIFF: It really is difficult for all of us at the Bar table to-----

CHAIRMAN: I must say I don't know what material you have received. I don't know; I'm not party to that.

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MR RADCLIFF: We received another 19 CDs today with 19 statements of evidence in them. None of us have read them yet. That's - that's the problem. I'm going to cross-examine this witness. And some of these witnesses had a lot to do with Quadrant.

I don't know whether there's anything on those that will affect my client. I just need some degree of definition. I don't want to tie the Commission to anything at all. I don't want in a circumstance where I say to the Commission, well, you can't ask questions because my particulars weren't fulfilling enough.

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But if there was some guidance given by Counsel Assisting that would help all of us..

CHAIRMAN: What do you say, Mr Mulholland?

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MR MULHOLLAND: Mr Chairman, opening went into the offences as you have already indicated. What has - what is clear from the terms of reference is that the investigation that is being conducted relates to the March 2004 election and it relates specifically to conduct or alleged conduct of candidates at that election. Mr Radcliff's client is one of those candidates at that election. The offences which appeared to us to be possible offences that may have been breached, depending upon what the evidence disclosed, were referred to.

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Now so far as - and specific mentioned has been made of the material relating to Mr Young, that material has not yet gone to Mr Radcliff but it will go in advance of the next bracket of evidence as foreshadowed earlier in the hearing, that is to say, three days, at least, in advance of the next bracket of evidence, that material will be delivered so he will know. Beyond that it's very difficult to say anything further.

Mr Radcliff's clients - client is obviously one of the candidates referred to.

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CHAIRMAN: Yes, it's a bit difficult.

MR MULHOLLAND: And he hasn't given-----

CHAIRMAN: I can sympathise to some degree with Mr Radcliff but-----

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MR MULHOLLAND: And his client has to be heard.

CHAIRMAN: -----apart from his own client, virtually everyone else who is in and around Mr Morgan's evidence has already given evidence, I would have thought. I don't know whether you're proposing to call others like Mr Stewart Hill which, again, wouldn't affect Mr Radcliff at all.

MR MULHOLLAND: We do propose to call Mr Hill.

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CHAIRMAN: But it's a bit difficult to see if any other witnesses who would tie in any way with Mr Morgan and Mr Radcliff says this, "Spoon - he's been spoon fed". In some ways it might be because you're giving too much material almost. If I think back to the way it can be done is that the alternative is you give notice of allegation that this witness will say this - general and very general allegation about your client. In this case having heard this witness' evidence, I would suspect, that no such notice would have been given with respect to Mr Shepherd.

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MR MULHOLLAND: Yes.

CHAIRMAN: Whereas there are, of course, general things about Mr Shepherd that have been given in evidence because of this witness' connection with him during Mr Shepherd's campaign. Do you this the point I'm making, Mr Radcliff, that perhaps-----

MR RADCLIFF: Yes.

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CHAIRMAN: Perhaps you've been given too much material and, therefore, you're concerned about it.

MR RADCLIFF: Yes, I've been given far too much material, I can tell you that. Sir, the difficulty that we still face is that I can understand the nature of the inquiry. The inquiry would not be happening unless there is some evidence that my client has allegedly committed an offence.

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CHAIRMAN: I don't know that that's a correct statement.

MR RADCLIFF: Well-----

CHAIRMAN: It's just some evidence that some councillors perhaps-----

MR RADCLIFF: Mmm-hmm.

CHAIRMAN: -----your client happens to be a councillor.

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MR RADCLIFF: Yes. Well, he's been associated with this group of eight.

CHAIRMAN: Terms of reference don't mention your-----

MR RADCLIFF: No.

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CHAIRMAN: -----your client by name.

MR RADCLIFF: No. But that being so, it really is procedurally difficult for us to continue to stumble on without knowing the totality of the evidence. My friends could give us definition of what we are - what he thinks has occurred and, in fact, my client was - would willingly have submitted to an investigation - a meeting with someone from the Commission to interrogate him beforehand but we'd had to go through this nine sitting days and here I am nine sittings days down and I still don't really-----

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MR WEBB: It's 10.

MR RADCLIFF: Oh, 10, I'm sorry.

MR WEBB: Yes.

MR RADCLIFF: I'm corrected, but I'm still not precisely aware of where it's going.

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CHAIRMAN: Well, your client has been given statements and material relative to a number of witnesses.

MR RADCLIFF: Yes.

CHAIRMAN: It's a matter for you to assess out of that-----

MR RADCLIFF: Yes.

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CHAIRMAN: -----and to advise your client whether you need to be here-----

MR RADCLIFF: Yes.

CHAIRMAN: -----and whether you need, on his behalf, to question those witnesses.

MR RADCLIFF: Yes, that's right, and-----

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CHAIRMAN: It's not a matter for the Commission to tell your client or to tell you whether you should ask any questions of the witness. If you desire to ask relevant questions you will, of course, be allowed to. I don't know that we can take it any further than that at this stage but I'm certainly - if something does come out at a later stage out of another witness' evidence that means that you should have a good

argument as to - that you should have been able to ask this witness-----

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MR RADCLIFF: Yes.

CHAIRMAN: -----questions about it, we'll have to look at that when the time comes-----

MR RADCLIFF: Mr Commissioner, look-----

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CHAIRMAN: -----and that'll be borne in mind, of course, the fact that if you did not have that material at the time then, of course, it's not your fault or your client's fault that you didn't ask the questions now. That'll be borne in mind, of course.

MR RADCLIFF: Thank you. Might I proceed with cross-examination of this witness?

MR NYST: Could I just raise something very briefly apropos something Mr Mulholland said just now? You said, it's clear - what is clear is that the investigation relates to the March 2004 elections and specifically to alleged conduct of candidates at that election and Mr Radcliff's client is one of those candidates referred to. I take it, Mr Power is also, but I'd ask my learned friend just to confirm that.

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CHAIRMAN: I think you could take that as being the case, Mr Nyst.

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MR NYST: Thank you. Thank you, sir.

MR WEBB: Mr Commissioner, may I - because my client does have an interest, do I understand that really your ruling that the investigation is a set-up of the terms of reference, cases of alleged official misconduct or suspected official misconduct by councillors of the Gold Coast City Council and at this stage that includes all councillors.

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CHAIRMAN: Any councillors where there is evidence to suggest that.

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MR WEBB: Which, at this stage, of course, where we haven't heard all the evidence must necessarily include or have within its purview all councillors.

CHAIRMAN: I would certainly see the term of reference that way, Mr Webb.

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MR WEBB: Thank you, Mr Chairman.

CHAIRMAN: Thank you, Mr Radcliff.

MR RADCLIFF: Thank you. Yes, thank you. Mr Morgan, I might start with the point where Mr Mulholland led you just before the break, and that is concerning the e-mails that you had sent to Mr Shepherd and had received from Mr Shepherd. They are the e-mails that are contained in Exhibit 138. Has the witness still got that exhibit, by chance? While that's - while that exhibit is being obtained we might deal with another matter. You were a part of Mr Shepherd's campaign committee in the 2004 election?-- Correct.

20

You have come to know Mr Shepherd since about 1995. Is that correct?-- That's right.

And you came to be part of his campaign committee as a consequence of your relationship with his then campaign secretary who has now become your wife. Is that right?-- That was more subsequent that I got involved with Ted back in the days of the Gold Coast Headland Tourism Association actually.

30

Yes, yes?-- Subsequently.

You've known him for a long time but your relationship vis-à-vis elections came about peripherally in 2000 when you assisted-----?-- Correct.

40

-----by way of giving out how to vote cards and that sort of stuff. And you only participated in his campaign committee on - in the 2004 election?-- That's correct.

This participation at first was monthly meetings after the decision had been made by Ted to run again?-- That's correct.

And that, when it came closer to the election time, came to the meetings every fortnight?-- And subsequently weekly I think, yeah.

50

Yes, and at that time you were very busy and your attendances were perhaps 50 per cent of the time or thereabouts?-- Be about right, yeah. Sometimes I was interstate.

His campaign committee comprised a number of people and it was - your wife was one?-- Correct.

There was a Mr Wayne Moran who was the chairman of his committee. Is that right?-- That's correct.

It would be correct to say that Sue and Ted Shepherd were the main driving force behind this committee?-- Yes, that's right.

But that any advice given by Mr Wayne Moran to Mr Shepherd was very strongly heeded, wasn't it?-- Sorry, could you repeat that?

10

Was strongly heeded, any advice that Mr Moran gave him?-- Yes, it was, yes. Yes, it was.

In fact he was the main force behind the campaign after Ted and Sue Shepherd?-- That would be correct, had been for some time actually, Wayne.

All right. Now, bearing in mind that, Mr - you came to be involved once again with Mr Shepherd's campaign after the Christmas break of December - Christmas break of 2003/2004?-- I had attended meetings prior to - prior to that 2003/2004 holiday period but that - we virtually got under way really around about the middle of January I think from memory. That's when that campaign really started in earnest.

20

I'm dealing now with Quadrant's involvement with Mr Shepherd's campaign and it would be fair to say, would it not, that in the first week of January there was some uncertainty as to what if anything that Quadrant would be undertaking for and on behalf of Ted?-- That's true.

30

Ted Shepherd's campaign?-- That's true.

In fact you were communicating with him by way of e-mail to say, "What's going on?"?-- Correct.

"What do you want me to do?"?-- Mmm-hmm.

And in fact I'll show you some e-mails if I may. I have copies of the - I'm not sure whether - are they copies of e-mails and faxes which you sent to Mr Shepherd at the early stages of January to inquire what you could do about his campaign and Quadrant's involvement?-- Yeah, one of these is an e-mail of 5 January from me to Ted, copy Wayne Moran, re the Division 9 campaign that he was conducting. That plus the fax of 5 January as well.

40

Yes?-- Basically relate to seeking clarification in terms of - well, work in progress, what are required with respect to the items that I've referred to here.

50

Yes. Now, looking at your fax of 5 January, you refer to an updated draft election program in that document. You see that, at the foot?-- Oh, sorry, the e-mail, yeah.

Yes, the e-mail, at the foot of the-----?-- "PS Updated election - updated draft election program to follow this evening."

1

Were you given any instructions to do that for Mr Shepherd or was that something that you've done on your own behalf, at your own instigation?-- Just trying to recall actually exactly what that was specifically. Updated draft election program.

I suggest to you it was a form of a running sheet-----?-- I can't recall the document.

10

-----of what will happen?-- That's - that would be as about as close as I could recall to what it is. I couldn't tell you precisely what it was but yes, that would be a reasonable assumption.

That was something you did at your own instigation, not as requested by Mr Shepherd?-- Probably.

20

And it wasn't something that you did for and on behalf of Quadrant?-- Oh, certainly not, no.

And if you look at the very last sentence before we say, "Talk to you soon," you refer to it by saying, "Is it just in Alice's Wonderland?" What's that a reference to?-- Oh. Lack of - this was an article that - I think it was a double page spread from memory - that the Bulletin put together. It was produced by Alice Jones, with respect to her opinion as to what the top issues were in each individual division with respect to voter concerns. The point was lack of consultation. It was regarded as being an issue in Division 9. We all knew from personal experience that that was not correct and in terms of the mark there, with the relevance of that, or is it just in Alice's Wonderland, we often wondered where she got some of her stories and the suggestions from because in many cases they had no substance in reality.

30

This is Alice Jones who was a reporter for the-----?-- She was a then reporter, a Council reporter for the Gold Coast Bulletin.

40

And your advice to Mr Shepherd concerning the Gold Coast Bulletin in general terms was what?-- Oh, basically don't talk to Alice Jones, even though she was a Council reporter, and there is a - email submitted here I think you'll find under my - in my files on - for Mr Shepherd but - where we discuss that very issue.

Yes?-- The issue was, talk to - if there are any you can find them at the Bulletin - reporters that would be objective, that would be fair, not give you favours necessarily, we didn't expect that, we certainly were looking for objectivity with reporting, and to provide any information relative to the campaign to those reporters, other than the Council reporter.

50

You have your folder there, Exhibit 138, or documents relating to Mr Shepherd. Can you identify that email for us?-- It was

28 November I think - or that's when it started. Ted actually sent me a copy of a - email response he'd had from the editor of the Gold Coast Bulletin, Bob Gordon.

1

If you look at the bundle, there are a number of invoices followed by a single page document, The Awful Truth About the Great Water Crisis, and then it's the next document after that?-- Yeah, that's the one. We referred to this earlier today.

10

Yes. And your comments - sorry, "Councillor Shepherd wrote to the Bulletin," and looking at this email here, he receives a response from Bob Gordon?-- That's correct.

He then writes to you - that's Councillor Shepherd writes to you saying, "Do you consider any further reaction to the Bulletin to be a waste of time; your thoughts"?-- That's correct.

And then your response is up there?-- Yes, it is.

20

I won't read it?-- No, I suggest it's probably inappropriate.

And then in the chronology we've just dealt with the two - the fax and the email. So that I don't lose track I suppose I should really tender those.

CHAIRMAN: Yes, they'll be Exhibit 150.

30

ADMITTED AND MARKED "EXHIBIT 150"

MR RADCLIFF: Then we have the email from Ted and Sue to you dated 8 January 2004?-- Mmm.

And I ask you to look at the third line of that, and this harks back to what you were asked just before the break by Mr Mulholland. Mr Mulholland suggested to you that there was a common theme in those for whom you were acting-----?-- Right.

40

-----in Quadrant. Unfortunately the word is "theme" used in the fourth line there where he says, "I know you have put a lot of enthusiasm into the new theme for me." What does that mean? Is that any reference to a common theme with any other councillor, Mr Morgan?-- No, it's not. I was looking specifically at, as we did with all the individual candidates, in this instance with Division 9, what were the specifics in terms of election issues that needed to be addressed and an overall theme. The theme in this instance was the 10 out of 10 connotation which was quite unique to Councillor Shepherd's campaign.

50

That was - pause for a moment; we might explain that a little. Later in your bundle there is a suggestion of a bumper sticker for a car which says on it "10 out of 10"?-- That's correct.

That's something you developed for Councillor Shepherd but which he rejected, he didn't want?-- We did actually run that.

Oh, did you? All right. He - you also in your bundle of documents for Councillor Shepherd have a how to vote card?-- That's right.

He didn't run with that either, did he?-- There was a definitely a how to vote card produced. I think we did.

10

I suggest to you that he didn't?-- Yeah, I'm not quite sure. It might have been - there was - Wayne Moran was doing some work, I was doing some work, just-----

The only thing that you did for Councillor Shepherd as your evidence has been so far is the pamphlet that is towards the back of your bundle of documents, "Well done Ted"?-- Yes. Yes, we did that.

20

That's the only involvement that Quadrant has?-- We produced - sorry, I have to use - be careful how I use the word "we". Quadrant produced at my request a number of items of artwork which were then produced in a finished form, whether that was an adhesive sticker for motor vehicles or whether that was a - an A3 sized flyer, a four colour flyer that was circulated throughout the electorate. There are a number of items. They were all detailed in the accounts that we submitted to the campaign committee for payment.

30

Pausing there, you submitted accounts to the campaign department. Were these accounts rendered at ordinary commercial rates?-- Ordinary commercial rates.

There was no discounting?-- No.

It was a - dealt with by Quadrant as a separate entity to that of your-----?-- Absolutely. Well, they all were.

In fact Quadrant is a company - or Quadrant's the business name for a company, is it?-- That's correct.

40

Is it Malandra?-- No. Sorry, Quadrant is the trading name. The Proprietary Limited company is called Mandra - M-A-N-D-R-A.

Mandra, I'm sorry. Yes. And you are one of the directors of that company?-- One of three, that's right.

And one of the shareholders of that company?-- Correct.

50

So that the business activities between Quadrant and Division 9 campaign committee are entirely separate and apart from your affairs as a committee member on Councillor Ted Shepherd's campaign committee?-- Correct. In essence, I was wearing two hats obviously. I attended Ted's campaign committee meetings, made advice or made recommendations. From time to time a number of items arose that required production or needed to be

executed, and in some instances I undertook to do some of those; other people did other ones.

1

Yes. Can I turn your attention back to that email from Ted and Sue, the second-last - sorry, third-last paragraph in that, he says, "Additionally, by spreading the work around" - I ask you to read that as not "work" but "word", the "word around, I can disassociate myself from other campaigns."?-- I - I can't comment on that.

10

He was doing both, wasn't he?-- Yeah.

He was not only getting Quadrant to do printing work and media work for him but other people were doing-----?-- Oh definitely, yeah, and Wayne Moran was actually producing a whole range of things particularly relative to Stage 3 of the Hinze Dam. That was Wayne's particular project. I had no direct involvement in that, and was a commission that Ted employed Wayne to do.

20

All right. And then subsequent to that we have an election - in the same bundle - an election program which is something which you've prepared. Was that done at the request of Councillor Shepherd or was it done - another activity that you've undertaken to try and assist in your role as a campaign member?-- These were - I can't even remember producing this. It looks like my work. This is a summary of work that potentially was required to be done. I had gone through and estimated some costs on this for the purpose of discussion.

30

Yes. So that's what you thought he should do and that's what you thought that Quadrant could do for him?-- That's correct.

And what Quadrant eventually did for him was just to create one leaflet?-- There was more than just one leaflet. There were a number of items that were detailed on the accounts which should be detailed in here.

Yes?-- This was a variety. This particular here, "production requirements" as it's titled, is a variety of items that were - were being considered. They had to be looked at in the context of the available budget and whether Ted felt it was appropriate to proceed with them. Now, that was a discussion document for planning purposes.

40

And in fact, as a consequence of that, there then came the two emails of the 10th and 11th I think they were - yes, your email of the 10th. Do you have that in front of you, 10th of January-----?-- Oh yes, right. There's an email here from me to Ted, copy Wayne Moran. Yes, that's right.

50

And in respect of that, you say in the third paragraph that you "strongly suggest that Wayne continue to produce design, write and organise printing of all material as in the past"?-- Yeah, that's correct.

The paragraph above that, if I can jump around a bit-----?-- Mmm-hmm.

-----you effectively say that Quadrant's a bit too expensive for you?-- I don't know whether Councillor Shepherd was just trying to get the best possible deal from me or otherwise but I was basically saying to him he was - I implied earlier - that if he was looking to get those sort of - that sort of work produced at that sort of price, and he had concerns in other areas, it was probably a good idea if we just stepped back because it was not in my realm of experience to achieve that sort of work at that particular price.

10

And in the last paragraph - before back shortly to you on the water issue-----?-- Mmm-hmm.

-----is it correct that you were there suggesting to Councillor Shepherd that you were prepared to withdraw from his campaign committee?-- Yes, I was, yes. If he had - if he had concerns, yeah, I was prepared to do that.

Why were you prepared to withdraw from his campaign committee? What concerns did you say you had?-- Well, we've addressed the Alice Jones issue and that of the Gold Coast Bulletin before. If he felt that the Bulletin could put some spin on it, which they were particularly adapt at doing, that would turn out to be negative to him in any particular way, then I didn't want to be party to that or in any way contribute to it.

20

And in face, he went on to say and explain to you in clear terms in the email of the 11th of January what his concerns were being involved with Quadrant?-- Yes, he has spelt that out. If you employ a consultant, if you wish to do a job of work, and particularly to employ the quality and the - the standard of people that we have on our - on our team, that is going to be more expensive to do so than if you'd simply take a job to a printer and get him to design it, which had been pretty much the - the work that Ted had done before and he was looking at the costs associated with that by comparison to what we would have charged, hence those remarks.

30

In the second sentence - sorry, third sentence of his email of the 11th of January, he says to you, "It will also be more expensive than I think we can afford."?-- That's right.

40

And he goes on to say, "I'm still keen, however, to have Chris Morgan to do the achievement leaflet"?-- Mmm=-hmm.

"I know you're very busy but that's what I want you to do, effectively"?-- Yeah, I'd like you to do, yeah.

And then he goes on-----?-- Oh Ted's - the way I read that is that he's looking to have me there as - as a personal friend, as an individual, and not as a - somebody there from Quadrant trying to sell everybody something every night-----

50

Yes?-- -----that we had a campaign meeting.

He also tells you in the very next two lines that effectively his campaign has been fully funded by that point in time, so

there was no need for any additional funds?-- Apparently, yes, that's what he says there.

1

And he concludes that email by saying, "I am available for the advice to candidates but do not want to be" - and that's in bold - "do not want to be linked financially or politically with the other campaigns"?-- Yes, that's correct. That's what he says.

Talking about his availability to advise other candidates, that comes from what, in fact, he did at the meeting at which you produced Exhibit 14, your list of objectives?-- Mmm-hmm.

10

You've seen this document before. I don't have to show it to you again, do I?-- Yes, I'm familiar with that.

That's Exhibit 14 to those who have it. In respect of that meeting, tell me: Councillor Shepherd did speak at that meeting, didn't he?-- Yes, he did.

20

And he spoke, and I suggested to you that he was there for this reason, he was in effect a guest speaker, if I can use that phrase, because he was one of the only councillors from the previous election who had been successful in defeating a sitting counsellor. Can you recall that?-- That's true. That's true.

That's true, isn't it?-- Mmm, it was.

And in fact, he was there because of that and he was there to assist these candidates by explaining to them some of the pitfalls of campaigning and what should be done?-- Whether he was there as a guest speaker or not you'd have to really address that to the people that asked Ted to attend. I can't assist you with that one way or another.

30

You didn't ask him to be there?-- No, definitely not. With respect to his experience, yes, I would agree with that and my understanding of his role there was to act as a mentor in the same fashion that the other councillors were expected to do or did subsequently.

40

But that was his role there. He spoke to those who were present, these new candidates, and told them a little bit about campaigning and what they could face?-- Ted would be a better one to recollect exactly what he said. There was a lot of conversation going on there. I can't say specifically that he said this or that to another candidate, other than that there was general discussion with respect to campaigning and all councillors participated in that.

50

And after that meeting he had nothing else whatsoever to do with the Robbins Power Trust?-- Not in my experience, no.

Nothing to do with the Lionel Barden Trust, if there was such a thing?-- Not that I'm aware of, no.

And there was nothing that he had to do with Quadrant other than the preparation of this one, or the work that is the subject of your accounts?-- Of the work that we did? That's quite clearly defined there precisely as to what we did in relation this campaign, and I'm saying "we" in the Quadrant context now.

1

Yes?-- No, that was all. There was nothing that I'm aware of relative to activities associated with the Lionel Barden Trust Fund that Ted was associated with, no.

10

All right. Now, at page 850 of the transcript you say this, and this was said on the last occasion that you were here, "The whole premise as I understood it for the actual fund to be established was an absolute and complete frustration on the part of Councillors Power and Robbins, and I imagine Shepherd and La Castra, and those associated with them, to achieve a situation within council where you had people that you could work with."?-- That was my understanding of the motivation, yes.

20

Now, I hark back to your words there. It was - and I'll split this up - "The whole premise for the actual fund to be established was an absolute and complete frustration on the part of Councillors Power and Robbins". Were they actually the people who were setting up the fund or-----?-- The short answer to your question is I don't know. They would have been party to it. Whether they specifically did so my understanding was that Brian Ray was very much involved in establishing that as well. It's a question really I'd suggest you address to Mr Hickey.

30

And I'm worried about your words that follow, and you go on to qualify that by saying, "frustration on the part of Councillors and Robbins and I imagine Shepherd and La Castra"?-- Correct. That was my understanding of the situation.

By those words "and I imagine Shepherd and La Castra," are we to take it that you just don't know?-- I didn't know specifically. I assume that was the case. As I said, it was an assumption, what I understood to be the premise of the fund and the reason for it being established.

40

And that is what it - what your evidence on that day was. It was an assumption on your part?-- Correct.

Of those involved. I ask you to read that passage once again. You see, I'm not interested in what you imagine the circumstance to be and that's what you predicate my client's name with. You say "Councillors Robbins and Power," and then you go on after that to say, "and I imagine Shepherd and La Castra"?-- "And I imagine Shepherd and La Castra and those associated with them to achieve a situation," et cetera. Yes, I imagine, I-----

50

So pause for a moment. You really don't know what my client's knowledge of that set of circumstances was?-- That's why I used the word "imagine".

1

And therefore we should ignore what you say after the words "Robbins and Power" because you just don't know anything about it?-- That's why I used the word "imagine".

It's pure presumption on your part and with respect it will cause this inquiry to go down a dry gully?-- It is a presumption on my part.

10

You don't know at all?-- Not specifically. I hadn't spoken to Bob La Castra, correct.

Yes. And you don't know of Mr Shepherd's involvement at all?-- Only that he was there at that meeting on the 16th.

And you don't know why, because you didn't ask him there?-- It was - no, I had no specific discussions with Ted Shepherd relative to exactly why he was at that meeting.

20

All right. That can be returned, thank you. Now, the \$9,999.13 was paid by the Shepherd campaign fund, not by Mr Shepherd himself?-- I think it was the Division 9 campaign fund. It wasn't a personal cheque though.

There was no assistance given by Quadrant in any other fashion to Mr Shepherd?-- Not at all, no.

30

You've given evidence about the invoices which were raised in favour of the Lionel Barden Trust. There were three of them. The particulars were - they're part of Exhibit 144, the common sense candidate resource, candidate campaign management and coordination fee. Do you have those?-- All I have here are copies of correspondence in my file relevant to Councillor Shepherd.

All right. You recall these, these are three invoices for \$10,000 each?-- Yes.

40

And they were for - the particulars at the head of each invoice to the Lionel Barden Trust was candidate campaign management and coordination fee for January, February, March?-- And March, correct.

They're each signed off by Mr Barden on-----?-- Right.

That fee or those consultancy fees, did they in any way relate to Mr Shepherd?-- No, they didn't.

50

They related to other councillors, didn't they?-- No, they related to three specific candidates and two other candidates we did a minimal amount for.

I'm sorry, you're right. At page 865 of the transcript you say that you were aware of the requirement to make

declarations of donations from what you had experienced with Ted Shepherd's campaign?-- Mmm-hmm.

1

What was your state of awareness then-----?-- It's-----

-----attribute to Councillor Shepherd? What had he told you?-- Just come up in basic discussion, I think. My understanding was anything in excess of \$200 had to be declared. There are some notations in my day book to that effect, but essentially anything cash-kind, gifts, etcetera, in excess of that amount had to be declared.

10

And at page 903 you say that you know that Councillor Shepherd was quite adamant about disclosure?-- Absolutely.

"And I can remember it from discussions independently of this particular exercise"?-- Yes, he was. Ted was always most emphatic about that. He's dotted "i's" and crossed the "t's" all the way along the line.

20

You were asked about a document which has percentage rates of success or similar to a-----?-- Yes, I know the one you're referring to.

You know the document I'm talking about. And there was a - you were asked questions by Mr Mulholland about the rating of success by Mr Shepherd of 55 per cent-----?-- Mmm-hmm.

-----yet he was still given a tick?-- Mmm-hmm.

30

Is there any - you've had time to contemplate that since giving that evidence. Is there any reason why some of these candidates were getting a tick and some were not?-- I think most of them were given a tick. I still, to the life of me, cannot understand why. I have no recollection of what the ticks were or what the purpose of them were. That document, as you say, purported to give an indication as to the likelihood or otherwise of candidates being elected or otherwise. I can't recall why I ticked those in that form.

40

All right. At page 908 of the transcript you talk about another document in respect of which there is a notation in your handwriting, "NIFSAN, Ted called Ian McLean"?-- Correct.

And you then go on to say, "The suggestion was to be made to Ted to call Ian McLean"?-- Mmm-hmm.

Did you ask Mr Shepherd to contact Ian McLean?-- No, I didn't ask Ted to contact anybody. Two other people that were in the room at that time I believe from memory were Brian Ray and - and Tony Hickey, and that would have been a notation for one of them to - to do so. There's subsequent information here - which I saw another spreadsheet today that also indicates follow-ups, responsibilities subsequent to that meeting.

50

Follow up - can you identify that document to me?-- It was circulated here earlier today. I think it was today. I can't recall whose file it came from. It's not something we

compiled but it had a list of donors or potential donors and the individuals who had been designated or nominated to - to make follow-up phone calls.

1

At the time of your handwriting that, you would have known, would you not, that Councillor Shepherd would not have approached NIFSAN about anything to do with the election?-- I have no idea.

You have no idea. Well, I put it to you-----?-- That was a notation I made at that meeting. Whether Ted would do that or not, something you'd really have to discuss with Ted.

10

All right. Well, I won't - there were issues before the Council at that time which would lead Councillor Shepherd to refuse to communicate with NIFSAN about anything to do with the election. You have no idea?-- I have no idea.

All right. On the last occasion Mr Mulholland asked questions about emails indicating that - I'll read you this: "Mr Morgan, it's true, is it not, that you were aware that it was starting to get out within the voters as to what was happening and that this was happening in early February, and indeed, there are some emails, isn't there, from Mr Shepherd which indicate he's - indicates he was getting very edgy about it." Are these the emails to which I referred you just recently?-- Yeah, we spoke about those earlier this morning, yes.

20

And what - you went on to say, "Not really. We were concerned with the Gold Coast Bulletin". Is your - is that the same concerns that you've explained earlier in your cross-examination by my-----?-- Well, I think I've addressed that point before.

30

You came to understand and you saw yourself, did you not, that councillors felt intimidated by the media prior to this election?-- Very much so.

And that intimidation?-- Specifically the Gold Coast Bulletin.

40

And that intimidation came from articles which were written by this reporter, Alice Jones?-- In my view, it was a specific editorial policy of the editor, Bob Gordon, and specifically the Council reporter, Alice Jones, as she was at that time.

And that was the reason - in fact, the attitude of Councillor Shepherd and those who were advising him were to avoid contact with the Bulletin as much as they possibly could?-- It served absolutely no purpose to communicate with the Bulletin.

50

And it was your opinion given earlier that many of the articles that were published by the Bulletin were plainly and simply incorrect?-- They were either incorrect, they lacked depth. I was contacted once during the entire period which was kind of strange considering the depth of involvement I'm supposed to have had. I do believe that the Bulletin had a

particular agenda and they sought to further that with not a great deal of respect for the truth, to be perfectly frank.

1

Can I draw your attention to Exhibit 145, which is your compendious statement and, in particular, Exhibit 7 to that, is an email - Exhibit 145 - we've got a copy here - just take this. You were asked questions by Mr Mulholland about this document in length. In the second major paragraph commencing, "In the interim"-- Yes.

10

At the end of that there is - I'll read it, "In the interim I will prepare a draft of objectives". That's Exhibit 14, the document I showed you before, is it not?-- Is that dated 16 December?

Yes, that one?-- Right.

Is that the document, the draft of objectives, to which you're referring?-- Mmm-hmm.

20

Proposed strategy and nature of - nature and application of the resource that we discussed?-- Correct.

That reference to "we discussed" must be with Sue and David, the authors?-- Yes, it would be.

Yes. Discussion-----?-- And possibly Brian as well, I'm not sure.

"Discussion prior to next Wednesday by email should be sufficient to ensure there is consensus by all parties" and then you've got these words, "including Ted and Bob, I presume, on what is tabled on Wednesday evening"?-- That's right.

30

Once again, those words are a presumption on your part, "including Ted and Bob, I presume"?-- That's correct, that was a presumption on my part, that's right.

Therefore, do we take it that there is nothing that was told to you by Sue and David about Ted and Bob or what is the relevance of this presumption on your part?-- I was under the impression that they would be meeting with us at some particular point. I can't recall the specifics as to why or who indicated that they were involved. It was an assumption that I had made. I can't give you specifics as to why or who told me that they were going to be there or that I needed to communicate with them.

40

So your present recollection is, you don't know anything about why you put those words in there, is that what you're trying to say us?-- I was under the impression, a presumption-----

50

That doesn't help us, you see?-- Sorry?

That doesn't help us?-- Well, I'm saying is it-----

Why were you under this impression? Who gave you this impression? What-----?-- Well, the only people who could have given me that impression would have been David and Sue. 1

I see?-- I can't remember specific discussion to that effect but that's why I would have made that statement.

Yes. Your evidence in pre - prior today has been that you had no communication with Ted, meaning Mr - Councillor Shepherd?-- Mmm. 10

Prior to that and we know that Councillor La Castra, I think, was overseas or was away?-- Oh, I'm not sure where he was.

So because you had no personal communication with Councillor Shepherd-----?-- I certainly don't recall discussing this with Ted, say, prior to, say, the 2nd of December, as the case in point - we had email correspondence to that on a number of issues relative to The Bulletin as a case in point. I hadn't raised it at that point. The only reason that I would have included that in there is that there would have been some reference perhaps in discussion with Sue Robbins and David Power. That would have perhaps implied he may be there. It was a presumption, as I've stated here. 20

So put it - put at its highest, Sue and/or David may have told you something which led you to put those words, "including Ted and Bob, I presume"?-- Correct. I can't recall specifically.

It wasn't sources from Ted - from Mr - from Councillor Shepherd?-- No, no, it wasn't, no. 30

Just out of completeness, when Exhibit 141 which is the facsimile which was - which is sent to the Commission on the 10th of October, you have a summary of the moneys which were incurred and the invoices which were incurred and the payments totalling \$9,999.13?-- Is that the fax to Lincoln Hansen?

Yes, it is?-- Right. 40

Just check with that, they are the only invoices that you've rendered and they are the invoices that are contained in Exhibit 138?-- Those - that's a complete summary of all invoices submitted to the Division 9 campaign committee, which is Ted Shepherd's campaign.

Yes. All right. Put that aside too. I'm just tidying up everything. No, I have nothing further of this witness, thank you. 50

MEMBER: Thank you, Mr Radcliff. Mr Nyst?

MR NYST: Mr Morgan, you've got Exhibit 145 there with you?-- 138 is the only exhibit I have here - and 141.

Sorry, 145 is your statement?-- No, I don't have that here.

Could he have that, please? Now, your personal involvement in this matter really is the meeting of the 3rd of December; is that right?-- With Brian Ray, that's right.

1

With Brian Ray and Mr Tony Scott, your partner?-- As I believe, yes.

And I think at attachment 4 you've - you've exhibited some - your notes about meeting - or some notes pertaining to that meeting; is that right?-- Correct.

10

Is that right?-- Yes. My day book has some notations to that effect on that day, yes.

Okay. Well, that's - but if you go to Exhibit 4 anyway I think there's - have you got it there?-- Exhibit-----

Attachment 4 to your statement?-- Oh, yes, attachment 4, yes.

Yeah. And is that - that's a notation made in your - in your day book, is it?-- Yep. That's right.

20

Now, in there you refer to - you've got an entry there that says "Executive Director CM"?-- Mmm.

That was a proposal that was being made by-----?-- Brian Ray.

-----Brian Ray, wasn't it?-- That's right.

And David Power wasn't at that meeting?-- Ah, I've got-----

30

This is the first meeting 3rd of December?-- 3rd of December. No, David - no, David wasn't there.

David Power was not at that meeting?-- No.

And that wasn't acceptable to you, was it, that suggestion?-- Oh, it was something that Brian was suggested. It seemed a little bit over the top frankly.

40

Yes. Well, you rejected it anyway ultimately; is that right?-- That's correct.

And it's not a suggestion that you ever discussed with David Power?-- No, no, not at all.

He had never suggested to you nor did you ever discuss it with him subsequently?-- No, I did not.

And the next thing then it's got "clients Robbins and Power". That again was a - a proposal that was raised by-----?-- Brian Ray.

50

-----Brian Ray at that meeting?-- Correct.

In the absence of David Power?-- That's correct.

Further down you've got, "Establish the hot buttons-----"?-- Mmm.

1

"-----for Queensland Water and so forth," and you've got "some issues"?-- That's right.

These again I take it were issues that were being suggested by Mr Ray, were they?-- They're issues that we discussed. I think a point to keep in mind here is that none of my day book entries - or the day books are not designed to be a verbatim minute of every conversation I've ever had.

10

I understand that?-- They're just points that I've noted that were key ones to come back and refer to. "Establish the hot buttons" was one of the phrases that was used in that meeting.

All right. If I could just interrupt you there though. What I'm interested in is this wasn't a discussion that David Power was privy to; it was something that was being raised by Mr Ray and you others for discussion at that meeting?-- Correct. That's right.

20

This talk about hot buttons and issues and so forth?-- Mmm.

It was later when you - when you had Mr Power at a meeting he wasn't much interested in discussing issues of that kind, was he? We'll come to the detail in due course but that is true, isn't it?-- I don't recall discussing with David specifically any of those issues, no.

30

All right?-- It was what we felt was appropriate to the candidates that we worked for but it wasn't sort of something we discussed with David specifically, no.

Yeah, okay. Well, now, just before we leave that note of the 3rd of December, did you talk about - I think you told my learned friend, Mr Boe, that there was discussion that funds would be raised - there was discussion even at that meeting of the 3rd of December that funds would be raised from anonymous donations?-- That's correct.

40

From the business community across the board, I think was the-----?-- It would have been; that's right.

-----the words you used. Well, is it correct to say that even at that meeting there was no suggestion that this would be a kind of - some sort of plan to - to benefit developers, real estate developers?-- Oh, good Lord, no. The 3rd of December we're still trying to - as I've said before, still trying to get our heads around just exactly what the priorities were. There was absolutely no suggestion that this was developer driven in any way sense or form.

50

Okay. Well, you did say that at that meeting Mr Ray seemed to have his own ideas?-- That's true.

And I think you also added to that, "The impressions Mr Ray gave me at that meeting were not really the reality of the

brief." Do you remember saying words to that effect?-- That's what I said.

1

Now, by that I take you mean as at the 3rd of December, Mr Ray was talking about some sort of group campaign-----?-- That was-----

-----which did not become a reality?-- That was the overall implication or impression that I had. Keep in mind that was the very first discussion ever that we had really had with him on this.

10

Yes, I understand?-- And that subsequently evolved into something quite different actually.

Okay. But as at that early time, you talk about him having his own ideas, you mean he seemed to be suggesting that there would be some sort of group campaign?-- That was the understanding I had at the time.

20

Okay. But you soon learned or I can be more specific than that, that idea was never endorsed or accepted or adopted by Mr Power, was it?-- Oh definitely not, no.

And, indeed, it was not accepted or adopted by any of the people-----?-- That's correct. That's correct.

-----that ultimately attended at the meeting of the 16th of December?-- Yes.

30

There was discussion, though, you told us, at that meeting of the 3rd of December between the three of you, a general discussion you describe it as, with - about the Council, about it being dysfunctional-----?-- It was the term I used-----

-----and I think you said it was common knowledge?-- Yes.

Do you remember saying that?-- Yes, I do.

This discussion about it being dysfunctional, was that focused on a perception that you three at that meeting had that people - some people in the Gold Coast City Council, councillors at that time, were behaving very poorly in Council?-- That was something - yes, I have - I have alluded to that, correct. I can't remember exactly the words I've used or on what day it was other than what's in the testimony there.

40

All right?-- But yes, we did make that remark.

The three of you at that meeting generally agreed that some people were - some of the councillors were not acting sensibly or responsibly or in the interests of the City?-- Most definitely.

50

Okay. And was that a view that you had encountered in the broader community on the Gold Coast from various people that you came across?-- Oh very much so.

And was it - sorry?-- There was an enormous amount of frustration evident.

1

Pardon?-- There was an enormous amount of frustration evident, particularly within the business community.

And an enormous amount of discussion about that frustration?-- Oh at every level, chambers of commerce, right across the board.

10

Well, you then went on to say "Apropos that meeting that initially it was envisaged that amounts of money would be donated and we'd be - we, Quadrant, would be invoicing those individual donors but" - you said, "we, Quadrant, were not prepared to do this." Do you remember giving that evidence?-- The original suggestion was made by Brian that we would issue invoices to individual donors. We indicated we weren't prepared to do that.

Okay. Now, that's Brian Ray's suggestion of how it might work at the meeting of this 3rd of December?-- That was Brian's suggestion, that's right.

20

Right. And then you said - you told him you weren't prepared to do that. Well, he then jumped, did he, to a suggestion that Tony Hickey's Trust Account could be used?-- I imagine so. I just can't remember the exact transition but that was the subsequent result, yes.

Well, I don't mean - I'm not interested in the transition but at some stage subsequent to the discussion about you invoicing them directly, Brian suggested Tony Hickey's trust account could be used?-- Correct.

30

Right. So he, Ray, came up with the idea of the Hickey Trust Account there, off the top of his head, following on your earlier decision that you wouldn't be involved in direct invoicing-----?-- I don't know that I can agree with that. I - I don't know that Brian hadn't discussed that with Tony Hickey in advance. I - I really can't sort of say with any definity on that.

40

Okay. Well, I wasn't really meaning whether he discussed it-----?-- Yeah.

-----with Tony Hickey; all I'm saying is that this seemed to come out of the blue as a suggestion from Ray at that meeting following your decision about not wanting to invoice the donors directly?-- We moved from us billing directly to a - the use of the - of a trust account, yes, that was where the conversation went. Whether Brian had previously discussed that with Tony Hickey or not, I - I can't - I can't say.

50

And equally, you can't say whether he had ever discussed the idea with Councillor Power, for example, or any other living soul?-- I have no idea. I couldn't - I couldn't answer to that.

Couldn't answer. All right. Well then, we move on to the meeting of the 10th of December and this was a meeting with Mr Ray, David Power and Sue Robbins?-- Mmm-hmm.

Now I think you've got some notes at attachment 6. I think your dated notes are-----?-- Yes, I have that here.

-----attachment 6 in your statement there. In respect of those notes you said, "I'd say I made the notes after the meeting because they're reasonably legible and precise"?-- That's correct.

10

And you mean by that simply, well, it's hard to legible precise notes as people are talking and-----?-- Yes, I would have made these notes after - after that meeting.

Well, let's have a look at them. One thing that - sorry, the one thing you do conclude from their legibility and their precision is that they were not, you believe, written at the meeting?-- Definitely not.

20

No, okay. But I take it you'd sometimes prepare notes of issues for discussion prior to a meeting?-- Most definitely.

And if you look at the notes you see, for example, there about the third line, "Each candidate always" - sorry - "already aware, question mark" You see that?-- Yes.

And the next word is "suggested - suggested"-----?-- "Support components."

30

"Support components," and then you see right down the bottom of that section there's an asterisk with a D I think, it's-----?-- It's an arrow head.

Okay. It says, "Campaign audit support"-----?-- "Check list".

"Check list, question mark"?-- No, just - no, just check list.

40

But after that there's a question mark, isn't there? There seems to be on my copy?-- No, that's a hang over from the G above it, the line above.

Pardon? Oh, is it? Oh, all right, okay. But looking at that other question mark and the suggested element, don't those factors suggest as a possibility that this was - for example, the question mark was a planned question you wanted to ask at the meeting, whether everybody was already aware, and that the word "suggestion", for example, might suggest that you were going to make some suggestions at the meeting?-- These notes were made after the meeting of the 10th of December with Sue and David and Brian. They related to-----

50

Could I just stop you there for a moment?-- Certainly.

I understand why you say - why you say they weren't made at the meeting because they're reasonably precise and legible?-- Correct, yeah.

1

And that leaves two possibilities. If you're right about that they were made before the meeting or after the meeting?-- No, these were made after the meeting.

But can you rule out as a certainty that they weren't made before the meeting?-- Absolutely.

10

How do you rule that out?-- Because these related to the items that I prepared for, for the meeting of December - what ultimately took place on December 16th. These are specifics that we worked at. These are all of the elements that came out of that conversation with David and Sue and Brian as to what this candidate resource was going to offer.

Well, let me take you down to a point about halfway down the page, it says, "Agreement on something issues"-----?-- "On key issues, joint"-----

20

"Key issues, joint promotion in press"?-- At that time.

Now David Power never proposed that to you or discussed a joint promotion in the press, did he?-- No, this goes back to what I was - the premise that I was working on. This is my interpretation of what I thought was required. It started really with discussions from Brian Ray. I went into that meeting on the 16th, six days later, with these notes with the impression in mind that we were going to conduct some form of group campaign.

30

Oh, I see, do you mean in these notes you included some things that were discussed on the 10th but others weren't necessarily discussed but were in line with your understanding as a result of the two meetings?-- Exactly.

Right, I see. And so you added in those words "joint promotion in press" because of what you'd been understanding from what Ray had been communicating to you at the meeting of the 3rd of December?-- I thought there was a chance that we possibly would be doing a joint promotion in the press. That was reflected in the notes that I made in advance of that meeting of the 16th.

40

All right, but I just want - okay. Well, I just want to put to you my instructions that Mr Power never suggested to you at this meeting of the 10th or any other meeting that there should be a joint promotion in the press?-- No, he did not, no.

50

He did not?-- No.

Now, could I just then take you back up to the heading, Common Sense Candidate Resource, I think you said in evidence that's the interpretation you put on it. Do you mean by that, that

that is your tag, Common Sense Candidate Resource?-- Yes, it is.

1

Right. I think you also did a note or did some notes on another document. It's contained in Exhibit 139. Perhaps if you could see that exhibit. It's the document that's dated the 10th of December, it's headed Agenda. I don't know whether you remember it-----?-- Oh, yes, yes, I remember that.

10

-----but it's got some printed items on it, and there is some handwriting which I think you've identified as yours?-- Yes, there's some notes of mine on that page as well.

I'll just get you to look at that if you would. Now, these - the handwriting on this note, is it fair to say you can do no more than guess when you wrote those notes?-- That would have been - these notes would have been made at that-----

Hold on. Can I just ask you to answer that question first. I mean, I'm happy for you to have a guess, but is it fair to say you can do more than guess when they were written?-- No, I'm comfortable that the notes that I made at the top part of the page were definitely made at that meeting.

20

Now, which are those?-- "DP and SR recognise the frustration of ratepayers."

So everything before the word, "One, establish objectives"?-- Yes.

30

And why are you comfortable with that?-- I'm - I'm surmising here but that's the - basically the way I would work. I'd have that there. I took those - I took the sheet of paper with these six points in to the meeting.

So can I just interrupt you. I just really want to get it clear. I'm not - not cavilling with you having a guess but do you mean by surmise, do you mean you guess?-- I'm - I'm quite confident that I would have made those notes at that meeting.

40

Do you remember whether you did or did not?-- This is two years ago. I couldn't say definitively. I - I suspect I would have done.

Pardon?-- I believe I would have done.

But you - but you can't be certain?-- I can't - I can't say with any degree of certainty.

50

All right. And - and I suppose what you can be certain now of is they were either made at the meeting, before the meeting or after the meeting?-- Certainly.

Is that fair?-- Well, it certainly wouldn't have been before the meeting.

Pardon?-- It certainly wouldn't have been before the meeting.

Would not have been?-- No.

Why not?-- Well, these are - these are opinions that I gained as a consequence of using this as a briefing document and as a consequence of having that meeting and addressing these points, these are notations that I made.

Okay?-- So it was either at or shortly thereafter.

10

All right. Can I deal with the first one, "DP and SR recognise" - something?-- "The frustration of ratepayers and the business community."

Now, do you know who said that to you?-- No, that's based on - it's not - it's not a quote. It's just they recognise the frustration, that's the notation I made; with respect to objectives, they recognise the frustration of ratepayers and the business community.

20

Okay. Now, those notes - or that document, the notes that you made on that document, I take it you've never - you haven't shown those to Mr Power, have you?-- No. No, these are my own briefing notes.

And equally I take it your - your workbook notes have never been shown to Mr Power?-- No, definitely not.

Well, now, you come out of that meeting on the 10th of December and you prepare them for the meeting of the 16th of December?-- Correct.

30

Right. And it's - is it in that lead up time that you then prepare Exhibit 14? Do you know what I'm talking about, Exhibit 14?

CHAIRMAN: I think the witness might not be understanding Exhibit 14.

WITNESS: Which is Exhibit - that's the-----

40

MR NYST: That's the - the objectives document et cetera, the one that-----

CHAIRMAN: The one that's headed 16?-- Oh, right.

MR NYST: Sorry, yeah, attachment 9 is probably the easy way to deal with it?-- Yes, I've got that.

So now going on to the meeting of the 16th of December, you prepared this document in anticipation, didn't you, of a sales pitch, as it were?-- Yes, that's correct.

50

You were - you were anticipating that you would go to the 16th of December meeting to explain what Quadrant could do for - by way of provision of services?-- To a group of people that we had yet to meet at that meeting, that's right.

1

This was Brian Ray and, to a lesser extent, Power and Robbins putting you into some new clients, is the way you saw it?-- Brian - who invited the people to the meeting, I don't know. Yes, Brian originally put the proposal to us that there were new candidates - sorry, there were new - there was a new business and new clients to be had. That's what the meeting of the 16th was about. As I stated before, I've no idea who invited those people to that meeting.

10

Okay. But at the meeting - you say, in paragraph 26 and in your statement, this is Exhibit 145, that at the meeting you referred to the document which had noted your sense of what was needed in the coordinated campaign?-- Mmm-hmm.

That's right?-- That's right. I'm trying to formalise a brief. It was - but it wasn't coming from the other direction.

And this idea of a coordinated campaign harkened back to an understanding you got from Brian Ray on the 3rd of December?-- That's correct.

20

David Power had never spoken to you up to that point about a coordinated campaign of any kind?-- Not in those words, no.

No?-- No.

And so you - you got your assistant to go and copy this document for the people at the meeting, didn't you?-- When we started getting on to this question of issues, it hadn't been my intention to circulate this document around the meeting. Talking about issues, it became practical to do so-----

30

Right?-- -----and to copy it and it was circulated for the purposes of getting some sort of ranking in terms of what were the - deemed to be the most appropriate ones.

Right. And until that time David Power had never seen the document?-- No, he hadn't, no.

40

And he had not had any role at all in the-----?-- Input-----  
-----drawing of it?-- No,.

Or input into it?-- Nobody did.

In fact, in your statement, I think, you fairly describe it as "Containing a number of issues. I, Mr Morgan, had identified as the local council issues. I had prepared this list myself beforehand"?-- Correct.

50

So you were the sole author of it?-- That's right.

And insofar as you talk, for example, about - here I'm looking at the first page, under objectives, talked about a consensus among a select group of councillors on key issues. That was your idea taken from your understanding of what Mr Ray was

saying to you back in the meeting of 3rd of December?-- Largely, and also the fact that I knew that we had councillors and candidates coming to that meeting.

1

Right. And you thought that that might be a good idea?-- Correct.

Right. But Mr Power never spoke to you about trying to achieve any sort of consensus amongst a group of councillors?-- No, he didn't.

10

Could you go to attachment 7 of your statement? Have you got that there, that's the-----?-- This is an email-----

-----email of the 11th of December?-- -----of Thursday, 11 December?

Yes. Just see there in about the last third or fourth past paragraph, "In the interim, I'll prepare a draft of objectives" et cetera; you see that?-- Mmm-hmm.

20

Is that this document?-- Yes, it would have been.

This is you writing to Sue Robbins about that and then you add, "discussion prior to next Wednesday by email should be sufficient to ensure that there is consensus"-----?-- Mmm-hmm.

-----"by all parties on what is tabled on Wednesday evening"?-- Probably to get some idea what the agenda was basically.

30

Right. But that never happened, I take it?-- No.

And certainly there was no discussion by email or otherwise about the document that is now Exhibit 14?-- Not that I'm aware of, not the - certainly not that I can recall.

You didn't give a copy of it to Robbins and certainly not to Ray-----?-- Certainly, not in advance of that meeting, no.

40

-----to Power; is that right?-- No, not in advance of that meeting, no.

All right. So but, I think, you said, in preparing that document that was your interpretation of what was needed?-- Correct.

And what was proposed but you concede now, don't you, having been at the meeting of the 16th that it was not what was being proposed by the councils and candidates that showed up that meeting?-- Correct. That was a presumption that I had up until that point. That's what I thought we were there to basically evolve and it was quite clear to me at that meeting that that was not to be the case in that format.

50

Now, look, it's fair to say, isn't it, that at this point in time, at least, Mr Ray was very much driving this whole initiative?-- I'm not really sure. He was the primary point

of contact as far as we were concerned. We had one meeting with them.

1

Yes?-- I had a subsequent meeting with him and Councillors Robbins and Power. So there were two meetings. As to who was driving it, difficulty to say.

Okay. But your understanding, at this early stage, it was all coming from Mr Ray who had been your long term client?-- And Councillors Robbins and Power to a degree once we had that meeting of the 10th.

10

Pardon?-- Once we had that meeting on the 10th, obviously-----

Yes?-- -----there was input coming from Councillors Power and Robbins as well.

Well, it couldn't have been too much because-----?-- Not a lot, no. It was just-----

20

What-----?-- -----basically the comments on that day.

Basically, you - I'm not being critical here, but you misconceived - in preparing your agenda document, you really misconceived the agenda altogether, didn't you?-- We had two meetings.

Yes?-- I drafted what I thought was to be the objectives. Subsequently proved to be different to what I initially drafted.

30

Yes. I don't mean up to that sense, and, as I said, I'm not trying to be critical of you. I mean, up to that point, the - your real idea of what you thought this was all about was coming from Ray?-- What it was all about was securing some new business.

Yes, from your point of view?-- From my point of view, that was the whole motivation.

40

I understand that. But I mean-----?-- Yeah.

-----from your understanding of what it was all about from the point of view of the councillors and the candidates was coming from Ray?-- To a large degree.

Well, now then we come to the meeting of the 20 - of the 16th, and this is dealt with, I think, in your statement, and you say - this is at paragraph 25 of your statement. You say, "From the outset, Power and Robbins explained the nature of the assistance they were seeking to facilitate. They said their focus was to ensure that support be provided to candidates so that those who were elected would take a commonsense approach"?-- This is my testimony you're reading, is it?

50

Yes, this is - I'm referring to paragraph 25 of your statement. But you agree anyway that that's essentially-----?-- Yes.

1

-----what happened? I just want to put to you that at that meeting, Councillor Power said words to this effect to the people collected there. "We have some serious behavioural issues with some of the councillors in council at the moment. We've been hitting the headlines for all the wrong reasons. The reason we're speaking to you guys is because you appear to be sensible, rational and well behaved people, and we are anxious to end up with a council that knows how to behave properly and professionally. We want to be surrounded by councillors who behave with some dignity." Do you remember him saying words to that effect?-- Words to that effect, yes.

10

And that was very much the message of the day, wasn't it?-- Very much.

That we're concerned about misbehaviour and silly behaviour?-- That was ample evidence of that.

20

And irresponsible behaviour by councillors?-- Correct.

Well, whether there was ample evidence of it or not, that was the talk that was going on at that meeting?-- That is the case.

Pardon me a moment. Your notes relating to that meeting, there's certainly a copy in your - a copy in Exhibit 131. Have you got your workbook there?-- No, I don't.

30

Could he have the workbook, Exhibit 131?-- What is the date that that relates to?

Pardon? That's the meeting of the 16th of December?-- Oh, yeah.

Again, these notes, do you - are you able to - I'll withdraw that. Do you remember when you wrote these notes?-- This is for the date, Tuesday, December - 16 December?

40

Yes?-- Would have been written on that date I would suspect.

Do you remember when you wrote them?-- Not exactly, no. Other than it would have been on or about that date. It certainly wouldn't have been any later.

On that day, before that day or after that day, that's the basic you use?-- Well, it was definitely made on the 16th or later.

50

Pardon?-- It - I would have definitely written these on the 16th I would expect.

Right. But-----?-- At the very, very latest-----

-----you can't say whether it was during the meeting-----?-- At the very, very latest the next morning.

1

-----before or after, is that what you're saying?-- Yep.

Pardon?-- The question again was?

You can't say with certainty whether they were written during the meeting, before or after it, is that fair?-- I would imagine I would have noted these after the meeting.

10

I would imagine but you can't say with certainty?-- No.

Now, you've got a note there then, "Overall agreement on objective and issues"?-- Hmm-mmm.

What, in fact, happened at that meeting was this, wasn't it, that you were endeavouring to find out from the people there what Quadrant could provide, what level of assistance Quadrant could provide?-- Correct. Or was required, more to the point.

20

And in the - in that context, you started talking about a coordinated group or collective campaign?-- Not necessarily. I had those notes there that have been tabled before. Typed notes for the 16th.

Yeah?-- there was general across-the-table discussion on campaigns on who done what and how and when and what worked and what didn't.

30

Yeah but if I can take you to your statement at paragraph 28 you say this, "Towards the conclusion of the meeting, more as an aside, I made suggestions to David Power on the conduct of a coordinated group or collective campaign, do you remember saying that?-- Yes. That's right. He made it quite clear that that wasn't the case.

He, Power, jumped in and said, he didn't-----?-- No, he just in response to my question, he said, no. It's not what we're doing.

40

Right. So, if I can put that in context. You were still trying to find out what job you could buy into if I can be so crude as to put it in those terms. What job you could get for Quadrant, is that right?-- Absolutely.

Right. And one of the possibilities was you could get a big coordinated joint campaign?-- That's what I went into that meeting.

50

Thinking that you might. But as soon as you mentioned it, Power, disabused you of that notion?-- Correct.

In the clearest terms, is that right?-- That's correct.

I suggest that he said to the people at that meeting words to this effect, we're not looking at forming any sort of a ticket or alliance in counselling. Do you remember him saying words

to that effect?-- He said that to me. I don't specifically recall him addressing that to the group as a whole. He may have done, I don't recall that.

1

Okay, well, I put it to you on instructions that he did say it to the people at large that were there and-----?-- It's quite possible.

-----he was capable of that?-- He certainly didn't confine his remarks just purely to me.

10

Okay and he said words to this effect didn't he, people on the Gold Coast expect their councillors to be independent and so it's very important that you remain independent at all times but at the same time you don't have to be discourteous or disruptive in the process. If you've got a different opinion to someone else, that's fine. Nobody cares. But if you've got a different opinion then you argue it logically and sensibly and politely. You don't just attack your fellow councillors and grandstand in council for purely political reasons. Now, words to that effect, was there a - was that the message that he was-----?-- Words to that effect. I can't obviously, state that, you know, that was exactly what David said but, no, that was-----

20

That was the clear message though wasn't it, that he was getting across?-- That was the general thrust of the - of the conversation or discussion as a whole.

We are not running a ticket?-- Oh, very specific about that point.

30

And he went on to say to you it has never been intended to run a ticket?-- That's correct.

Right. He emphasised the need to preserve independence amongst all councillors?-- Very much. They came and - came as independents and they certainly in my mind left as independents.

40

There was discussion about funding, wasn't there?-- Yes, there was.

And, I suggest that he said words to this effect, "Business is very keen to ensure we get our act together. We are hoping that the business community might put its money where its mouth is, to some extent, and support sensible candidates. And, I'll be doing what I can to let my contacts within business on the Gold Coast know who I think the sensible candidates are"-- I can't testify one way or another to that. That's my understanding, yes. Whether that was articulated clearly and concisely to everybody there at that meeting, I can't say that for a fact.

50

All right. Well, but your understanding from what all that Power was saying at meeting was that he believed that the business community generally were looking to - looking to the Council to pick its act up, I could-----?-- Oh, absolutely.

-----use that term?-- Yeah, absolutely.

And that, he and others were hoping that that business community would put its money where its mouth is?-- Yeah, that's true.

In other words, give some financial support to see the Council pick its act up?-- That was the general - that actually goes back to the conversation I had with Brian Ray, that's correct.

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And, that he would doing - he, Power would be going out to his contacts across the board in business on the Gold Coast-----?-- Correct.

-----to try to get some sort of financial support?-- Yeah, he was particularly hopeful of - I think the figure was forty odd thousand dollars from the marine industry which he continued to pursue for some time.

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Now, at some stage, there was talk about the money going into a trust account and the donors being anonymous, and so forth?-- Mmm-hmm.

I take it that developed over a number of meetings, did it?-- No, I think we went into that meeting on the 16th with a clear indication that the - any donations would be done into a - well, would be made into a trust fund and that they would be done on an anonymous basis.

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Okay. Now, the idea of that, as you understood it from all of the discussions was-----?-- Mmm.

-----that the proposition of the donors remaining anonymous would remove any possibility that any of the - any councillor, or the candidates, I'd say retained councillors would be in any way beholden to any of the donors?-- That was my understanding of why the trust was established in that form, yes.

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Or, at least to remove the possibility of that deception?-- Very much so.

And, so it was seen as a plus that these-----?-- Oh, absolutely, yeah.

-----donors would remain-----?-- Absolutely.

-----anonymous. There as no discussion was there about - at the meeting of the 16th of December, or at any of the meetings that Councillor Power was present at, about whether any of these candidates or any of the councillors were pro development or otherwise?-- It didn't - didn't come into the conversation.

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There was no questioning of any of the candidates or councillors of what their views about development?-- It wasn't a discussion. It was all about campaigning, putting campaigns

together and also assessing what quadrant could offer - certainly my objective for the whole meeting - by way of securing some new candidates, new clients as a primary objective. There was no discussion on-----

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Well, that's what I was about-----?-- -----developers.

-----from your point of view but, from their point of view, the message was we want to upgrade the level of behaviour and the level of responsible behaviour in Council?-- Yes, yes, it was.

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There was no talk about specific issues, development, pro-development any-----?-- No, that - the development-----

-----direction of voting or policy?-- -----the development didn't come into the equation. No, there was not.

No. Thank you. Now, you told - I think it was my learned friend, Mr Boe, that Mr Power was most emphatic that you weren't running a ticket and so forth, he was very, very clear on that and you said, "Things totally changed where I was coming from, it resulted in three individual campaigns"?-- Correct.

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From that point on, is it correct to say that you were dealing with separate clients as it were, and I don't mean in terms of what you put on your accounting et cetera, but you were dealing with three separate clients about their-----?-- Correct.

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-----individual issues and campaigns?-- That's - that's what evolved.

And I take it from time to time - I take it you do from time to time work for individual clients but get paid by either one of them, one of a number of them, or somebody else, is that - is that a usual, or unusual, or unknown scenario for you?-- I don't imagine it would be unknown - I'm just trying to think of an example. None immediately spring to mind.

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All right. Anyway, in any event, there was no talk of that meeting of the 16th of December of any sort of voting bloc?-- No, absolutely not.

Or caucus of any kind?-- Other than what I've stated before, no.

Well, I'm putting to you that the word, caucus, was not mentioned in-----?-- It wasn't raised at that meeting, I don't recall, no.

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-----Mr Powers' presence at any time. Pardon?-- No, it wasn't - that wasn't the purpose of that meeting. The purpose of that exercise was one for us to meet potential new clients.

Well I'm concerned with that meeting. I understand what you've said to us earlier about the meeting of the 3rd-----?-- Third-----

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-----and Mr Ray raising business of caucus-----?-- There was no discussion specifically with respect - sorry, the meeting of the 16th was not specifically with regard to getting a consensus and a signed statement, or agreement on a voting bloc or a caucus, or anything like that.

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Yes, I'm saying beyond that, there was no suggestion of it, or talk about it was, it was not mentioned at any time during the-----?-- Not that I recall.

-----16th - the meeting of the 16th; is that right?-- That's right.

And there was no suggestion, was there, of any need for secrecy, or any need to hide or mislead any - anything?-- No, there was certainly not.

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I think you, at some point, said to, I think, it may have been Mr Mulholland, that the whole concept of secrecy is a media fiction, I think that was what-----?-- Yes, reported in the media as just being the word, fiction.

Pardon?-- Reported in the media as just being the word, fiction. They took - they deleted the media from my quote.

Okay?-- Strange about that.

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Okay, but what I'm saying is that there was no discussion about-----?-- No.

-----keeping things secret?-- No.

As far as you know - knew, there was no intention or direction of any kind to keep anything secret?-- No, that's a classic invention of Alice Jones.

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Right. By the way, you had some things to say about the press in your evidence. In fact, have you complained to the Gold Coast Bulletin about reporting?-- We gave up writing letters to the editor, that seemed to be an absolute complete and utter waste of time.

Well, could I just interrupt you there. You mean you have complained? You did - you have gone and done complaint-----?-- I've made a complaint to the CEO of the Gold Coast City Council in respect of how a Gold Coast Bulletin reporter, now - the now Council reporter, happened to receive a document supplied to the Council in confidence, and then quote that document back to me, the content was not a concern, but I'm - my concern was how did that particular Council reporter receive an - a commercial, and in confidence document, supplied by our company to - to the Gold Coast City Council, and I've requested Mr Dickson to advise us as to what form of action we should take with that regard.

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Okay. But going back to the newspapers, have you complained to them about inaccurate-----?-- Oh, absolute waste of time.

-----report?-- Councillor Shepherd did. There's an e-mail to that effect, dated about the 28th of November, which we did discuss. We touched on that earlier this morning.

All right. Well, let's move on then to the meeting of the 17th of December. This is the meeting with Tony Hickey and Mr Ray?-- Mmm-hmm.

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And that was talking about the - Mr Ray, at that meeting, was contributing names of prospective donors, wasn't he?-- On the 17th?

Yes?-- Yes, correct, there was a spreadsheet to that effect.

And so was Tony Hickey?-- Yes, there was myself, Tony Hickey and Brian Ray at that meeting of the 17th.

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Okay, well David Power wasn't there?-- No. David only ever attended one meeting at Quadrant, and that was on the 16th, and that was the only time to my knowledge that he met or spoke to all of those candidates at any one time.

Okay?-- Same thing applied to Sue Robbins.

Pardon?-- And - and likewise, Sue Robbins.

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Okay, but, David Power - you did say, I think to Mr Mulholland, that Ray was contributing names of prospective donors, and you added David Power and Tony Hickey also?-- Mmm-hmm.

You didn't mean David Power so far as that meeting was concerned, because he wasn't there, is that so?-- No, David wasn't at that meeting, no.

But you meant - I take it you meant that he, David Power had indicated was that he try and get some donors as well?-- Correct, right.

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And so far as he was talking about that - David Power was talking about going out to broad cross-section, wasn't he? Chambers of Commerce, marine industry-----?-- Correct.

-----various people throughout the Gold Coast business community?-- Including developers, correct.

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Pardon?-- Including developers.

And he did report back to you in his efforts in that regard?-- Oh, it was more in response to my questions as to where the money was or where it was coming from because that was something that was-----

Yes?-- -----very much the subject of email.

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Yes, but what I mean is whether by - at your inquiry or otherwise, he reported backed from time-to-time. He was speaking to people in the marine industry-----?-- That's correct.

-----trying to get them and so forth; is that right?-- That's correct.

And, in fact, the least of people who you were - you ultimately came to consider as possibles included a lot of developers, didn't it?-- It did.

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And-----?-- I just like to make a point clear here; our interest in this whole business is to try and establish what the budget was.

Mmm-hmm?-- I really wasn't too concerned where the money was coming from so long as we were given an indication as to how much there was so that we can act within a defined amount of money-----

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Yes?-- -----and then get an indication as to how much that - how much was going to be allocated to the individual candidates or whatever.

Yes?-- I wasn't really concerned as to where it was coming from. Just the fact that it was there to use.

Yes. But anyway the list of names that were being given back to you from the various sources, Tony Hickey, Brian Ray, David Power-----?-- Mmm-hmm.

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-----were there others - any others?-- No, they were the three that basically were involved in that.

Okay. But it included a lot of developers?-- Yes.

And it included a number of people outside the development industry?-- Correct. Development industry would be the most significant because it's a larger chunk of business on the Gold Coast.

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Yes?-- Fairly logical, it's a question of scale.

But people such as the airport, for example, Village Roadshow, Macquarie Bank, Riviera-----?-- Correct.

-----Quintrex, Mustang?-- That's right.

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These are all people that-----?-- Not associated with this-----

-----were being canvassed, weren't there?-- Yes, they're not associated with the development industry, no.

Jupiters Casino?-- Hardly a developer.

Pardon?-- They're not a developer, no.

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Yes, but they were people that were on the list-----?-- That's correct.

-----that were being canvassed. Royal Pines?-- Mmm-hmm.

PRD?-- Correct.

Leighton's Building Company?-- I believe they may have been there, yes, they're a construction company.

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Yes. So this was a really out to all industry approach, wasn't it?-- That's what I've always stated, yes.

Okay. Well, now and that was entirely consistent with your understanding when you left the meeting of the 16th of December that people were going to go out to industry across the board and see what they could - rattle the can, in other words?-- With respect to the meeting of the 17th of December.

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Pardon?-- With respect to the meeting of the 17th of December not the 16th.

Yes, but the 16th of December, you left it on that understanding, didn't you that Power and others would try and raise money across the board?-- The meeting on the 16th was about campaign - was about campaign to such. It was us pitching new clients. The meeting on the 17th was specifically devoted to funding issues and where that funding was coming from.

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All right. Okay. Well, now you told Mr Mulholland, I think, that you weren't aware that you were - that the candidates were required to declare the names of people who donated to the trust?-- That's correct.

I take it, do you recall whether you were asked for advice on that by any of the candidates?-- Not that I recall. It was a - no, that I recall.

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But you may have been?-- We made a point of ensuring that people listed where funds came from and if that was the Lionel Barden Trust Fund and we had to specifically declare that and we've provided them with information to that effect.

No, I'm just saying you may have been asked for advice on that issue?-- I may have been. I wouldn't have responded to it other than it's something that you got to seek information from elsewhere.

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Oh, you wouldn't have - you wouldn't have-----?-- Well, I'm not qualified to make - to issue advice in that respect.

Okay. You went on to say that you talked to individual meetings with candidates - you talked on policy - you talked about policy on divisional issues?-- Mmm-hmm.

At those individual meetings David Power was not present, was he?-- I didn't meet with David or any candidate after that meeting of the 16th.

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Okay. And you didn't relay back to David Power, or anybody else, those discussions about policy or divisional issues you had with the various candidates at the individual meetings?-- No, he had no interest in that.

Pardon?-- He had no interest in those.

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Well, that's what I was going to say-----?-- There's no-----  
-----nor were you asked to report back on the-----?-- No.

Right. Well, you say you had no further meetings with Power, and-----?-- I had meetings with David and Sue, I think. There are a couple of references to those. I didn't meet with any candidates at that - with them at that time.

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All right. Well, Brian - sorry, David Power and Sue Robbins were the nominated client, or quadrant, weren't they?-- That's correct.

But it was very much a nominal situation, wasn't it?-- It eventuated as such, yes. We were advised initially by Brian Ray, I think the e-mail was from, that we were to establish our initial account as the Power and Robbins Trust, which is what we understood to be the case, and that subsequently changed.

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Are you not - you don't know whether or not Brian - David Power and Sue Robbins were consulted by Ray before he suggested that they be the client?-- I was not privy to that conversation at all.

You don't know, but in any event, they were nominated as the client, but I think you told Mr Mulholland that - you put it in these terms, David Power and Brian Ray were primarily sourcing funds. He, David Power, was not the client by then. Our clients had become three individual clients. Do you remember-----?-- In-----

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-----saying that to Mr Mulholland?-- Correct. In terms of the work that we were doing, yes.

That was the reality, wasn't it?-- That was the reality. We weren't working specifically on the campaigns of Power or Robbins, we were working specifically on the campaigns of three individual candidates.

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And David Power was not giving you any day-to-day instructions in respect of the-----?-- Not day-to-day instructions-----

-----work for those people, was he?-- -----the majority of conversations I had with David related purely to funding.

And - only in this sense, wasn't it, you would nominate a figure as to what needed to be paid, and then you'd ask that that be authorised in the pay to you?-- It works the other way, we were given an indication as to the targeted sum of donations. That figure raised - ran from about 300-odd thousand dollars down, we worked within the parameters that had been supplied to us, in those documents that have been tabled here, and we worked within that. Now, it's a figure there of say 40-odd thousand dollars nominated for an individual candidate. If I can't see 40-odd thousand dollars in the trust account, I'm reluctant to spend it, regardless of whether it's on a sheet of paper, so, yeah, there was a fair degree of communication between me and David and the other two gentlemen.

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But in terms of assessing Mr Power's involvement and all of that, I think my learned friend, Mr Mulholland, asked you apropos Mr Barden, he said what did Lionel Barden do? For example, did he ever disapprove any of the invoices?-- No, he didn't.

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He didn't? David Power didn't either, did he?-- I don't - there's - I don't really recall putting any invoices in front of David, although there is that notation to the effect that he's earlier on that I signed off - he signed off on probably the January accounts.

But he never questioned any of your accounts or what you were doing, or suggested what you should do, or anything else, did he?-- No. We were very detailed with everything. If you had a printer's invoice, and it cost 'x' amount of dollars, there was a corresponding invoice for that. It was very, very easy to follow, not complicated.

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You just ran your own race in this, didn't you? Power and Robbins were nominally the client, but you ran your own race?-- Essentially.

Yes?-- We had a clear brief, we worked on that.

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And if you were given any direction, it was by Mr Ray, not by David Power?-- Oh, only in terms of the amount of available money, that was the only direction David would have given.

Yes. For example, with the Stewart Hill campaign?-- Mmm-hmm.

You - had no reference at all to David Power about that, did you?-- Not at all, no.

You didn't. For you - as far as you know, he knew nothing about it?-- I didn't discuss it with him, no.

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No. The Niree Christison matter, nothing to do with-----?-- That was a Brian Ray request.

Pardon?-- That was - yeah-----

Brian Ray organised it, you didn't tell David Power, you didn't report back to him, you didn't-----?-- Didn't discuss it with David or Sue.

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Because your understanding was David Power and Sue Robbins were nominally the client, but you knew what job you had to do, and your real clients were the three candidates that you were working for-- Essentially, that's right.

And in terms of those three candidates you ran three quite separate campaigns, didn't you?-- Correct.

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Correct?-- Yes.

I think you my learned friend, Mr Mulholland, that common sense was used by each of them but you added it was utilised by - by people outside that group as well?-- John Wayne who only knows David Power used it very, very extensively actually on his own campaign.

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But common sense was the order of the day-----?-- Very much.

-----in that election campaign, wasn't it?-- Very much.

There was a lot of talk in the Gold Coast community about how councillors were not behaving with common sense?-- Correct.

And so everybody was running around bleating about common sense in their - in their campaign?-- I can't testify to everybody but it was a phrase that was starting to gain currency, yes.

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Okay. And each of those people that you ran the campaigns for called themselves your local independent council candidate?-- Or words to that effect, yes.

Pardon?-- Or words to that effect.

And each of them was, weren't they?-- They were, yes.

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Each of them was a local council-----?-- They were independent in that context.

-----candidate and they were all independent?-- That's correct.

And indeed from your understanding of all the meetings you went to and particularly the meetings from the 16th of December onwards, they were independent in the true sense of the word - word that they were not in any way bound together in any kind of bloc?-- They all came to - no. the short answer is no. They all came to that meeting with campaigns under way to varying degrees and they continued with them. And they each went in different directions addressing different - specifics relative to their own divisions.

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And that was made very clear to them by Mr Power in particular, that they had to remain independent and that they

should not be beholden to anybody or linked to anybody in terms of any sort of voting bloc?-- Well, there was no discussion of voting bloc. It - yes, they were seen to be independent. I - words to that effect, yes, I'd agree with that but specifically I can't agree with you exactly on that.

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But the message was clear?-- The message was there.

Thank you.

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CHAIRMAN: Mr Martin?

MR MARTIN: No, thank you.

MR BOE: Mr Chairman, can I attempt to, in three minutes or less, to clarify Quadrant's retainer in this matter?

CHAIRMAN: Certainly.

MR BOE: Mr Morgan, is this a fair way to put what has been the subject of the various leading points put to you by various people in the course of today? Quadrant was originally approached to see if it could provide a service for some candidates in the 2004 election?-- Correct.

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That approach was made by Mr Ray?-- Correct.

And subsequent to that you were introduced to existing councillors who you understood would introduce you to the potential clients - clients in the sense of people who you would be assisting in the election?-- Yes, Chairman, yes, that's right.

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The general instructions that you spoke about in your answers to Mr Mulholland was that you were to make yourself available and to provide electoral assistance?-- Correct.

As to the nature of the electoral assistance that you would provide to each of the candidates you had no riding instructions from anybody?-- No, other than within the scaffold works that Quadrant could supply, that's all.

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Yes. The framework of what you could or could not do was determined by the anticipated fund available to spend?-- Correct.

As to that factor there was a hope of about \$300,000 but that hope took a long while to manifest?-- It never - yes, it certainly did.

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So, you were spending in anticipation of being reimbursed?-- Correct.

So, much of your communications with Mr Power and earlier Mr Ray was ensuring that this so-called expectation would be fulfilled by their energy as they promised?-- Absolutely. It was very much word-of-mouth and we wanted to be confident that those funds were there.

Now, you didn't have any communication with Mr Hickey about to whom he should direct funds to from the trust other than when you sought to get invoices you issued to be paid?-- Correct.

And the whole issue about whether the name of the trust or who would be the trustee and how your documents to reflect payment were all matters that were the concern of persons other than you?-- Definitely.

All you wanted to know was, in what name should an invoice be issued for you to be paid?-- Correct. There had been some confusion in that respect.

Now, Quadrant's role in relation to the Ray venture, if I can use that term, to distinguish it from Mr Shepherd's campaign-----?-- Right.

-----did not involve providing any services on the basis of it being support in kind to any candidate or party or person?-- No.

You were discharging a commercial brief?-- Absolutely.

Insofar as the break-up in your accounting between the specific ledgers for each of the candidates that you produced brochures or did other things as distinct from the consultancy fee - can I just turn to that?-- Mmm-hmm.

First and foremost when you were approached by Mr Ray, is it the case that you had in your mind what figure Quadrant would want to do this service?-- Yes, we did, yeah.

And that figure was \$10,000 per month?-- It was \$10,000 a month, yep.

And you anticipated that you had three months from the point of engagement to the time of the election?-- Correct, that's right.

That retainer, if you like-----?-- Mmm-hmm.

-----as far as Quadrant was concerned was with Ray and whomever he organised to contribute to the fund?-- Correct, that's right.

And you were going on his word that that money would come?-- We'd dealt with Brian for quite some length of time. We were confident that if he said there was going to be some funds there we were prepared to take him at face value on that.

And that was, from your point of view, the bare minimum of your retainer?-- Absolutely.

And as to what you could expend or spend on behalf of others in their electoral campaign, that would be determined by how much money came in from time to time?-- Correct.

Without added to the pedantry that I criticised earlier could I just hand to you Mr Chairman a corrigendum about the evidence from day 10 and also about the interview about which Mr Morgan has contributed to. I've got copies to give to the other parties. There's only one that's substantial, I think, but the rest are probably necessary to clarify what was-----

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CHAIRMAN: Yes. The transcript of tape 2, MUR is a Grey Links resort, replace that with MLR is a Macquarie Links resort?-- That's the correction in my data.

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MLR? Mmm. All right, that sounds reasonable. Yes. Again-----

MR BOE: It's really a matter for the Commission whether or not they correct the transcript-----

CHAIRMAN: Certainly.

MR BOE: -----but we're trying to make sure that-----

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CHAIRMAN: Look, on the face of it, those seems to be correct. Again, the only thing is that is where you change "incorrect" to "correct". That would need to be looked at perhaps but I - I'll take those as exhibits just to have them in the record thanks.

MR BOE: And-----

CHAIRMAN: And my exhibit list was here. So I'll make those Exhibit 150.

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MR WEBB: One.

CHAIRMAN: 51.

ADMITTED AND MARKED "EXHIBIT 151"

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MR BOE: Mr Chairman, might Mr Morgan excused from his summons?

CHAIRMAN: Mr Mulholland, did you have any further questions?

MR MULHOLLAND: No, I don't thanks, Mr Chairman.

CHAIRMAN: Yes, thank you, Mr Morgan, you're excused. Thank you for your evidence.

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WITNESS EXCUSED

CHAIRMAN: We'll adjourn then until 9.45 on the 7th of  
November.

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THE HEARING ADJOURNED AT 4.37 P.M. TILL 9.45 A.M. MONDAY 7TH  
NOVEMBER 2005

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# WITNESS LIST

CHRISTOPHER LAWRENCE MORGAN, CONTINUING: ..... 927

## EXHIBITS

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ADMITTED AND MARKED "EXHIBIT 146" ..... 953

ADMITTED AND MARKED "EXHIBIT 147" ..... 964

ADMITTED AND MARKED "EXHIBIT 148" ..... 965

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ADMITTED AND MARKED "EXHIBIT 149" ..... 976

ADMITTED AND MARKED "EXHIBIT 150" ..... 999

ADMITTED AND MARKED "EXHIBIT 151" ..... 1035

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