



Transcript of Proceedings

CRIME AND MISCONDUCT COMMISSION

MR R NEEDHAM, Chairman

No 5 of 2005

PUBLIC HEARING INTO GOLD COAST
CITY COUNCIL

BRISBANE

..DATE 28/11/2005

CONTINUED FROM 24/11/2005

..DAY 24

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

THE HEARING RESUMED AT 10.10 A.M.

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MR MULHOLLAND: Good morning, Mr Chairman. I call Robert La
Castra.

ROBERT LA CASTRA, SWORN AND EXAMINED:

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MR MULHOLLAND: Is your full name Robert La Castra?-- It is,
indeed.

And were you served with an attendance notice in relation to
today's proceedings?-- Yes.

Would you have a look at this, please?-- Thank you.

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Is that the attendance notice?-- That's the one.

I tender that, Mr Chairman.

CHAIRMAN: That's Exhibit 300.

ADMITTED AND MARKED "EXHIBIT 300"

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MR MULHOLLAND: Were you also served with a notice to
discover?-- Yes.

And in compliance with that notice, did you send to the
Commission a response which is in the form of, I suppose, a
note really of yours?-- A note?

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Well, you sent - it purports to be a statement, is it? Is
that what it is? It's a response, the written response that
you provided?-- Yes, it is a statement, yes, or I've got a
note here.

Right. And that is dated 19th August 2005. Did you also
supply with that written response other material?-- Yes, I
did.

All right. Would you have a look at, first of all, yes, that
written response and the material attached to it?-- Yes, thank
you. I don't remember sending that much but, obviously, I
did. How long have I got to read through this?

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Well, I think you can confirm fairly quickly that it's your
written response and just satisfy yourself as quickly as you
can-----?-- Yeah, okay. I'll look through-----

-----that that is the material you supplied with it?-- I'll flick through quickly, yeah. Yes, it looks suspiciously like it, yeah, that's it.

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I tender the notice to discover and also the written response and material that came with it.

CHAIRMAN: That's Exhibit 301.

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ADMITTED AND MARKED "EXHIBIT 301"

MR MULHOLLAND: Now, Mr Debattista has asked to examine Mr La Castra first. So, he will do that now.

CHAIRMAN: Yes, thank you.

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MR DEBATTISTA: Thank you, Chairman.

Councillor La Castra, just to commence with: you were elected to the Gold Coast City Council in 1997; is that correct?-- Yes.

And at that stage, that was the amalgamated Gold Coast City Council?-- Yes, it was, yeah.

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Do you currently hold office as a Chairman of any committees of the Gold Coast City Council?-- Yes, I do. I'm the Chair of the Health and Community Services Committee.

And how long have you held that position?-- Since 1998, so a year after my election.

Now, you will have heard the names in these proceedings of Lionel Barden and Brian Ray a number of times. Can I just take you firstly to Mr Barden. Can you tell the Commission what your relationship with and knowledge of Mr Barden is?-- I first met Lionel probably - I'm guessing, probably about a year or so after my election and saw him subsequently probably once a year for the next sort of three or four years due in the main to our connection with the Friends of the Abused Child Trust. So Lionel was the - his title was the Chairman or President of Friends of the Abused Child Trust and it's an organisation which I've always supported. I sort of MC and entertain and do stuff for them, raise some dollars.

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Did you have any relationship with Mr Barden in respect of the 2004 Council elections?-- No, none whatsoever.

All right. Now, in respect of Mr Ray, what was your relationship with him?-- Brian and I - I hadn't seen Brian probably since about the year 2000. So I hadn't seen him or even spoken with him from about 2000 onwards. In my first

term, I actually played a fair bit of social tennis with Brian. He sort of dragged me into a veterans tournament as well. I was most offended that I could be considered a veteran at my age, but there we go. So, yes, but I have more of a relationship probably with Kathy, his wife. We both sat on a committee for Gold Coast Community Action for people with a disability. So we had a fair bit to do in that area.

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In relation to the March 2004 Council elections, did you have any contact with Mr Ray?-- No, not at all.

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All right. Now, are you aware that there has been some evidence given over the course of this inquiry to suggest that you were present on 16th December at a meeting at Quadrant?-- Yes.

All right. Councillor La Castra, can I ask you to take a look at this document here. I have a copy for the Chair and also for others. Councillor La Castra, can you just have a look at that document and, firstly, actually, can I just take you to - there seems to be some handwriting at the top of that document. Can you identify whose handwriting that is?-- It's rather appalling but I'm afraid it's mine.

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All right. And in respect of when that handwriting was made, could you recall?-- Sorry, I beg your pardon?

Do you recall when that handwriting was made?-- Let's have a look. That was once I'd actually been served with the notice and I found the receipt. So I just scribbled that on the-----

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Okay, thank you. Could you just state for the record what the document in front of you is?-- Sorry, yes. The document is showing my travel plans and my itinerary - not plans - it shows that I had a flight booked which I subsequently took with Virgin-----

All right, can you just tell the Commissioner on what date that flight left and on what date it returned?-- Okay. The flight left on Sunday the 14th of December and it returned on Friday the 19th of December - sorry, that's 2003. The Quadrant meeting that I was allegedly at was December the 16th so clearly I was in Townsville for the whole week.

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All right. So, sorry, that is a flight from Brisbane to Townsville?-- Yes, it is.

And you were on that flight?-- I was - and I've probably got - well the whole cricket team - my son was playing in the State Cricket Title so - and several parents - there was probably about 20 or 30 people can attest to the fact that I was there.

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All right. Chairman, can I ask that that be marked as an exhibit, please?

CHAIRMAN: That's Exhibit 303 - 302.

ADMITTED AND MARKED "EXHIBIT 302"

MR DEBATTISTA: Now, during the period leading up to the March 2004 elections you did host a fundraising dinner; is that correct?-- Yes, it is.

All right. Now do you recall where this dinner was held?-- It was held at the Royal Pines. 10

And do you recall how many people were in attendance?-- About 100.

And do you recall the ticket price for each person?-- It was \$100 which was inclusive of GST.

Okay. And in terms of the attendance - in terms of the people who attended what would you say about that?-- It was a cross section of people from the business community - quite a few friends of mine who were also business people. I sort of operated my own business over the years as all so I have a lot of business contacts. So, yeah, it was people across the board. 20

Okay?-- But people who I was quite friendly with as well as business people, if you know what I'm saying. The business people were people who I have a good relationship with. 30

Were there developers in attendance at that fundraising dinner?-- Yeah, there would have been some, yes.

Now, in terms of - what did people receive for the money they paid over to attend this fundraising dinner?-- Well, firstly, there was dinner and that was all included - I actually sent that to the Commission when asked - so there was - as I say, if you take the GST off, with 100, there's about \$90 there. The cost of the dinner was around \$40. I also put on a show so there was - so they received a show as well which was the show which I did - so, they got a dinner and show basically. 40

But prior to being councillor it'd be fair to say that you were a professional entertainer?-- I worked the club circuit from the age of 13 in the UK. It's how I earned my living for most of my life - as well as television - so I was a corporate entertainer. I'm a singer by profession but I've also done stand-up comedy too.

Now did you report the money received by you from this fundraising dinner? Did you report that money?-- Did I send that to the Commission, do you mean? 50

Yes?-- Yes, I did.

No - sorry, not to the Commission - to the Electoral Commission?-- No, of course not. It was - no.

And why did you not do that?-- Because quite clearly proceeds from fundraising dinners don't have to be declared - from my understanding of anything that's under \$200 - but also because clearly there is a benefit - it's not a donation. So that's why I didn't report it. I mean, basically if somebody's getting a dinner and a show then they're receiving something for their money so it's clearly not a donation.

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Chairman, can I ask that the witness is shown Exhibit 10? Councillor La Castra, do you recognise that particular document?-- Yes, I do.

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All right. Can you just say what it is for the record, please?-- It's a handbook, which is given to candidates prior to election, which talks about disclosure of election gifts.

Can I ask you to turn to page 15 of that document?-- Yes.

All right. There is a section there, towards the bottom of the page, headed, "Other items that do not need to be disclosed"?-- Mmm, hmm.

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Are you familiar with that particular section of the handbook?-- Yes, of course.

All right?-- I referred to that prior to the election.

That's the section you had - you referred to prior to the election?-- That's right.

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All right. And would it be fair to say that's the section you referred to when deciding that you didn't need to report in your return the proceeds of the fundraising dinner?-- Yes, it's very clear.

Thank you, Chairman?-- Thank you.

Now, can I ask you: do you believe that there is a problem with permitting people to purchase large numbers of tickets to fundraising dinners and not requiring that the person receiving those funds reports them?-- That really depends on the benefit. From my point of - this is only my personal point of view - it really depends on the benefit that the purchaser of the ticket is receiving. Clearly if they are paying money and they're getting a meal and they're paying money for professional entertainment then obviously that has to be taken into account. If they're not getting any benefit for it then I think it's questionable as to whether it should be disclosed. So I would say that if they are receiving no benefit then it should be disclosed. That's only my personal point of view.

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Now, are you aware from evidence at this inquiry that Councillor Betts has been named as a member of a pro-development block in the council?-- Yes.

Are you aware that the evidence also suggests that Councillor Betts received money from the trust to assist him with his election campaign?-- Yes.

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All right. Now, did you have any involvement with Councillor Betts' election?-- None whatsoever.

Did you have any involvement with any other candidate for the election in his division?-- Yes, I did. Yeah.

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Can you tell us about that, please?-- It was - it was fairly minor, but there was a candidate by the name of David Dunk whom I'd met on - on a previous occasion in Burleigh. He was running in that seat which included Burleigh. He contacted me when he decided that he was going to run because he had met me and also we had a mutual acquaintance as well and he asked if he could meet with me and have coffee and discuss - discuss his nomination.

All right. Well, when you say "discuss his nomination", what assistance did you end up giving him?-- He just asked for general advice on running a campaign so I just gave him advice and told him that he obviously needed to spend time knocking doors, those sort of things, but one on one contact was very, very important. He also - it's sketchy, but I do recall that he - his campaign, he was thinking of going along the lines of a, his name was Dunk so I think he was going to do like a basketball thing of "Dunk Drake" or something because Peter Drake was then sitting councillor. And the only thing I recall very clearly is that I just said I didn't think that was a good idea but, you know, basically shouldn't be mentioning your opposition when you're running. You're still giving them promotion. But I also made it clear that I actually got on quite well with Peter anyway so - I actually quite liked Peter so it was just general advice really as to whether he needed to knock doors or, you know.

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Just advice of that nature?-- Yeah. And I just said to him I didn't think he should be doing a campaign which basically was promoting another candidate. He should be running his own race.

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Now, you've also heard the name of Niree Christison-----?-- Yes.

-----mentioned here. What contact did you have with Ms Christison in relation to the March 2004 elections?-- It was - it was a similar thing actually. Niree contacted me, although I hadn't met Niree before. As I say, I had met David Dunk before. Niree contacted me in relation to the Police Citizens Youth Club. I'm a member of the committee for Ashmore, and also Nerang now since the election, but - and was a member of the Ashmore - I actually trained, I was a coach for the under-6 soccer for the Ashmore PCYC before I got elected and they've all gone to achieve incredible levels of mediocrity, I should add as well, wonderful, but - so she knew I had a very deep involvement with the - with the PCYC. There was one in her area where she was contesting the seat and she just asked me

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what my involvement was. She - she'd also read that I'd actually contributed quite a bit through my divisional funds to the PCYC movement and she was - she felt that Councillor Sarroff who she was running against had not had any involvement, well that was her view, with the PCYC and wanted to know what I'd done and how I'd gone about it and why I'd done it. That was basically why she rang me.

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Did you have any involvement in sourcing funding for her during the election?-- No, none whatsoever. No.

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Did you suggest any way in which she might obtain funding?-- I beg your pardon?

Did you suggest any way in which she might obtain funding-----?-- No, funding was-----

-----for her election campaign?-- Funding was never discussed. It was purely - it was purely to talk about the PCYC movement, et cetera.

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Now, if we can move on then to a Ms Roxanne Scott?-- Yes.

You're aware of her?-- Yes.

All right. And Ms Scott was running in the 2004 elections. Is that correct?-- Yes.

And she was running against Councillor Dawn Crichlow?-- Yes.

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Now, did you know Ms Scott prior to her nomination?-- Yeah, I did. I'd met Roxanne on - on several occasions, the first occasion being at a residents' meeting. She was actually a constituent of mine and it was during my first time actually where there was concern with some environmental wetlands at the back of-----

So when you say your first term, that's between 1997 and 2000. Is that correct?-- That's right, yeah, and she was part of the residents' meeting to address the problem with the environmental wetland section behind their properties.

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So you knew her at that stage. When did you know that she had - or when did you know that she was running for Council?-- I became aware of that in early to mid-August, and I think it would have been early, and I remember quite clearly where it was. It was actually at the Trinity Lutheran Primary School, annual art show, art exhibition and that's when I was actually told that there was a candidate running against Dawn Crichlow because Dawn Crichlow had actually been unopposed at the election prior and somebody actually said to me either way Dawn's got an opponent, there's somebody running, and they mentioned Roxanne.

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Did you then - did you at any stage then meet Ms Scott during the course of the campaign?-- Yes, I did. I met with her - I think she had made an appointment. We met at my office. I can't recall when it was but - but I was unaware as to what

the appointment was about, even though I, you know, had been told at the art show that she was running but she could well have been coming to see me for any matters given that she was one of my constituents.

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As it turns out, she did meet you?-- Yes.

And what was discussed at that meeting?-- Basically she just told me that she was going to, you know, she was going to run and just asked me whether I could give her any advice or, you know, any help in that sense and I said, "Yes, I'd be glad to."

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Did either of you mention the name "Quadrant" at that meeting?-- No. No. I'd never heard of that.

Did you ever subsequently mention "Quadrant" to her?-- yes, I did, and I can't recall exactly when that was, but my guess is it would have been somewhere around late November, at a guess, or early December.

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And when was that first meeting with Ms Christison - sorry, with Ms Scott?-- I cannot recall. I don't know when she came to see me. I don't think it was until - and I'm guessing, but I don't think, as I say, I learned that Roxanne was running in August. I don't believe she came to see me probably until about November, but I can't be sure on that.

But in between that first meeting and a subsequent meeting you had with Ms Scott you learned the name "Quadrant" and you in fact learned of it in such a way that you mentioned it to her on a subsequent - when you subsequently met her?-- Yes, that's right. Yeah.

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Where did you hear the name "Quadrant" from?-- Sue - sorry, Sue Robbins, Councillor Sue Robbins, and I don't know how it came up in discussion but she mentioned Roxanne and I said, "yes" but I was - I told Roxanne that I'd be giving her some advice and helping her where I could and basically it then came from Sue and Sue said to me, "What do you think of her as a candidate?" I said, "I think she's very good." She asked me so I told her why I thought she'd be good and she actually said to me, "Why don't you get her to - to go and see Quadrant." I didn't know who they were. She told me they were an advertising agency and - and she said to me they - something along the lines, can't remember the exact words, but they may actually be in receipt of some funding or have some contacts for some funding as well which might help her campaign.

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When you say they might be in receipt of some funding or they might have some contacts with some funding, what did you understand Councillor Robbins to be saying?-- Well, they were an advertising agency so obviously they'd be dealing with a lot of businesses doing advertising campaigns for them, so they'd obviously have a lot of contacts. I didn't really think of it that - that much but I - I just gathered that it would be from business contacts they had. Clearly, the

Chambers of Commerce had come out publicly and - and at various meetings spoken about the fact that this was the first election that they were going to get involved in supporting candidates who they felt were, you know, progressive in their thinking. So I - I gathered it was just from the business community. They were an advertising agency.

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All right. Now, when you subsequently spoke to Ms Scott about Quadrant, did you mention Quadrant might be able to assist her with funding?-- Sorry?

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Did you mention when you speak to Ms Scott about Quadrant - did you mention that they might be able to assist her with funding?-- I can't recall. I think - I can't recall but I believe if - if Sue had mentioned that to me, that - that I would have done that to say that - that she suggested that she go and talk to Quadrant because at that stage there would have been no other reason for referring her to - to them.

Now, did Ms Scott ever tell you that she was receiving money from the trust?-- Did she ever tell me that she was-----

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Yes-----?-- -----receiving money from the trust? She told me when she - when she received her first funding from the trust, you know, she said that she had actually got some money through from the trust.

All right. Okay. Now, what involvement did you otherwise have in her campaign?-- Purely just advice, sort of strategic advice I guess to a certain extent. Roxanne really, to be quite honest, didn't need a lot for a first time candidate. She was - she's an incredibly intelligent woman.

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Well, what was the nature of the assistance that you did give her?-- Basically she - she had written a lot of material as far as trying to get articles in papers. She had written a lot of material for mail-outs and things like that. So she ran some of that past me, not all, just to ask me my opinion as to whether she thought that it was, you know, along the right lines. And that - that was basically it, just looking at some of the stuff she had written and saying, "Yeah", you know, "I think that's - that's good and maybe - maybe elaborate on that area a bit more and maybe, you know, not so much on that particular issue."

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Chairman, I have some documents I'd like to show to the witness. They're extracts from Exhibit 134. It's probably easier, though, if I just hand up the extracts. I do actually have extracts here to hand up rather than the entire exhibit. Councillor La Castra, can we just turn firstly to the last document in the group of three that I have given you. You will note that they're all three emails but that last email is cc-ed to you, the very third one in that group?-- The last one? Yes, it is, yeah.

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Yes. Do you recall receiving that email first of all?-- Let me just have a quick read. Yeah, yeah. Yeah, vaguely.

All right?-- Yes.

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Now, there is something towards the bottom about "good news from Bob on the Margo front". It's one of the last paragraphs in the main email. Can you explain what that means, what that paragraph is about?-- Yeah. Rox was having a few problems with getting enough people to man her booths. Obviously it's quite important that you've got enough people on the ground on the day, and I suggested to her that if she didn't have anybody it might be an idea to get somebody, you know, promotional type people who just had the right - the right sort of approach. It's very important you have the right sort of people on the stand. So I suggested to her that I would actually speak to Margot Mott. Margot Mott runs a modelling and deportment agency, so she has a lot of very good young people who present very well. And I said, "Look, I don't know what it will cost. I'll talk to Margot and see if she's got anybody and that way at least you might have enough people on the ground if you can afford to get them there."

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All right. So it was never - you didn't pay for those people?-- Oh good Lord, no. No.

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All right. And did you have any involvement in it other than providing the name and contact details to Ms Scott?-- No, not at all. I rang - I rang Margot and said, "Is it something you think you might be able to assist with?" And she said, "Yes." So I contacted Roxanne and let her know and then Roxanne contacted Margot and - and obviously sorted it out from there.

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All right. Now, in respect of the other two emails, an I just ask you look through both of them, just read them to yourself carefully?-- Mmm-hmm.

And just indicate when you've had a read through them?-- Yes.

All right. Now, having read through both of those - all three of those emails, do you wish in any way to change your statement as to what assistance you gave Roxanne Scott during her campaign?-- No. I think my statement - again, I wanted to have a bit more time to actually read through the statement when Mr Mulholland asked me at the beginning, but no, it's only strategic advice and as I say, looking at what she had written and making a few suggestions.

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Thank you. Now, Councillor La Castra, if I could hand you another document, and once again it's an extract from Exhibit 139. I do have copies here?-- Thank you.

Now, can you just have a look at that document. Were you ever aware of the existence of that document prior to the commencement of this Commission of Inquiry?-- No.

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All right. Have you ever - you've never seen the document prior to the commencement of this Commission of Inquiry?-- No, no.

All right. Do you know that your name appears in the document?-- Yes. When I got the discs I sort of went through them and saw that, yes.

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All right. Now, there's a notation with your name next to Royal Pines?-- Yes.

Can you explain that notation?-- Who is the document from? I do remember seeing it on the disc but I don't recall-----

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This is from Mr Morgan's group of documents?-- Is it? Right.

Yes?-- Sorry, and you asked me - sorry, what was the question?

Would you have any explanation as to why your name is there next to Royal Pines?-- The only - and it's purely an assumption, it seems to be a logical assumption, is Royal Pines is in my division. It's - so - what's it say? "Royal Pines, David to ask - David to ask La Castra to follow up." It would be logical, I guess, that Chris, if it came from Chris, that he would have assumed that I would have contacts there so maybe it would be something that I would do.

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Assuming that David in that document refers to David Power?-- Yes.

Did David Power in fact ever ask you to do anything in relation to Royal Pines?-- No.

Did he ever ask you to ask Royal Pines if they would donate moneys to the trust?-- Definitely not.

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All right. In relation to the second notation there, that refers to a company called Thackrell, or to an entity called Thackrell. What knowledge do you have of that entry?-- If my life depended on it, even now I couldn't tell you who they were or what they did. Never heard of them. Haven't got a clue.

All right. And did, once again, Mr Power ever make any approach to you in respect of Thackrell?-- No.

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Did he ever ask you to ask them to donate money?-- Definitely not.

Now, we talked during the course of this Commission about what we've conveniently referred to as the Sunland rates discount. You voted in favour of giving Sunland a discount on their rates, didn't you?-- Yes, I did.

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All right. Now, at the time when you made - at the time when you did vote to give them the discount, were you aware that Sunland had donated a sum of money to the Lionel Barden Trust?-- I can't remember what dates the Sunland discount issue was.

Do you recall being aware of that at the time?-- No.

If you had been aware of it at the time would it have changed the way that you voted?-- Definitely not.

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When you did vote what did you base your vote on?-- Basically this was an organisation which had always taken advantage of the rate discount. They'd never actually missed the rate discount. This was the first one they've missed. Clearly the fact they've missed it meant that there was a reason for that and that reason was that they didn't receive their rates notice, it went to the wrong address, so it seemed to me to be patently clear and patently fair that they should receive the discount. You can't get a discount if you don't receive the notice.

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Chairman, I have this additional document here. It is a part of Exhibit 3. I'm sorry, I don't know the sheet number immediately. I'm happy for the witness to have a look at this particular copy of it.

CHAIRMAN: And what's the date of it?

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MR DEBATTISTA: It's the 26th of the 3rd, '04.

CHAIRMAN: Number 31.

MR DEBATTISTA: Thank you, Chairman. I'll just simply hand this one to the Chairman-----

CHAIRMAN: Number 31 should be the one, how the plot took shape.

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MR DEBATTISTA: Yes, that's the one, that's the one.

WITNESS: Oh, right, thank you.

MR DEBATTISTA: All right. Do you recollect that particular article being published in the Gold Coast Bulletin?-- I was made aware of it, yes.

All right. You will note the first paragraph of that document states, "Sue Robbins yesterday named herself, David Power, Ted Shepherd and Bob La Castra as the main players in the election plot to take over the Gold Coast City Council." Do you see that?-- Yes.

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All right. How do you react to that statement?-- It's typical of reporting by Alice Jones and the Gold Coast Bulletin. It's a total fabrication.

Well, do I take from that, that you agree with the statement or that you disagree with it?-- Totally disagree with the statement.

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Did you ever-----

CHAIRMAN: How can you say it's misreporting? You can disagree with the comment but it might be proper reporting of what Ms Robbins said?-- No, it's not proper - sorry, with

respect, Mr Chairman, no, it's not because I actually spoke to Sue Robbins about it.

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All right. Well, if you tell us that, that then clarifies it.

MR DEBATTISTA: That was my next question, Chairman.

CHAIRMAN: Thank you.

WITNESS: Yes, sorry.

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MR DEBATTISTA: We might move to that. Did you ever have any discussions with Ms Robbins?-- Yes, I did.

About this article?-- Yes, I did.

Can you tell us what the contents of those discussions were?-- Sue was absolutely livid. Sue said that she had mentioned that I was giving assistance to Roxanne, which I was, I made no secret of that. In fact I told as many people as I could that Roxanne Scott was a good candidate and that I was giving her advice, and Sue made it quite clear that that is the only mention that she had made of the fact that I was actually helping Roxanne and refuted categorically that she made any statement along these lines. Because it was clearly untrue. There's no way Sue would have made that statement.

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Did you ever take up this article with anyone else?-- I actually rang The Bulletin about it and I spoke to a senior staff member at The Bulletin. It doesn't actually show in this - in this exhibit, unless I haven't got to it as yet.

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No, there's no photographs of the exhibits?-- Okay, yeah, it's only text. But the thing I think that was most concerning was there is actually a diagram with that which actually shows - it's to do with the Lionel Barden Trust Fund, it shows Lionel Barden at the top, and then it shows myself along with three other councillors and then - I can't remember - I think it was Ted Shepherd, Sue and David, and then it also shows candidates and my guess is they would actually be Roxanne, Brian Rowe, Grant Pforr and Greg Betts, and underneath that there was a picture of Brian Ray and I think Soheil.

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All right. What is your concern with that?-- Well, my concern with that is a picture paints a thousand words and quite clearly that diagram is showing that I am actually part of a trust fund and that I am actually connected and I am receiving money from the money men at the bottom, it actually says "The Money Men" and that I am connected to all these candidates and the trust fund.

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That's the view that you took when you saw that?-- Absolutely.

All right. And for the record is that correct?-- No. Clearly - clearly not true at all. It's totally misrepresenting the situation and totally misleading, because as I say, that's par for the course and there are plenty of - plenty. I mean, I don't want to be on the stand for a week but if anyone needs

to - me to point to evidence or situations with the Gold Coast Bulletin misled the public there are countless occasions in the lead up to the election and since the election.

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All right. Well, you say you took it up with the Gold Coast Bulletin. What was the-----?-- Yes, I did.

What was the outcome of that?-- I actually rang a senior staff member of The Bulletin and actually spoke to them and said, "This actually is depicting me as receiving money from a trust fund, which clearly I am not. It shows me linked to this money and to these candidates which clearly I'm not. I'm helping Roxanne and that's as far as it goes. But I'm not receiving any money from the trust fund." And the answer to that was, "Well, that's what you tell us but you're probably getting it under the table in some way so you're probably getting it through the back door," and I promptly hung up.

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All right. Did you in fact receive any money from the trust fund or from developers in what might be colloquially referred to as by the back door?-- Of course not.

20

All right?-- Of course not.

Now, what was your relationship like with Councillor Robbins?-- It was very good. We were - we were very close. We were actually born on the same day so I used to refer to her as my twin sister although we were like chalk and cheese as personalities. We got on extremely well. In the main, the main reason for that was I like people who call a spade a spade and Sue very much called a spade a spade. So you always knew where you were with Sue. That said, because of that we fought like cat and dog, I suppose a bit like siblings, twins can be that as well, so we fought a lot. We constantly disagreed on issues and when Sue disagreed on an issue Sue would really sort of make it known what her beliefs were.

30

When you say disagreed on issues, that meant you would vote against each other on the floor of council?-- On - on numerous occasions, on numerous occasions, but as people we got on really well and it was never taken personally, it was just she had her view and I had mine.

40

All right. I want to discuss very briefly a matter which I'll refer to as the Ecotrans cableway matter. Do you recall a matter of Ecotrans being brought up in council?-- Very much so, yeah.

All right. And was that a development that was substantially in Councillor Power's division?-- Yeah. Ecotrans was actually a tourism infrastructure, it was a cableway they were looking at doing sort of over Tamborine.

50

All right. And do you recall what Councillor Power's attitude towards it was?-- David was vehemently opposed to it. It actually was in his division. It affected quite a few of his residents. The cableway passed over several of the residents and he was vehemently opposed to the infrastructure going in.

And do you recall what your own position on the matter was?-- I was the main one, clearly the main one leading the - leading the fight for it. I was quite upset that the one prior had actually gone down in a screaming heap which was at Springbrook and I still believe to this day that it was a huge loss to the Gold Coast. I like to think that it will actually come back again and we'll get the opportunity to put it in place.

10

Were there ever votes taken in council in relation to this development?-- Oh, look, it had numerous debate. It was a massive issue before the election. It came back over - I'm guessing, probably over the course of 12 months. It kept coming back, it kept coming up for debate and I kept sort of fighting for it because I felt quite strongly that it should go ahead.

Aside from that matter, did you and Councillor Power have a good relationship?-- Yeah, a very good relationship, yeah.

20

Did Councillor Power ever discuss the existence of the Lionel Barden Trust Fund with you?-- Never.

Did Sue Robbins ever discuss the existence of the Lionel Barden Trust Fund with you?-- Never. The only - the only thing that Sue ever mentioned to me was that Quadrant may have some contacts for some funding for Roxanne. The trust fund was never ever mentioned to me by anybody.

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Thank you, Chairman.

CHAIRMAN: Thank you.

MR DEBATTISTA: There's a matter I might correct in my re-examination, Chairman.

CHAIRMAN: I think it was a different book you might have referred to.

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MR DEBATTISTA: Yes, I may have referred to the wrong exhibit, I think, Chairman.

CHAIRMAN: No, you referred to Exhibit 10. Isn't that the right one? Or is it Exhibit 14?

MR WEBB: Exhibit 10 is this book that I'm holding.

MR DEBATTISTA: I may have referred to Exhibit 14, Chairman.

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MS HAMILTON: No, you referred to Exhibit 10, page 15 which seems to me the right reference.

CHAIRMAN: Yes, I thought it was. That's the Local Government Handbook is Exhibit 10. I think Mr Webb is confused. He's referring to Exhibit 9.

MR DEBATTISTA: I'm pleased to know the fault wasn't mine for once, Chairman.

1

MR WEBB: I'm going to pass that one. I'm going to pass that one left, Mr Chairman.

CHAIRMAN: Fine, thank you.

MR MULHOLLAND: Mr La Castra, could I first of all ask you about this fund raising dinner?-- Yes.

10

Do you have a copy of the material you supplied to the Commission?-- No. Thank you.

If you could just go over first of all to the - I want really both sides of the equation in regard to this dinner, both how much it cost and what you received. Now you've provided a tax invoice in relation to the cost of the dinner and that is in the sum of \$4,200?-- Mmm.

20

That's the amount that you paid the Royal Pines for the dinner on the 22nd of March?-- Yes.

2004, so less than a week before the election. Is that right?-- Yes, that is correct.

Now, can I ask you to then go to what you have headed Community Employment Link Group, that is - well, what is it?-- What do you mean, what is it?

30

This is a document, Job Activity Detail?-- Sorry, which page are you referring to?

The first page. It is headed 1/1/2004 to 1/5/2004. Do you have that document? And it has under it various amounts credited and then under Promotion various amounts debited-----?-- Well, that's - sorry, that's not the first one unless I'm-----

40

CHAIRMAN: It's the first page of the document headed "Community Employment Link Group Inc" is what you're being referred to.

MR MULHOLLAND: This is-----?-- Okay, yes, yes, yes, got it, yeah.

Right. Now, just in relation to these amounts that are credited?-- Mmm.

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They are also supported by deposit slips in relation to the amounts. Now, just explain to us, first of all if you wouldn't mind, the difference between the amounts shown on this document, the job activity document?-- Yes.

Take, for example, One Source?-- Yes.

The amount that was deposited was 800 and the amount shown was 727.27. So what-----?-- Well, I'd imagine that's GST.

1

So it's GST?-- Yes.

Which was taken out of it?-- Yes.

So these are the amounts minus the GST component, are they?-- Yes, they are.

10

Now, what can you tell us about these amounts. These are amounts received by you from these entities?-- It was-----

Is that right?-- Well, these entities that actually purchased tickets for the dinner and this is the amount that - that was paid after ex GST, yes.

Right. Now, do we have any material to tell us how many tickets each of them purchased?-- I don't know what - I don't think so because I don't think I had anything there but clearly the Royal Pines I think actually - I can't recall because I - I'll have to find it in here but the Royal Pines I believe actually mentions the - the number of - the number of people or the number of meals I think.

20

You estimated that you had about 100?-- Yeah, I'm trying to find the Royal Pines one and that will actually tell you then how much the ticket price was even though-----

You mean the tax invoice?-- Yes.

30

It has "number of units, 100" on it?-- Well, there we go and - and what was the price? Was it 4200?

Well, it says "100, 42, 4200"?-- There we go so there - so therefore, yes, it was-----

Did they only charge you for the people who actually turned up as distinct from wanting to be paid \$4200?-- Yeah, they - they were actually - actually I expected them to actually charge me for - for them all but because there were only about two or three people on the night who didn't turn up that we were expecting to turn up, but prior to that I actually had, you know, six or seven people who actually said, "Look, can't actually make it" so I let them know that, so therefore they didn't have to prepare the meal so they only charged me for the 100, yes.

40

Well, the 100 would have been an amount or a number which would have been agreed in advance of the dinner, that is that you'd pay for 100?-- Yes, there was basically - I believe there were 109 tickets sold, from memory. On the day I had a call from, you know, six or seven people who said, "Look, not going to be able to get there tonight." I let the Royal Pines know that, which meant they didn't have to prepare the meal, which meant that they didn't charge me for those dinners.

50

So can you tell us by looking at this job activity document and the amounts received from those various companies and persons-----?-- I've got to go back to it.

1

-----that that can be explained by the fact that the number of people represented by that amount were the number of - is what happened; in other words, you only received an amount of money for the number that that represented. For example, \$800 in relation to one source-----?-- Would be eight tickets.

10

Eight tickets?-- Yes.

And so on?-- Yes.

\$2000 in relation to W H James, that would mean that you received 20 tickets?-- Yes, that would be right.

And so on?-- Yes.

Okay. So you didn't receive any amount in relation to the dinner that wasn't matched by a ticket taken up by a person from that entity?-- Definitely not, no.

20

So the total amount or the total amount that you received minus the GST component was \$9909.09; correct?-- That's correct, yeah.

So far as the cost of it was concerned, you have various items under "promotion", and then items under "supplies". So does that mean that that was the cost, the \$5471.41 plus 723.95?-- So the cost - the promotion actually shows the costs of - of various items for the election, yes. Let me just have a look here.

30

It is alongside fundraising dinner; do you see what I mean?-- Yes.

The promotion is all of this is fundraising dinner. So were these costs related to the fundraising dinner?-- No, these costs - you're talking about under promotion?

40

Yes?-- Okay. No, these costs for promotion - as you can see there, it says printing, letterbox drop, so these costs were moneys that went out in relation to the election to do printing, et cetera, et cetera.

Well, why is the name or the subject here fundraising dinner?-- Well, because it shows that these funds have actually - the funds above have actually come in from the fundraising dinner and then it shows the funds that have gone out from those moneys received in relation to the election.

50

Okay. Well, can we just deal then with the - and does the same apply in relation to supplies?-- Yes, of course.

So that's how the fundraising dinner moneys was spent is what you're saying?-- Yes.

All right?-- They're all related to my election. That's what the fundraising dinner was for.

1

Yes. And the next page-----?-- Yes.

-----which has a debit of \$3818.18, what's that amount?-- Well, it tells you what that amount is quite clearly. It's says Royal Pines. So that is the money that went to the Royal Pines.

10

Right?-- Ex GST.

Ex GST?-- Yes. Hundred tickets \$42, yeah.

So, therefore, are you - how much - just tell us the total amount that you made on the dinner after the costs were taken into account; what do you say that you were ahead after the dinner?-- Probably somewhere in the region of about \$900 because you've also got the cost of the show because I've actually performed. So there was a dinner and show.

20

Well, I'd like you - can you refer to any other documents which tells us how much you were ahead in relation to the amount that you made on this dinner?-- Well, I'm sorry, you've lost me. This document tells you how much came in and how much went out-----

Mr La Castra, listen to my question?-- I'm trying to.

The cost of the dinner was four thousand-----?-- Two hundred dollars.

30

-----two hundred dollars?-- Yes.

Minus the GST component?-- Minus GST, yes.

You have said that you received \$9909.09?-- Yes.

In relation to tickets. What I want to know is what was the net benefit after expenses were taken into account?-- Well, I've just said to you before, if you factor in the fact that I've put on a performance which therefore if I'd had to bring in a corporate entertainer, somebody of my calibre, if you like, someone with my experience and my track record, I would have to pay them somewhere in the region of \$5000 to \$7000. So, therefore, if you actually look at the fact that I've used my skills and my expertise to actually entertain these people and I've put a cost on that because prior to getting elected that's what I did and I wouldn't go out for less than \$5000 a night. So, therefore, I've made about \$900. If you want to actually take that out of the equation, then you'd actually say that I've probably made somewhere in the region of about five, five and a half thousand dollars.

40

50

But you obviously regard it to show as being important in order to get people to go along to the dinner?-- Yes, of course, of course.

So that in the end having regard to the show that you put on-----?-- Yes.

1

-----you would say that the net benefit was something in the order of \$900?-- Yes.

Now, if you just come back a few documents to your cheque account details?-- Mmm.

The amounts shown here in relation to the printing, you had said in your written response to the Commission that there was one fundraising dinner which we've dealt with?-- Mmm.

10

And you said the costs of printing and delivery of three election mail-outs, how to vote cards, and after election party for volunteer booth workers?-- Yes.

So that's what the dinner covered. Can we just deal with the amounts shown on this account which relate to the election campaign, your election campaign?-- Yes.

20

Mudgeeraba Printing?-- Yes.

Is that one of them?-- Sorry, is that one of what?

Is that one of the costs-----?-- Yes.

-----in relation to the election campaign?-- Yes.

All right. That's the \$3104.20. Now, is there anything else? What about the leaflet drop; is that also an election campaign cost?-- Yes, of course, yes.

30

That's \$1161.27?-- I'm sorry, Mr Mulholland, I'm just looking here. Is there another one here or is this already included? I can't work it out from here. There's another Mudgeeraba Printing for seven hundred and-----

Yes, there's another one on the next page, you'll see?-- -----fifty four and then-----

40

29th April \$668.80?-- Yes.

So there's two amounts?-- So it's about - I mean, it comes to - yes, and with GST it's only \$754 and then there's another one which is 3100. So, yes, it's somewhere in the region of about 3839 for printing, yes.

So there are those two items in relation to Mudgeeraba Printing; is that right?-- Yes, and then we've got the cost of the leaflet distribution.

50

The leaflet drop?-- Yes.

So that's \$1161.27?-- Yes.

And are those the only items which relate to your election campaign?-- No.

See, this is an account that was used for other things as well obviously?-- Yes. When you say are these the only items, no; the other items are listed in the first page of the document that you referred me to which - and you can see here it's got the printing. It's got the letterbox drop and there are other things here like laminating, chocolates which were put on the tables for everybody who came.

Yes?-- You know, photocopies, nuts and bolts.

10

Yes?-- Bunnings, they were things obviously to secure signs and posters and things like that. So all of those things listed are the things that were - and then you've got here things like pizzas and things like that.

You're referring to the job activity document?-- Yes, I am, sorry. So when you - yes, because you just asked me, are these the only - the only costs-----

20

Yes?-- -----and I'm saying, no.

What I was really asking you was, is that - are those the only costs in relation to your election campaign as shown on this cheque account say? Are there any others related to the election campaign apart from what we've referred to, namely the printing and the leaflet drop?-- Oh, you mean things that were actually paid by cheque from that account, is that what you're asking me?

30

Are there any other amounts or entries on this statement which relate to your election campaign apart from the leaflet drop and printing items?-- Sorry, Mr Mulholland, I must be a bit thick or something and maybe I am but I don't really understand the question you're asking me.

If you look at the statement-----?-- I think I've answered it. Sorry.

Look at the statement?-- Okay, which page are we on? There's one here-----

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We're looking at the cheque account statement?-- The cheque account statement. Hang on a sec.

Two pages?-- So you don't have to go through this again, I'd really like to find it and therefore I won't have to keep asking for you to repeat the same question.

It's near the front. It's just after the return that you - your electoral return?-- After the electoral return. Okay. Ah-ha. Is this the one that is - has got some asterisk next to-----

50

That's the one?-- It's at Mudgeeraba Printing. Okay. That - that helps. Okay. My apologies. I couldn't find that.

So you'll see that there is two pages and there are two entries in relation to the printing, Mudgeeraba Printing, one entry in relation to the leaflet drop, can you see that?-- Mmm-hmm.

1

And my question is, apart from those, are there any other items or entries on this statement relating to your election campaign?-- No, I don't believe so. The only way I could sort of double check that is to go back to the first page you referred me to and actually see whether any of those were actually paid for by cheque, as in the things under-----

10

All right?-- -----promotion and supplies but-----

Are these, for example, the QBTC amounts shown here, they don't relate to-----?-- Now, I understand where you're coming from. Sorry. No, they don't relate at all. No.

And also on the second page of the statement, the event happenings, that doesn't relate to your campaign?-- Sorry, event happenings.

20

The top of the second page of that statement, \$3,433.84?-- I seem to only have one page of the statement and then it goes on to the job activity.

Just have a look at the top of the first page that you're looking at?-- Good job I'm not an accountant isn't it?

Does it - does it have on it, statement begins 31 March 2004?-- No. The one I'm looking at, the statement begins 28th of Feb. and statement ends-----

30

Well, you've got the wrong - you've got the wrong statement?--

This one-----?-- I have now. Yes. Okay. There's so many bits of paper here and they're not in order. Okay. What I've done is I've jumped pages to have a look - hey, now we're cooking. We're cooking with gas. Yeah, 31st of March 2004, statement ends 30th of April.

40

Right?-- I've got it.

Okay?-- Yes.

Now go to the second page-----?-- And you're right, there is a second page. Yes.

And 22 April, event happenings, that doesn't relate either-----?-- No.

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-----to any campaign?-- No, it doesn't. No, it doesn't.

All right?-- That was easy. Sorry about that.

Now, Mr La Castra, you say that you did not go to the Quadrant meeting on the 16th of December 2003, is that

correct?-- That's right. I was in Townsville.

1

You were away during that period?-- Yes, I was.

And you were also no there on the 8th of January?-- That's right.

You did, however, know that the meeting at Quadrant was going to be held on the 16th of December?-- No, I didn't have a clue.

10

You did not have a clue?-- Not a clue.

You're quire sure about that?-- I'm absolutely positive about that.

Can I ask you to have a look at a document which is part of Exhibit 35?-- Yes.

Sorry, 135?-- Thank you.

20

And you'll see that this is an email sent from Mr Power to Mr Morgan?-- Yes.

5.25 p.m.?-- Yes.

So, it's late on the Monday?-- Mmm-hmm.

It refers to the attendees. We've been told that this relates to the meeting of the 16th of December?-- Yes.

30

All of the are attendees mentioned and you're referred to at the end, "La Castra is away."?-- Yes.

Now, that suggests that you would have been there or that you would have been one of the attendees except the fact that you were away, I suggest?-- It doesn't suggest that at all to me.

It doesn't?-- Oh, no, not at all.

40

Well you're on - you're on - you're on the list, according to what Mr Power believed at the time?-- That's not-----

But you would've-----?-- -----the question you asked me, Mr Mulholland. You asked me if I was aware that there was a meeting and I said no, I wasn't.

Well-----?-- And clearly I wasn't.

Well the next question - you say that you weren't aware - the next question is, are you quite sure that no one spoke to you about such a meeting-----?-- Absolutely positive. Yes.

50

-----and asked you to be present but you indicated that you couldn't be there because you'd be away at the time?-- I repeat again, absolutely positive, 100 per cent, yes. Nobody ever mentioned it to me. I was totally unaware of the meeting. The fact that somebody else might've thought that I

was attending the meeting I can't be responsible for but it was never raised with me. Thank you.

1

You - you did, as you have indicated, a deal of contact with Roxanne Scott-----?-- Yes.

-----during the course of the election campaign. In fact, she referred to a contact by telephone and also actually in person contact with you, you're aware of that evidence that she gave?-- Yes. Yes. She rang me on a few occasions. Yes.

10

You - you had quite a good deal of contact with her during the campaign leading up to the 27th of March, is that correct?-- Depends what you call a good deal of contact. I had contact with her. She rang me on a few occasions. Yes.

You said that she indicated to you that there was some money that she had received from this trust fund, is that correct?-- She - she told me that she'd had some funding. She didn't mention a trust fund.

20

She didn't mention the trust fund?-- She told me that she'd-----

I may have misunderstood something that you said to your counsel?-- Yeah. Well, no - no, what I'm saying to you is, she told me when she'd actually received some money but it wasn't in relation to a trust fund. She said she'd actually received some money for her campaign.

30

I understood you to have told Mr Debattista-----?-- Yes.

-----that Scott told you when she first received money from the trust. Didn't you tell him that?-- Well I now took - well I can't remember the exact words I said but what I'm saying to you is, yes, I'm now aware that there was trust fund so I'm talking now that, yes, she told me when she'd received money from the trust fund. But at the time she did not mention the term "trust fund". She told me that she'd actually received some money - that she'd actually had some money coming through.

40

So you weren't intending to convey by that answer to your counsel that you knew that she had received the money from the trust fund. It's something you've worked out afterwards; is that what you're saying?-- That's right. I knew that she had received some money. She told - remember I've actually said that I was actually told by Sue to refer Roxanne to Quadrant because they might be in receipt of some funding and I was asked what I understood by that and I said, "Through the business community because they would have contacts." So I did that - I referred Roxanne to Quadrant for that reason and then she told me when she receives the money - she actually said, "Yes, I've actually received some funding" but she didn't actually mention the term trust fund - that's what I'm trying to say to you. I'm not denying that she told me that she'd received funding because she did.

50

Well this funding from the so-called trust fund-----?-- Yes.

1

-----it would appear that Ms Scott received \$7,000 on the 3rd of February and \$3,000 on the 24th of February. So more than a month before the election-----?-- Yes.

-----she had received \$10,000. You say that she didn't tell you that she had received \$10,000?-- No, she didn't. She told me she'd received some funding but she never went into amounts or anything like that - not at all.

10

And she didn't say that she'd received it from a trust fund?-- No. She just said she'd received some money. So I gather that was through the contacts that they had through the business community. But the term "trust fund" was not mentioned.

Is this your evidence, Mr La Castra, that you had no idea that there was a fund - a common fund, if you like - that was set up, that money was paid into Hickey Lawyers and then paid out to candidates directly and also to Quadrant-----?-- That is correct.

20

-----to the benefit of those candidates?-- Yes, that is correct.

You were completely unaware of that?-- Absolutely.

Until what - the article on the 25th of March 2004, referring to what Mr Ray had said?-- Yes. The term "trust fund" was never mentioned at all. I was aware that there was some funding that Roxanne had received and, as I say - and I knew that was obviously via Quadrant in some way, shape or form because Sue had told me to refer her there.

30

You had good relationships with Sue Robbins?-- Yes, I do and-----

You had very good relations with Sue Robbins-----?-- Yes.

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-----and David Power?-- Yes.

You had obviously very good relations with Roxanne Scott who you really mentored, I suppose we could say, during the campaign; would you agree with that?-- No. When you say "very good relations with Roxanne", I'd met Roxanne on several occasions as one of my constituents and also through - she was actually working for the Department of Employment and Training so I'd also had contact with her with things that she'd done in my electorate. But when you say "good relations", I'd had relations with her in relation to my job. But I wouldn't say it went any further than that. We weren't friends, as such, if that's what you're asking.

50

Well you had a very good relationship, is what you told your counsel, with Sue Robbins?-- I had a very good professional relationship with Sue, absolutely, yes.

You see, it may be difficult for some to understand why you had this very good relationship with Sue Robbins?-- Yes.

1

With David Power?-- Yes.

You're assisting Roxanne Scott, having a good deal to do with her during the election campaign?-- Yes.

And yet right up to this article being published in The Bulletin in March you had no idea from anyone that there was a fund that was being used to assist candidates directly-----?-- Yes.

10

-----and also to assist them indirectly through the payment of Quadrant work?-- Right. Might I ask why that is hard to-----

Now some people may find it difficult to accept the fact that no one mentioned to you, during that period of time, that there was such a fund and how it was being used?-- Some people might and a lot of people wouldn't. I can't quite understand what you're saying.

20

Well I'm asking you whether you were quite certain that no one-----?-- I'm a hundred per cent certain, Mr Mulholland.

-----mentioned - hold on?-- Yeah, I'm a hundred per cent certain.

You are quite certain-----?-- Yes.

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-----that no one told you about the fund?-- I am 100 per cent certain that - Mr Mulholland, if I knew about the fund I would have no problem telling you because there is no problem in me knowing about the fund but I'm under oath here and I'm not going to give an answer because it might suit you to get that answer. So if there was why would I deny it because there's no problem in knowing about it. The fact is I didn't know about it. I knew that Roxanne had received some funding.

Well you disagreed with what was attributed to Ms Robbins in that article of the 25th of March?-- Yes.

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When did you first draw attention - or when did you first communicate with anyone that you had this conversation with Ms Robbins? You say you had a conversation with Ms Robbins-----?-- Yes.

-----about the accuracy of the article-----?-- Which was the 20-----

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-----which she told you she didn't say?-- Which was the 26th, which was the day before the election.

Yes?-- Yes, it was the day before the election, yes. So when did I first have a conversation? Obviously on that day, because I spoke - I was actually told about the article so I then spoke to Sue about it and Sue refuted the fact that she had ever said that and that is when I rang The Bulletin to

actually complain about the article. So the answer to the question is: it was on that day, on the 26th of March.

1

Sue Robbins yesterday named herself, David Power, Ted Shepherd and Bob La Castra as the main players in the election plot to take over the Gold Coast City Council and you say that when you spoke to Sue Robbins about that she made it plain to you that you had given some assistance to Ms Scott; is that right?-- That I had been advising Roxanne, yes.

10

You'd been advising her?-- Yes.

And that that was all that she had said. Now, what I'm asking you is: have you told anyone about that conversation up until your giving evidence here?

MR DEBATTISTA: Well, Chairman, I do object. The witness has actually answered that precise question in his prior answer. He indicated that he gave that - he communicated that fact to the Gold Coast Bulletin on the day. He's answered the question.

20

MR MULHOLLAND: Is that your evidence that you communicated to the Gold Coast Bulletin?-- Yes, I rang them on that day, yes.

Is there any reason why you didn't refer to this in your response, your written response to the Commission?-- I wasn't asked to in my written response. I was asked - from memory, I was asked what my relationship was with candidates in relation to the election. I wasn't asked whether I had spoken to the Gold Coast Bulletin.

30

Who did you speak to at the Bulletin?-- I spoke to Roy Miller.

And you told Roy Miller that you had spoken to Sue Robbins and she had told you, as you have indicated?-- Yes.

Is that right?-- Yes.

And what did he say?-- Well, I've already said that to my - to my barrister.

40

What did he say; I'm asking you now?-- All right, I'll tell you again then. Basically what I said was, "I have nothing to do with this. This picture actually shows that I am part of a trust fund and I am receiving money from a trust fund, that I am linked to these developers and I am lined to these candidates. I am not linked to them. The only person that I'm involved with is Roxanne. I'm giving her assistance to the campaign" and I said, "You know that I don't - I don't accept donations, I've never accepted donations, and you're aware of that" and he actually said to me, "Well, you're obviously receiving it in some other way like under the table or via the back door. Someone's - someone's picking up your printing costs" or something like that. And I said, "Well, that's not the case."

50

Is that all that you said to him?-- That's what I said, yes.

So you did not say to him that you had spoken to Sue Robbins who had told you that she had not said what was attributed to her in the article?-- You asked me just now, Mr Mulholland, whether I told him I had spoken to Sue Robbins and I said yes, I had, and I did tell him that I had spoken to Sue Robbins.

Mr La Castra, the question I'm asking you is: are you claiming that you spoke to Mr Miller and told him that you had spoken with Sue Robbins and she had told you that she had not said what was attributed to her and went on to say that all she had said was that you were advising-----?-- Okay-----

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-----Roxanne Scott. Is that what you are claiming that you told Mr Miller?-- I don't recall whether I spoke to Mr Miller about that but I did tell him I had spoken to Sue Robbins about the article in the paper and I also spoke to him, in the main - the thing I remember in the main is the thing about the diagram that I objected to. I can't recall whether I actually specifically went through the fact that she refuted what was said but I made it quite clear to him, as I just told you, quite clear to him that I was not involved in anyone's campaign apart from Roxanne and I was advising Roxanne, and I made it quite clear I was not linked to anyone else in the picture, in the diagram, so I was not linked to any other candidates, I was not linked to the trust fund-----

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You've told us all that, Mr La Castra. I'm asking you-----?-- Yes, I have-----

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-----about a particular-----?-- -----but you seem to keep asking me things that I - that you've already asked me.

Please don't speak over the top of me?-- Okay.

I am asking you about-----?-- Yes.

-----a specific conversation?-- Yes.

And what you said to anyone about it. Now, we obviously can't ask Ms Robbins. And come back to the question that I originally asked you. When did you first tell anyone that you had had a conversation with Sue Robbins and she had said that she did not say what was attributed to her in relation to yourself in this article?-- Well, as I said, I rang on the 26th of March. The exact-----

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You-----?-- The exact conversation on - on those lines I can't recall but I did mention that - and it's about the third time I've said it, I'm sorry-----

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No-----?-- -----but I did mention that I had spoken to Sue Robbins about the article in the paper and that I was upset with the fact that there was this diagram, et cetera, et cetera. Whether I actually went into the exact words of, "And Sue told me that she - she never said that to the reporter", I can't recall but I told Roy Miller that I had spoken to Sue Robbins about the article in the paper. I was upset with the

article and I was upset with the diagram. I - I don't think I can make it any clearer, I'm sorry.

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No, I think you've made it perfectly plain what you're saying, Mr La Castra, and what you are not saying?-- No, I'm - I'm sorry, I'm not quite sure - well, in which case please ask it to me in a different way because-----

I have given you the opportunity - I'll give you one last opportunity-----?-- Thank you.

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-----to tell us when you first told anyone that you had had a conversation with Sue Robbins and she said to you that she had not said in relation to yourself what was attributed to her in the article?-- On the 26th-----

Now, do you understand the question that I'm asking you?-- Yes, I think I do.

It's confined to what was attributed to her in relation to yourself in the article. The question is: when did you first tell anyone that you had had such a conversation with Sue Robbins?-- 26th of March.

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I see. And who did you say - that's Sue Robbins. I'm talking about anyone except Sue Robbins?-- I'm sorry, I said before I mentioned to Roy Miller that I had spoken to Sue Robbins about the article. She had alerted me to the article or someone had alerted me to the article, but I spoke to Sue about it. If she didn't alert me, someone else did. And I spoke to Sue about it and I said to her, "You said this" blah blah blah and she said-----

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CHAIRMAN: You're not being asked about what you said to Sue Robbins?-- -----"I didn't say that." I beg your pardon?

You're not being asked about what you said to Sue Robbins?-- No, but - but Mr Chairman, I think I-----

Look, Mr Mulholland, I think you're right. The witness has answered it

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MR MULHOLLAND: Yes.

CHAIRMAN: He told you he cannot remember whether he said that to the journalist or not?-- But - sorry-----

So he has answered it?-- Mr Miller - sorry, Roy Miller's not a journalist but he's one of the senior staff but - but I did-----

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MR MULHOLLAND: I'm not going to persist with it, Mr Chairman?-- Yeah. But I did mention to him that I had spoken to Sue Robbins about the article and that I wasn't happy with what they reported but whether I specifically spoke about the fact that she had mentioned me as being someone who had recruited a candidate or whatever she said in there, I don't

recall but I did make reference to Mr Miller about Sue Robbins and that I wasn't happy about the article.

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Well, now-----?-- So I think-----

-----do you - I want to show you an email of the 12th of February 2004. This is part of Exhibit 39?-- Thank you.

You will see that it is addressed to Mr Ray from Chris Morgan?-- Yes.

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And in it, it refers to yourself. "I have Bob La Castra and Roxanne in at 11.30 a.m. and Greg Betts at 2 p.m." Now, you say that you didn't have any contact with Mr Ray since about the year 2000. Is that as I understand your evidence? Is that correct?-- That's right, yeah.

Now here's Mr Morgan reporting to Mr Ray about this campaign?-- Yes.

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Saying he spoke to David, that's David Power?-- Yes.

"After our conversation, he's going to follow up on Villa World. I'll call you tomorrow around 11 a.m. to organise a time to recap in the afternoon" obviously in relation to this campaign?-- Mmm.

"I have Bob La Castra and Roxanne Scott in at 11.30 a.m."?-- Mmm.

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"And Greg Betts at 2 p.m."?-- Mmm-hmm.

At least what this suggests, may I put it to you, Mr La Castra, is that there are other people who believe that you were in the know in relation to this campaign, but you say that you weren't?-- Well, it doesn't suggest that at all, I'm sorry. I mean, what it suggests is, is that I'm actually giving advice to Roxanne Scott. This is an e-mail with - there's only one e-mail I think in all the documentation that's been submitted that was CC to me in relation to anything, so the fact that Chris Morgan is actually telling Brian Ray that Roxanne is coming to the office and I'm coming in with her, why does that suggest anything other than what it says, that I'm going into the office with Roxanne.

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Yes. Can I now ask you to have a look at Exhibit 27 please. Can I just see that please. Let me ask you about this. There was an e-mail from Mr Molhoek to Mr Morgan in late March 2004 where he refers to contacting Mr Power, Ms Robbins and yourself after the election to mend bridges and explained why he had withdrawn his request for financial support from the fund, page 114 of the transcript. Do you remember his evidence in that regard?-- Yes, I do. In fact I think I actually cross-examined him on it.

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You cross-examined him on it and you suggested to him that that may not be a reference to you and he said it was. Do you remember that?-- Yes, I do.

It's at page 172?-- Yes.

Of the transcript. So here's Mr Molhoek, according to his evidence?-- Mmm.

Wanting to contact you in order to mend bridges and in order to - what he meant by that was to explain why he had withdrawn his request for financial support from the fund. So he clearly thought that you were part of those people who knew about this fund?-- Mmm.

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But you say you weren't?-- There's a very, very simple explanation for that. I find it quite amazing that Chris Morgan has actually - if I can just backtrack to answer your question if you'll allow me to - indulge me a little, if I can, to explain this. We've got Rob Molhoek, we've got - who thought I was at a meeting that I was never at, and even when I asked him if he wanted to change that he said clearly that I was there at the meeting even though I've just shown that I was in Townsville - we've actually got an e-mail from Chris Morgan to David Power somewhere along the line saying, "and Ted and Bob I presume." Wasn't there an e-mail along those lines?

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Yes?-- And he just presumed I would be there because obviously I was giving advice to Roxanne so obviously he's just assumed that I'd be at the meeting. And then we've got an e-mail from David Power to Chris Morgan saying, "Bob's away." Now the fact that Chris thought I'd actually be there or whatever was obviously because I was helping Roxanne, but I find it amazing that even David Power at one stage, and actually put in his statement I believe, that I was actually at the meeting on the disc.

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Well, you heard what - you've mentioned that a couple of times - you heard what Mr Molhoek said about that. He said, "If you weren't there your name may have come up during the course of the meeting and you were mentioned"?-- Yeah, no, sorry, I was just about to get to what I'm getting - getting to. There's a whole wad of evidence or stuff that's actually been used to refer to for this inquiry from the Gold Coast Bulletin. There's a whole wad of it. For some reason it seems to have been relied upon, all this stuff that's written in the Gold Coast Bulletin. Now all the way through-----

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Well, this isn't written in the Gold Coast Bulletin?-- No, no, but sorry-----

Let's concentrate upon what I'm asking you about, not what appears in the Gold Coast Bulletin?-- But I'm sorry, but that answers the question. That's what I'm trying to say. All the way through it is mentioned that I am related, as we've just had with this diagram, to the trust fund et cetera, et cetera. Now it's amazing that even the person who - the people who are involved in the meetings and organising meetings actually said initially, "Oh, yes, and Bob La Castra was there." It just proves that if you repeat it often enough, even the people

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involved start to believe you were there. They start to doubt it themselves. Constantly they have misled-----

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I suppose the reverse might also be true?-- What's the reverse?

If you deny it often enough people might believe you, even if it's true?-- So are you calling me a liar, Mr Mulholland?

I'm not - I'm suggesting to you, you are putting to me that this has been repeated by a whole number of people and to the point-----?-- Because it's been put to them.

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To the point where it's repeated often enough people may think it's true. I'm suggesting to you if you're using that as an example, the reverse might also be correct. But what I am putting to you here, Mr La Castra, is your name crops up time after time as I have - am indicating to you which would suggest that you did have some knowledge of the fund and you're saying that you didn't?-- Mr Mulholland-----

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I'm giving you the opportunity-----?-- Yes.

-----to respond to these items of evidence?-- Yes.

Here's Mr Molhoek, let's just concentrate on Mr Molhoek?-- Yes.

Mr Molhoek said that he made contact with Power, Robbins, Grew and yourself after the election because of his understanding, as he put it, that they were in cohorts?-- Mmm.

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That's what he said. They're not my words, that's what Mr Molhoek said?-- Sure.

That's at 173?-- Sure.

Of the transcript?-- Yeah.

And he said, "To some degree as to working to see better quality people in Council," that is, a group who were combining to ensure that that happens. Now, there's evidence from which it might be inferred clearly that people were in a group to ensure that would happen, whether you accept it or not, that's an inference that could be made from the evidence. You're saying that you certainly were not part of such a group?-- Absolutely not. As I said, there is one e-mail that is CC-ed to me in all the evidence that's come in and, for some reason, you're assuming that I knew more than I knew. But if The Bulletin repeatedly said that I was actually involved, that I'd recruited candidates because of what they'd reported Sue as saying, et cetera, et cetera, that there were meetings - my name kept coming up all the way through. Eventually, people are going to start to believe that but just because you say things a hundred times, it doesn't make it the truth, Mr Mulholland.

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Now, you've drawn attention to the Gold Coast Bulletin articles and made a few comments in relation to that. One thing that The Bulletin did get right was the existence of a fund to support candidates which was kept secret and also that it was developer backed. Now, that much they got right. And what seems curious, accepting what you have said, that you were not part of it-----?-- Mmm.

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-----is that these people who you had good relationships with would not, in the whole period of the campaign up to the time when this article was published on the 25th, 26th - those articles were published on the 25th and 26th of March-----?-- Mmm.

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-----would tell you what was happening?-- Well-----

If there was no problem about it and having regard to the relationships you had with him and particularly Roxanne Scott who, after all, went to Quadrant because you suggested there might be funding available-----?-- Yes.

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-----that's true, isn't it?-- Yes, that's true, absolutely.

Now, what seems curious just looking at this evidence, Mr La Castra, is why wouldn't they have told you what was going on?

MR DEBATTISTA: Well, objection, Chairman. This witness cannot answer in any way what so ever as to why Councillors Robbins, Power or any other person on the planet did or did not tell him anything. It's not a proper question.

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CHAIRMAN: No, he can't answer what was in their mind-----

MR DEBATTISTA: That's right, and that-----

CHAIRMAN: -----but if he has any knowledge in his own mind as to reasons that they didn't trust him or whatever-----

MR DEBATTISTA: Certainly.

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CHAIRMAN: -----then he can tell us what he thoughts he has about it.

MR DEBATTISTA: Well, it-----

CHAIRMAN: He certainly can't tell us what was in the mind of Power-----

MR DEBATTISTA: I understood that to be the question. It was a somewhat lengthy question with a bit of a preamble so I may have misunderstood its intent but, certainly, so far as that is - so far as it goes to that extent only, yes, the question is permissible.

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MR MULHOLLAND: Yes. Well, is there anything you can think of as to why you wouldn't be told by these people if there was no problem with it, if no-one was concerned about it-----?-- Mmm.

-----why wouldn't they tell you?-- Well, I can only give a presumption, as I say, as to why. One, I don't think - quite honestly, if I knew about it then I would tell you that I knew about it because, quite honestly, I don't see a problem with the fund being set up anyway.

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CHAIRMAN: That's going away from the question you were asked?-- Sorry, I'm sorry.

Are you able to say any reason why - that you know of why those two councillors would not have told you about this fund?-- Thank you. Yes, okay. Well, again, as I say, I can only presume but when you're running an election campaign, things are pretty hectic so people are obviously running their own campaign, they're pretty busy. They knew that I was actually giving assistance to Roxanne. Why would they need to tell me about everybody else? I had no contact with any of the other candidates at all in relation to that - in relation to that fund. I'd say the answer is they were too busy with their own campaigns and things that they were doing. You don't really have a lot of time during campaigns to sit around and chat about what everyone else is doing but I certainly don't think you can keep something like that secret anyway. How can it be a secret if that many people are involved in donating to a fund? It's hardly a secret. You can't cover that sort of thing up and why would you? It has to come out eventually anyway.

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MR MULHOLLAND: Yes?-- But certainly, it was never ever mentioned to me an that's the reason I would say it wasn't mentioned to me.

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You were also-----?-- Because it was nothing to do with me so why would they mention it to me if I had nothing to do with it?

You were also referred to by Mr Morgan at 833 in the context of him making notes of a meeting of the 10th of December 2003 and he sees you as "One of the councillors referred to at that meeting who would have a shared interest in the project"?-- Sorry, I haven't - could I have a look at that, please?

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His evidence - that's what his evidence says?-- Oh, sorry, what did it say?

That he referred to you as "one of the councillors who was referred to at a meeting of the 10th of December"-----?-- The 10th of December.

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The 10th of December. This is a meeting that he attended?-- Right. Who was at that meeting?

Right. This is Mr Morgan, Mr Ray, Mr Power and Ms Robbins?-- Right.

And you are, according to the note, being discussed. I'm not suggesting you were there but I'm suggesting to you, again,

you are being discussed in the context as one of these people who would be interested in this project or campaign that was being assisted by Quadrant?-- Did he actually say in his evidence that he thought I would be interested in it or what was - what are the exact words that he said?

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He said - "a shared interest" is the words that he used?-- In - in what context?

In the project or the retainer that Quadrant were going to receive in connection with this campaign, the one that I've been talking about, the one to assist a group of selected councillors?-- Well, if there was - if there was a shared interest-----

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Selected candidates?-- -----if there was a shared interest - certainly, I had an interest in Roxanne Scott because I'd actually referred Roxanne Scott to Quadrant so that would make sense, yes, but why - why you keep trying to draw parallels with other candidates I'd never heard of or never met is beyond me.

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Mr La Castra, you also know of a negative campaign that was mounted by Mr Janssen against Mr Young and in support of Brian Rowe. You know about that negative campaign?-- yes, of course. Yes.

And Mr Janssen said that you provided him with information which he used in that campaign?-- No, that's not what Mr Janssen said at all. Mr Janssen said that he confirmed information with me as to whether it was right or whether it was wrong. I didn't provide him with information. He actually asked me-----

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You knew that he was - you knew that he was using that information that you provided him against Mr Young?-- I told you I didn't provide him with information. I clarified information. I did not provide him with information. I object to the words "you provided him". I did not provide him.

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You confirmed information, did you?-- I confirmed information, yes, I did.

What did you know about that negative campaign mounted against Mr Young which we were told comprised of some 600 flyers that went out before it was stopped and under the name of a person "A Wise", this is something which cost \$5,200. What do you know about that campaign?-- What did I know; at what stage?

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About the campaign mounted; what did you know at any stage about the campaign, the negative campaign being mounted by Mr Janssen-----?-- Okay.

-----against Mr Young?-- Yeah.

Everything that you knew about it, Mr La Castra?-- I didn't know that he was mounting a negative campaign. Bob rang me

with information to clarify, some - some issues, I can't recall what the exact issues were off the top of my head; to say is this fact, did this happen, et cetera, et cetera; yes, it did; no, it didn't. Well, no, that's not exactly what was said at that Council meeting. So that would be - that would be wrong. So he asked me that but I had no idea that he was using it for a negative campaign. That said, it was clear that if he was speaking to me and asking me that obviously he was going to do something with that information, but that information could have been for any number of reasons.

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Did you - he thought it possible that he spoke to you about the drop mailers. Do you recall him speaking to you about what he was doing in regard to the negative campaign; that's Mr Janssen?-- No. As I said, he spoke to me about - about information that he asked me to clarify. As I said, what he was going to do with that, I don't know. But, I mean, there could have been any number of things that he could have done with that information. He could have been looking to pass it on to - to the candidate running against him; he could have been looking at writing letters to the editor; he could have been looking, at you know, putting that information to one side for - at a later stage for whatever purpose. He didn't actually tell me when he - when he asked me to confirm whether information that he had was correct, he never spoke to me about the term negative campaign or the fact he was looking to do a mail-out, no, he didn't.

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Now, he handed out "How to Vote" cards for you. Is that correct?-- Yes, he did. He also stood against me at the prior election in - in 2000 and has now become-----

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Yes. Well, you've told us that-----?-- one of my biggest supporters.

-----and he's told us that as well?-- Yes. And he's now a very strong supporter of mine.

Now, in relation to the reference to Thackeral which you were taken to by your counsel-----?-- Yes.

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-----you say that that means nothing to you at all?-- I think the words I used was "If my life depended on it even now I couldn't tell you who they were" and that's the case.

You were asked about Exhibit 10, the handbook. Did you have a copy of that handbook in advance of the-----?-- Yes, I did.

-----election?-- Yes, I did.

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When did you get it?-- I can't recall actually whether the handbook I've got, whether that was from a prior election that I'd actually kept, so I don't know whether it was that one or whether that indeed changed for the 2004 or whether that was actually given to me as part of a kit. I can't recall. Each -each election you do tend to get a kit that's given to you with sort of information, so - but I was certainly aware of it

prior - prior to this election, the handbook because I had received one before.

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Were you aware of your obligations in law so far as disclosure of gifts?-- Oh, yes. Yes.

Does that apply also to the obligation on a group of candidate situation, the obligation on a candidate who is part of a group of candidates?

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MR DEBATTISTA: Chairman, I am loath to interrupt my friend, but the question he asked was ambiguous to the extent that it's not plain whether it was calling for a legal opinion from my client. I am content with his answer but just if it could be drawn to the Commission's attention that clearly he was not expressing a legal opinion; he gave it.

MR MULHOLLAND: Of course he can't express a legal opinion-----

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MR DEBATTISTA: He asked whether he understood the meaning in law, Chairman. It's ambiguous to that extent.

MR MULHOLLAND: You're aware of the fact that there were statutory obligations on you as a candidate at the election in-----?-- Yes, of course.

-----relation to gifts?-- Of course.

And did you familiarise yourself with what the provisions of the statute say in that regard?-- In - in relation to myself as far as-----

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Yes. In regard to yourself?-- -----disclosure of gifts anything over \$200 or whatever, yes, I was very well - well aware of that, yes.

Now, my next question is: were you also aware of the obligation as set out in the statute in regard to a candidate who was part of a group of candidates?-- No, I was not.

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So you - that's just something that you didn't read about in the handbook?-- Well, I can't see why I would. It didn't relate to me so why would I - why would I read about it?

Well, even if it didn't relate to you you might have familiarised yourself that there were obligations in that situation so that if there was some chance that you might be seen as a part of a group of candidates you'd know what your obligations were?-- No, `cause it never entered my head because I've never been part of a group and it wouldn't even occur to me that there was anything in the book about a group of candidates. I never really think of elections. The Gold Coast City Council elections are contested by - by independents; there's no party politics. Everyone runs as an independent, so it never would have crossed my mind that anyone would be running as a group. I've never seen that

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before at a Gold Coast City Council election for it to even my thoughts.

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Well, it might suggest that you should be careful because in a situation where you do for within the definition of a group of candidates there's an obligation on the candidate to make disclosure in relation to all gifts, whether they went just to you alone or they went to others who are part of the group?-- Well, with respect-----

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Do you see what I mean?-- Well, yes, I see what you mean but, with respect, I would never ever be part of a group of candidates, so it isn't something that I ought to feel I'd have to familiarise myself with. I am very much my own man. There's no way in the world I would ever do that, which is why I also object to party politics in local government, but that's not the story.

So do you see some or do you have some ingrained opposition to being part of a group, even a group who were likeminded in the sense that they wanted a coherent, sensible, intelligent Council which would operate, work together and get to achieve outcomes? Would you not want to be part of such a group?-- Well, it depends on your definition of "a group". A group is a number of people and you're talking about a number of people who will be coherent and work together for outcomes in the good of the city, I would like to think that I would be part of that because I'd like to think that I would work with my fellow councillors to achieve outcomes that were good for the city, absolutely.

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So if there was an opportunity for you to have been part of the March 2004 election, part of a group who wanted to be agreed to be sensible, commonsense candidates working together to achieve an outcome which - to work together to achieve an outcome in the new Council, would you have been part of such a group?-- Well, one would think that was our statutory obligation. For every - when we actually take our oath as councillors, we actually say that we will actually work in the best interests of the city and we actually take an oath which talks about working in the best interests of the city rather than our own divisions, et cetera, et cetera, for the overall good. So one would think that that would be a prerequisite for anyone standing. If they're not prepared to work together, if they don't have commonsense and they - and they don't want to work together, they shouldn't be there. I mean, one would think that commonsense was a prerequisite for any politician or councillor.

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So Mr La Castra, if someone had come to you-----?-- Yes.

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-----before the 2004 election and said, "Look, we want you to be part of a group of candidates who could work together as sensible, rational, and well-behaved and using commonsense, would you have agreed to be part of that group?-- Well, I think 15 - 15 councillors are part of a group. They are a Council. So I am part of a group of 15 councillors and the vast majority of them do work together very well and they are

sensible and they have commonsense, so I'd like to think that I've always been part of any such group if that's your definition of a group. The Council is a group of individual councillors.

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Did you hear the question which I asked you?-- Yes, I did, and I think I answered it.

You think that's an answer. So there's-----?-- Well, I think it was.

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-----nothing else that you want to say in relation to the question that I asked you?-- No, I don't think there is, no.

Now, you recall the evidence given by Ms Christison and her father Mr Hodgson?-- Yes.

Do you recall having a discussion with her and you knew that she was going to see Chris Morgan; is that correct?-- No, I didn't, sorry, no.

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You didn't know that she was going to see Chris Morgan?-- No, I didn't-----

Well, you heard her say that you suggested that she see Mr Morgan?-- Yes, I did, but I didn't know that she was actually going to take that up. It was - it was said in a very - you know, it was just part of a discussion. So I had no idea. In fact, I didn't even know that she had been to see Chris Morgan until the Inquiry was actually called and all this evidence came forward. I didn't know she had ever actually taken that up.

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Do you remember having a discussion with her and her father at a coffee shop?-- Yes, I do.

So you actually met with them to discuss her going along to see Quadrant?-- No, that's not why I met them. That just came up in conversation.

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I see. Any rate, in - well, why do you say that you met them?-- Well, as I said before, I - I mean, during election campaigns you get calls from a lot of candidates who are running across the board. If they know you or they - it's amazing actually people who have never met you or only met you literally to say hello to, tend to - to use that as a "Great, I know this person so I'll go and see if I can get some advice from them." It's a common thing for people to do. So in the same relation - in the same respect as the cup of coffee I had with David Dunk when he rang me-----

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Just concentrate on this particular discussion, if you wouldn't mind-----?-- Yes.

-----with Ms Christison?-- Yes.

So what did you speak to her about?-- Well, I spoke to her about - she - she rang me to ask if she could meet with - with

me. She wanted to speak to me about the PCYC movement and my involvement in the PCYC movement, how much funding I had actually contributed to the PCYC movement during my time in Council, and that was - that was basically why she asked to - to speak to me. She said there was a PCYC which I was aware of in her - in her area, in Monaco Street.

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She says that you told her that Morgan could help with funding?-- Oh no. No, no, no, no, she didn't say that at all.

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Well, that's what she said?-- No.

She did say that?-- Did she?

That's what she said?-- I don't think she said that at all.

She did say that at. At 1409 that's what she said?-- Oh okay. In the context, can you give me a bit more or not?

She said that that is what - the discussion that she had with you ended up with her going along to see Morgan, not that you were present but with her going along to see Morgan with-----?-- No, I - I seem to recall her saying that funding was never discussed because funding wasn't discussed, so I'm sorry, you've lost me on that one.

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"What did Mr La Castra say about funding?-- I think he was just suggesting the gentleman could help with funding or campaigning, something like that." And she went on to say at-----?-- Am I actually allowed to write - sorry, Mr Chairman - on the back of one of these copies or not? They're not like actual exhibits-----

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CHAIRMAN: Yes. No, that's not an exhibit so you can-----?-- Can I-----

-----use that as note paper, yes?-- Thanks. Thank you. Thank you.

MR MULHOLLAND: Yes. So these are the questions. "Now you say" - this is a question to Ms Christison, "You say at pages 6 and 8" - this is in relation to her-----?-- Her evidence?

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Yes, the-----

CHAIRMAN: Her statement.

MR MULHOLLAND: -----interview that she had been - or the transcript?-- Okay, thank you.

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"In relation to the contact by Mr La Castra that something was said at this meeting that you were going to go - something was said about funding by Mr La Castra; do you remember that?" Answer, "Sure." "Do you remember that?-- Yes, I do. What did Mr La Castra say about funding?-- I think he was just suggesting the gentleman could help with funding or campaigning or something like that."?-- Okay, well, that's why I asked for the context that it was given in. What she said

was I mentioned funding or campaigning, something like that. And that's what I said to you, funding was never discussed. So quite clearly, she does not say that I mentioned funding. She says, "funding or campaigning, something like that", and that's why I refer to - in relation to campaigning, not funding. Funding was never discussed, and that's why I asked you what the context was.

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So you did however know that there was funding available through Quadrant, because after all you had a contact, you had discussions with Roxanne Scott-----?-- No, I did not. No, I did not at all. What I knew was that I was told by Sue Robbins to refer Roxanne to Quadrant because there may be some funding available and, as I said, they - they are an advertising agent. It was only ever mentioned in the context of Roxanne, nobody else.

10

So why wouldn't - when you saw Ms Christison at a later point early in 2004, why wouldn't you say the same thing to her that there might be funding available?-- Why would I refer her to funding that I wasn't sure - sure even existed, because I didn't know funding was available. I was told there might be funding available for Roxanne. No-one ever mentioned to me that there might be funding available for Niree Christison or anybody else, so why would I refer her to funding that may not even exist?

20

Yes. And she goes on to say, that is Ms Christison, she goes on to say that you had coffee, she and you had coffee at least twice and you had a handful of telephone conversations; do you agree with that?-- We had coffee twice - when I say at least twice, it was twice, once with her and once with her father. She rang me again after the meeting to say that her father wanted to meet with me but he didn't like her sort of having meetings without him being present as her campaign manager. As far as a handful of conversations on the telephone, I'd probably say it was a - if people have very small hands, probably a very small handful, I'd say she probably rung me on two or three occasions.

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Now, you've been asked about the Sunland discount matter?-- Yes.

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And you said that you vote in favour of the discount because the notice had gone to the wrong address?-- Yes.

Right. What gave you that idea?-- Because that was actually part of the discussion, the fact that Sunland had actually said the reason that they hadn't got their rate discount was because they didn't receive the rates notice, that it had actually seen sent to the wrong address.

50

The recommendation from the Council offices included a statement to this effect, "Council undertook a check of the rating records which confirmed that the postal address for services of notices recorded in Council's rating system-----?"-- Mmm.

"-----was the address for this purpose on the documentation received when the owner purchased a block back in October 2003, in the basis Council had issued the rate notice to the address nominated the request for discount allowance was declined." Now, that was on the recommendation of the officers. Were you aware of that?-- Yes, I was, yes.

1

And were you also aware that in the officers' opinion, there had been no comparable case in which a discount had been granted in similar circumstances?-- I can't recall that but regardless of the fact, they had - as I said before - they'd never missed out on a rates discount before, so clearly if they did miss out on it, it was for a very good reason, and the reason was that they didn't receive it. So regardless of whether that was actually in the report or not really made no difference because it may well be that they had informed somebody in the rates department to say that that was no longer their address and that somebody hadn't updated it. That can happen as well. So-----

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Well, who said that? No-one suggested that, didn't they?-- No. No, I'm just saying - no, I'm just saying from my point of view, what I'm saying to you is that it wouldn't have made any difference to me anyway, because clearly the reason - if they'd always paid before to get their rate discount and this time they hadn't, then clearly there's a reason. The reason was they didn't receive it. So when you're saying to me, well, the recommendation said that it had been sent to the right address, what I'm saying is in my mind I thought, well, maybe that's what it said but maybe someone had notified Council to say that that was no longer the address and it hadn't been updated.

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30

Mr La Castra, on that basis everyone who has not previously missed a rate notice could get a discount if they paid late?-- No, I'm saying that if there was a good reason as in through no fault of their own, they had not received-----

Well, if they say-----?-- You can't get a discount if it's actually sent to the wrong address and you can't pay your rates.

40

Mr La Castra, if any ratepayer came along to the Council and said, "I didn't get the rate notice, I've paid all of the previous rate notices," on this basis you would grant them the rates discount, would you?-- Not if they just said I didn't get the rates notice because it may well be that you could say, well, I sent to the - they are - if the - if the actual address of the - of the resident, of the ratepayer, is actually correct and the - and the letter has actually been sent to the correct address - in this instance it wasn't, it was sent to the wrong address.

50

Sorry, it was sent to the correct address-----?-- It was-----

-----that's what I'm suggesting to you?-- It was sent to the correct address as in what was on the rates database, okay, but what I'm saying is, clearly they were not at that address,

so it wasn't the correct address, was it, because they weren't there. They can't pick it up if it - if it arrives through the letterbox and they're not there, somebody else is, how can they pick it up and pay it. What I'm saying is, to answer your question, if the rates notice was sent to somebody at an address and they did actually reside at that address, so if it went through their letterbox they would actually physically pick it up and pay it, no, I would not, but if clearly they were at a different address to where it went to, then I think that is a totally different issue to the one that you're suggesting.

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Would you know - of did you know at the time that you voted in favour of this discount being granted over the recommendation of Council officers, that section 1021 of the Local Government Act provided that a discount - that the Council had power to grant a request for a discount where it's satisfied a person liable to pay a notice has been prevented by circumstances beyond the person's control from paying the rates in time?-- Yes.

20

Did you know that?-- Well, Council always has the right to actually do anything within the law, yes, and so if the law is - are you asking me am I aware-----

Mr La Castra, were you aware at the time that you voted that there was a statutory provision which told you of the circumstances in which a Council could grant a rates notice. The power was if satisfied a person liable to pay has been prevented by circumstances beyond the person's control from paying the rates in time. Now, that's essentially what the Act said-----?-- No, I wasn't-----

30

-----were you aware of that?-- I wasn't aware of the exact wording but it's quite obvious to - to anyone with commonsense which I like to think I have that clearly if someone was prevented from paying something because they hadn't received it, then it would be - it would only be right and proper that you would actually give them that - give them that opportunity or give them that discount.

40

Do you believe that the company concerned did not receive it?-- That was my belief, yes.

Because what, they were at some other address?-- That was my belief, yes.

Well, what did you do to satisfy yourself that it was beyond their control - that is to say, that they had ensured or done something in relation to the mail that went to the address that they had given to the Council; what did you do about that?-- So you're saying did I think that maybe they received it but thrown it in the bin or failed to pay for it?

50

That's not what I'm suggesting at all?-- Well, sorry, can you ask it in a different way then.

What did you do to address the requirement that it be beyond their control? Did you, for example, seek to satisfy yourself that they had taken steps to inform the Council of their new address?-- Well, no.

1

You didn't. You didn't think that was a relevant matter that you should apply yourself to?-- Well, the fact that they'd always taken advantage of the rates discount and this time they hadn't because they hadn't got it, it seemed quite fair and reasonable that there was a reasonable - look, Mr Mulholland, quite honestly, the whole thing is a nothing issue. It's actually a nothing issue because in the end-----

10

It may be a nothing issue to you, Mr La Castra-----?-- Well, as a councillor-----

It may not be a nothing issue so far as all the other ratepayers of the Gold Coast are concerned if a developer were to be granted in these circumstances where I suggest to you plainly he wasn't entitled or they weren't entitled-----?-- That's not true.

20

-----to receive the discount, you granted the discount?-- They are entitled to receive a discount if the Council - if a majority of councillors vote that they should do it because they believe that it was beyond their control. I clearly believe and I still believe that it was on their control - beyond their control, and if the situation came up next week, I would vote exactly the same way, and when you talk about a developer, they are a business like any other business. Doesn't matter whether they're a developer or whether they're a business. The reason I say it's a nothing issue, the reason I say it's a nothing issue is because in the end there was no benefit received. They didn't receive a benefit. They made it clear that it wasn't about the money anyway. The money was going to be donated to a charity, which indeed it was. So they didn't receive a benefit, and the fact is if any other business or any other resident in that situation next week, from here on in, is in that situation again where they say excuse me, Council, I do not reside at this address, you have sent it to an address and, you know, I've notified them and it hasn't been changed, then I would vote the same way to give them that discount if they had always actually got their discount before. If there was a history of the fact that they hadn't always done it, I probably wouldn't because, clearly, that showed that there was a genuine error on somebody's part, and I see absolutely nothing wrong with it and I would do the same thing again for anybody in that situation.

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Now, you have those emails which - do you have those emails that you were shown by your counsel, the email of 15th March 2004?-- No, I-----

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This is from Chris Morgan to Roxanne and it's cc-ed to you?-- Yes, I do.

This is in relation to - well, your counsel took you to the end of it. I want to take you to the beginning of it. And it

is in these terms, "I was in touch" - by the way it refers, "Thanks for your email. However, the attachment was missing. Could you please resend." What was that attachment about?-- I haven't got a clue. It's directed to Roxanne from Chris Morgan, not to me. How would I know?

1

It sends a copy to you?-- No. It says here from Chris Morgan to Roxanne-----

CC?-- CC and it says, "Hi Roxanne, thanks for your email"-----

10

No, no, cc Bob La Castra?-- Sorry. Yes, cc Bob La Castra.

So you received a copy of this?-- Yes, but it says, "Hi Roxanne, thanks for your email. However, the attachment was missing. Could you please resend." So the one that I've received is the one that says the attachment was missing. So how would I know what the attachment was.

All right. Well, you don't know what it's about?-- No, haven't got a clue.

20

The next paragraph is in these terms, "I was in touch with Bob this morning and he recommended that we should have another household mail box this week featuring the aged care issue," and so on?-- Yes.

Who's the Bob spoken of there?-- That's me.

That's you?-- Yes.

30

And so on, "This would provide a nice, soft but positive counter-point to the more radical stuff that your former campaign worker, Stewart Hill, is apparently circulating." Did you know about that?-- Did I know about what, sorry?

About the material that Stewart Hill was circulating?-- Right. No, not at all.

Well, did you ask anyone what that was all about?-- Well, no. I was too busy running my own campaign.

40

So you didn't know that Stewart Hill was involved in a negative campaign as well?-- No, not at all.

When did you find that out?-- Well, obviously, when it hit the letter box, hit the letter boxes.

So-----?-- But again, to-----

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-----was that about this time, about the 15th of March that you found out what Stewart Hill was up to?-- I couldn't tell you. I wouldn't have a clue when it was distributed.

Well, you would have heard of it from Roxanne Scott?-- Yeah, but I can't remember the date.

So she must have discussed it with you before she did it or

before it was done?-- No, certainly didn't discuss it with me, no.

1

She didn't?-- No, but obviously I would have heard about it once it had actually hit the streets from somebody but I don't know who I heard it from.

Well, did you have any discussion with Roxanne Scott in relation to-----?-- No, I did not.

10

She never mentioned it to you?-- No, she didn't.

She never told you how unhappy she was about it, for example?-- No, she never spoke to me about it at all.

It goes on to refer to it again, "The next house mailer is being printed at present, will hit the streets over the weekend. This one is a two colour, single fold A4 that features three of the key points we discussed on Friday. It will provide a nice counter-point to any other mail-outs that Stewart Hill could be responsible for over the weekend."?-- Mmm.

20

Again, that doesn't jog your memory of any discussion you had with Roxanne Scott about it?-- No, I didn't have any discussion with Roxanne about it. As I said, I was running my own campaign. It's a very very busy time when you're running an election campaign.

CHAIRMAN: Mr La Castra, you weren't asked why you didn't have a conversation. Can you just answer the question?-- I apologise. Okay.

30

You'll be finished a lot faster?-- Sorry.

MR MULHOLLAND: Well, your answer is you didn't have any contact with her about it; is that correct?-- Categorical, absolutely not.

Yes, thank you.

40

CHAIRMAN: Mr La Castra, can I just - before it goes on to others in case any of you want to ask questions about it: you indicate that you referred Ms Scott to Quadrant as a possible source of some funding, something along those lines?-- Yes.

Okay. Did you also refer her to anyone else as a possible source of funding?-- No, I did not.

Did you refer her to Mr Norm Rix?-- No, I did not.

50

You're aware now that she did receive funding from Mr Rix?-- Yes.

But it came through a company by the name of - I think it's Family Assets Pty Ltd?-- Yes.

Which is a company that also purchased quite a number of tickets at your dinner?-- Yes, when you say quite a number, it wasn't a huge number, but they did purchase some tickets, yes.

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Well, I haven't got the figures here with me. What is it then?-- By the looks of things, it's probably around 15.

Yes, 15 tickets?-- Yes.

Some \$1500?-- Yes.

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That Mr Rix obviously spent on tickets for your dinner. Did Mr Rix have 15 people at your dinner?-- Yes, he did.

All right. So that's just pure coincidence, is it?-- Sorry, what's-----

Well, it's pure coincidence, you say, that you received \$1,500 from Mr Rix for the dinner tickets and Ms Scott also happened to end up receiving money from Mr Rix?-- Oh, I see what you mean. Yes, yeah.

20

Okay?-- Absolutely.

Thank you, yes?-- I mean, I can - sorry, you don't want me to elaborate on the answers for you.

Well, the answer's coincidence so that's-----?-- Yes.

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MR RADCLIFF: Thank you, Mr Chairman. Mr La Castra, I appear for Mr Shepherd here today. I've only got a few questions to ask you. You've been referred to the article with the photo of the Chairman?-- Yes, yes.

And I don't need to show you that document. You've said that you protested that you were not involved in the plot that's referred to in that. I ask you, were you aware of any plot at all that is referred to in that and was my client involved in it?-- No, absolutely not.

40

Thank you. All right. Now, you're aware of this document we've called Peter Young's dossier. In it he says - I'll just refer a couple of passages to you, "Pro-development councillors Power, Robbins, La Castra and Shepherd were entrusted by those responsible for other aspects of the campaign to secretly recruit new candidates and to organise a larger team of candidates." Is that true?-- Where did that come from, sorry?

50

From Peter Young's dossier?-- Oh, sorry, right. Absolutely not and I don't quite understand where on earth he comes up with the term "pro-development candidates." I've never received a donation from a developer in my life so how does that make me pro-development?

He goes on-----?-- And even if I did it doesn't necessarily make me pro-development. 1

No. But the words "secretly recruit," were you involved in that?-- Definitely not.

To your knowledge was Councillor Shepherd involved in anything such as that, secretly recruiting candidates?-- No, not at all. 10

Thank you. He goes on to say, "No members of the pro-development bloc, not the previous council," and he names them, Hackwood, Power, La Castra, Shepherd, Grew, McDonald and Robbins, "were challenged by the new inducted candidates." Was there such a pro-development bloc in the previous council?-- No, there wasn't and I find it quite amazing too that Jan Grew didn't receive any donations from anybody, whether it be developers, Daphne McDonald didn't receive any donations from anyone, and Sue Robbins didn't receive any. 20

CHAIRMAN: You weren't asked that question. Can you just answer the question? Listen to the question you're asked and answer it?-- I did listen, I'm sorry, but I'm just saying----- 20

Well, if you can just answer the question that you were asked. You were asked prior to the last election, prior to that time, was there a pro-development bloc of candidates - of councillors, sorry. I think your answer was no, there wasn't?-- Sorry, I'm elaborating too much, aren't I? 30

MR RADCLIFF: Yes, thank you. I've only got a couple more. Then there was the other article which you've seen which has the graph showing up to 99 per cent of the time you vote in common with Councillors Power, Grew, Shepherd, Betts, Pforr, McDonald and Hackwood?-- Yes. 30

Is that - just dealing with that graph, does Shepherd, Councillor Shepherd, ever ask you or direct you to vote in common with himself?-- Anyone who knew me would never ask me to do something like that because they know darn well that I wouldn't do that, and anyone who knows Ted Shepherd would know that Ted Shepherd would never ask the question, if that answers the question. 40

Yes, good, thank you. Now, any suggestion of a secret society that you people have together, you're a common-minded people, is it - what do you say about that?-- No secret society whatsoever. 40

All right. Tell me, now, Councillor Shepherd gave evidence about his role with respect to development applications in his division and other divisions. In the case of someone in your division, if they were to approach you to talk to you about a potential development in the future do you see any difficulty with your talking to them before an application is made to the council about that?-- If a developer approached me? 50

Mmm?-- In relation to a development?

A development within your - within your division?-- Mmm.

In advance of making any application, is that correct procedure or is that - is there anything wrong with that?-- Well, it is correct procedure in the sense that it would be common courtesy to actually involve the divisional councillor so the divisional councillor would know what they were looking to do, also because you could then inform the community if there were any issues or if the community asks you anything about it you could say, "Yes, I am aware of this development and I am aware of what it entails." So that would be the correct procedure. I would be most upset if they didn't approach me.

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Similarly Councillor Shepherd says that there are circumstances in which developers will approach him?-- Yes.

In respect of matters that may be in your division?-- Yes.

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Perhaps sometimes even in advance of yourself. Do you see anything incorrect with that?-- No, not at all. As chair of planning obviously that's his portfolio, he's the person who obviously has, you know, far more knowledge than I across the board in relation to development matters and that would be quite proper, quite correct.

Has that instance ever arisen in the current - since 2004, has there been a circumstance where Councillor Shepherd has been approached by someone in your division or-----?-- Prior to 2004, I don't think Ted was the planning chair.

30

I'm sorry, since 2004?-- Oh, sorry, since 2004. I can't recall. There's very little development happening in my division. So you know, quite honestly only very, very small, it's very, very seldom that anything comes up on the planning agenda.

All right. Then I won't ask you anything about that?-- Yeah.

40

I don't think we need to deal-----

CHAIRMAN: Which division are you in?-- Division 8.

Eight?-- Eight, yeah.

Is the-----?-- It's, you know, pretty well established really.

Yes, yes. Okay.

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MR RADCLIFF: And just out of completeness, if I was to ask you anything about the Rain development you weren't involved in that at all?-- No.

Because you're not part of the development - the planning committee, are you?-- No, I'm not, no.

Yes, all right. Yes, thank you, I have nothing further for the councillor.

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CHAIRMAN: Thank you. Yes?

MR TIPLADY: Councillor La Castra, I appear for Councillor Power today. Just a few quick questions also. You're not aware of any voting bloc in the present Gold Coast City Council?-- There is absolutely no voting block.

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And you've never reached an agreement or given an undertaking with Councillor Power on how to vote on any issue?-- No, I can honestly say that I've never been asked to - at all by any councillor except - sorry, I'm elaborating too much. No, the answer is no, sorry.

And Councillor Power never said to you or mentioned to you that he was forming a voting bloc in the lead up to the '04 election?-- No, definitely not.

20

And Councillor Power has never mentioned a voting bloc to you subsequent to the '04 election?-- Never.

Councillor Power has never asked you to mislead the press or anyone on any issue at any time?-- Certainly has not.

Would it be correct to say that you have voted against Councillor Power on development applications during your time in council?-- Yes, I have, on several and on several in his own division.

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Earlier Mr Mulholland touched upon the discussion between councillors and seemed to be suggesting to you that there might be something untoward about certain issues not being raised with you. Discussions between councillors. Would it be correct to say the majority of the time it's on council business?-- Discussion with councillors?

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Between councillors?-- Yes, well, there's really not very much time to socialise if that's what you're after.

Socialise, that's the point I was trying to make?-- Yeah.

Thank you.

CHAIRMAN: Yes, Mr Mulholland?

MR MULHOLLAND: Thank you. Mr La Castra, just going back to the Sunland discount?-- Yes.

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You were asked by your counsel as to what, if any, effect it would have had on you if you knew that shortly before that full council meeting on the 22nd of November 2004 Sunland had made a donation which went direct to Quadrant to satisfy part of the outstanding amounts owed to Quadrant in relation to the campaign that we've been speaking about - that is, the

campaign for the selected candidates. You said in relation to that that it wouldn't have affected your position-----?-- That's correct.

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-----or words to that effect?-- Yes.

Would you not have been concerned at the perception - that is, public perception - if the public knew that Sunland is wanting a discount and has made, it would appear, quite strenuous efforts to get that discount over many months and shortly before the discount is granted by council Sunland makes a donation to this campaign fund to support selected candidates? Would you not be concerned at the perception aspect?-- No, I wouldn't. I think, you know, the public perception - when you speak about public perception, individuals have their own perception on issues and I don't believe that the wider community would be concerned about that at all. As I said, Sunland never received a benefit. They never received a benefit. They never got the money. It was never about the money.

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So that if it were known - if you had known of it would you have made that known to the meeting of full council?-- Sorry, if I had known?

If you had known that Sunland had made this donation of \$7,700 to the fund which by this time had received a huge amount of publicity-----?-- Right.

Now if you had known of that at the time that this council meeting occurred would you have raised it?-- I don't know. It just depends on how relevant I thought it was. Given the fact that they weren't receiving any benefit - that they themselves were not getting the money - I probably would not have done. If I actually thought that they were actually receiving the benefit - as in, they'd actually asked for the discount and the discount was going to them and not to a charity - I would probably raise it but, you know, I don't think it would really make any difference. They're quite entitled to - as indeed is any business - to put money towards funding anybody's election campaign. That's their God-given right.

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I've nothing further, thank you, Mr Chairman.

CHAIRMAN: Thank you.

MR MULHOLLAND: May the witness be excused?

CHAIRMAN: Yes. You're excused, Mr La Castra, thank you?-- Thank you.

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WITNESS EXCUSED

MR MULHOLLAND: The next witness is not available until this afternoon - that is Mr Scott - so I'd ask that we adjourn until 2.15.

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CHAIRMAN: Yes. Yes, there was some difficulty with his representative this morning; wasn't there?

MR MULHOLLAND: Yes.

CHAIRMAN: Yes. All right, we adjourn to 2.15 p.m.

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THE HEARING ADJOURNED AT 12.32 P.M.

THE HEARING RESUMED AT 2.19 P.M.

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MR MULHOLLAND: Mr Chairman, I recall Mr Scott.

MR BOE: Mr Chairman, before Mr Mulholland proceeds with his cross-examination, could I tender a supplementary statement by Mr Scott that he prepared before he left to go overseas seeking to explain an aspect of his evidence from the last occasion that he was here. Separately, I'll hand up a photocopy of the diaries that Mr Mulholland was keen to examine Mr Scott about.

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CHAIRMAN: Yes. Do you have a copy of those for me and-----

MR BOE: Well, I did send a copy to the Commission on Friday, but there seemed to be a bit of a black hole at the Commission's end about documents my firm sends. I have some copies but not enough to pass round to everybody else. I have one copy that you can have. For those who are here, it's a simply correcting Mr Scott's recollection about not being present at a particular meeting on 3rd December. He has a diary note which now confirms that such a meeting was scheduled although he has no independent memory of having attended that meeting.

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CHAIRMAN: All right. Well, Mr Scott's further statement will be Exhibit 303.

ADMITTED AND MARKED "EXHIBIT 303"

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CHAIRMAN: And the copies of his - the relevant pages of his diary will be Exhibit 304.

ADMITTED AND MARKED "EXHIBIT 304"

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MR BOE: I actually have got five copies which I will distribute amongst the parties.

CHAIRMAN: Thank you. Yes, Mr Scott, I will have you resworn seeing there has been such a delay since you last came in, if you don't mind.

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ANTHONY DAVID SCOTT, RECALLED AND RESWORN:

MR BOE: Rather than me further interrupting later this afternoon, may I just examine him in relation to those documents that I've just tendered briefly?

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MR MULHOLLAND: Well, I'd prefer not, Mr Chairman. He's under cross-examination.

CHAIRMAN: I agree with that; he is under cross-examination.

MR BOE: That's all right. So that nothing suspicious is thought, all I was going to ask him to do was explain-----

CHAIRMAN: Nothing suspicious has been thought; it's all right.

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MR BOE: The written document and the printed out version - but perhaps Mr Mulholland can do it.

MR MULHOLLAND: Mr Scott, just to remind us as to what this further statement is about, on the last occasion that you were here - this is 1849 and 50 of the transcript - I was asking you about a meeting on 3rd December 2003 attended, I was suggesting to you, by yourself, Mr Morgan and Mr Ray; do you remember that? And I'd asked you in relation to that meeting, you said you had no - you checked your diary and you had no - you weren't present at that meeting on 3rd December and you went on to tell us if you were attending to something else and you said you were, you were at the office and attending to something else and you said that if you could refer to your diary then you could tell us exactly what you were doing. Now, as it turned out, once you looked at your diary, it confirms that you were present at such a meeting; is that correct?-- Correct.

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And the statement that you provided makes that plain?-- Yes.

You have also supplied some copies of diary - other diary entries, is that correct, for 2003?-- Correct, for the month of December and the following January.

Yes. Now, have you gone through your diary in the mean time - that is, from the time of your last appearance till today - to check that there is nothing else in your diary which assists you in relation to matters that the Commission is dealing with?-- I have done that, yes.

Right. And so there are no other entries?-- Correct.

That are of interest in regard to the matters that the Commission is dealing with?-- That's correct.

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All right. Well, is there anything else that you want to say in relation to that meeting of 3rd December 2003 either in reference to the statement that you have recently provided or in regard to the actual details of the meeting that day?-- No, I think I've covered it in the statement.

All right. Now, one other matter that I asked you about on the last occasion that you were here concerned the consultancy fees that were going to be charged by Quadrant. Do you remember me asking you about that, the \$10,000 a month?-- I do.

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And you - I was asking you about the date that that agreement would have been arrived at - would have been reached, and if you remember you thought it most likely would have been the end of December 2003 having regard to the fact that the consultancy fees were charged in relation to the months of January, February and March; remember that?-- Yes.

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You had in mind that you had gone away on leave and you came back from leave on about 8th January 2004?-- Yes.

You told us that at 1847. Well now, what I'd like you to just have a look at is you mentioned the letter of appointment and I want you to have a look at Exhibit 127, please.

MR BOE: Mr Chairman, the witness has asked on the last occasion that his photograph and video images not be taken. If that could be respected, please.

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CHAIRMAN: Thank you for drawing that to my attention. I had forgotten that.

MR MULHOLLAND: Would you have a look at this. Now, part of that exhibit is the letter that I put in front of you of 10th December 2003. The evidence before the Commission indicates in relation to this letter that it was a letter which was prepared and signed at the beginning of February 2004 and backdated to 10th December 2003, and you'll see that halfway down the letter it refers to this, "I confirm your trading terms and conditions of supplying all services on a net cost basis with a monthly consultancy fee \$10,000 plus GST for the months of January, February and March 2004 only," and it's signed by Lionel Barden and addressed to Quadrant. Is that the document that you had in mind?-- No. I have never seen that document before.

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Right. Well, that's a document which refers to the consultancy team. Is there any other assistance that you can give us to a letter of appointment that you were referring to on the last occasions?-- I was not referring to a letter of appointment. I was referring the fee structure. The time - the time the agreement would've been put in place of what out consultancy fees would be.

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I asked you about the charge for Quandrant's involvement and you said, "That would've been a letter of appointment that Mr Morgan would have, I'm sure, instigated."?-- Yes, that's right.

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What - what letter is that that you're referring to?-- I think it's referring to that letter.

That letter. But you're saying that you never saw it?-- Correct.

Right. So, coming back then to - coming back then to the evidence that you gave in relation to when the fee structure was agreed, certainly that letter doesn't provide much assistance in the way of suggesting that it might've been December because it wasn't prepared until early February?-- That's right.

20

You didn't come back until the 8th. Can you - do you have any clear recollection as to when that agreement as reached?-- My recollection is that Mr Morgan and I discussed the quantum of the fee and he would then have looked after the documentation and the follow through of that - that letter of appointment.

30

My question was really directed to the timing of that discussion. You can't be clear as to when that discussion occurred?-- Correct.

Now, you have said that your next involvement in relation to the matter after these few discussions to which you've referred in December of 2003, was not until the following year?-- Correct.

40

In about June, is that correct?-- Correct.

So you really had nothing whatever to do with the account until that time?-- Yes.

And you didn't, therefore interest yourself in the detail such as how much money was being available - being paid into Hickey Lawyers, for example, and how much was being paid direct to candidates and how much was being paid to the Quadrant. You weren't concerned about that? That was a matter that you left entirely to Mr Morgan, is that correct?-- That is correct.

50

All right. Well now, I want to take you to some emails at the time that you did become interested again. You have said in your statement, paragraph 15 - this is your first statement - that you decided to follow up the invoices of the candidate's

account at about the end of June of 2004, is that right?-- Yes.

1

Now, I'll just pass you some emails. These largely come from - it's easier if I just collected together most of them that I want to refer you to rather than taking you to the exhibit itself. I might have to take you to the exhibit in relation to a couple of the emails but these come predominantly from Exhibits 89, that's 89 for the most part and also 100. Now, can I ask you, first of all in relation to an email of the 26th of May 2004 and this is a - this is an email from Sue Davies, that is Mr Ray's PA, to Chris Morgan of the 26th of May, subject Tweed Council elections, "Brian has received your final account from Chris Banks. Would you have a look at my attached schedule." - it goes on to say, referring to a number of amounts that were promised - "Would you have a look at my attached schedule and confirm the non-payees are as noted. Many thanks, Sue." Do you remember being informed that there had been a final accounting provided by Mr Morgan to Mr Ray at about that time?-- Yes.

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20

Late May?-- Yes. My only concern is the word, "Tweed Council elections." That's - I assume that's referring to-----

The Tweed - well, it's referring to the - that's the subject of it but it's certainly in the bundle of emails that he wrote that we've been provided with. Do you remember whether there was an account in relation to the Tweed elections about the same time?-- Definitely not. I'd say it's a typo.

30

It's a typo. Maybe it was just a Freudian slip, because Mr Ray was connected to that campaign as well wasn't he? Now, could you go to the next email of the 29th of June 2004, Brian Ray to Mr Hickey. You'll see several emails here. First of all, there is an email at 10.40 a.m. from Mr Ray to Mr Hickey, "Come and have a dinner" - do you see that?-- Yes.

And there's a reference to, "David Power needing to kick the can for \$20,000 otherwise we have a problem. Would you have a crack at him as well as me.", and then from Mr Hickey to Brian Ray, same date, in relation to the same matter. They're talking about having dinner and discussing this matter. Now, were you aware of the attempts that were being made in late June of 2004 by Mr Ray, along with Mr Power and Mr Hickey, to find the funds necessary to meet the amount outstanding to Quadrant?-- Yes, I was. Not the specific donors but certainly the pursuit of the outstanding debt.

40

You, I think, have said that not only would you have personal contact by telephone but you'd also run into Mr Ray in the car park; would that be right?-- Correct. That is correct.

50

So you were really trying to pressure him as gently as you could that you wanted really the account to be fixed up?-- Yes.

Now, in that - yes, all right. In the next email - do you have there an email of the 2nd of July 2004?-- Yes.

This is from Mr Ray to yourself and Mr Morgan?-- Mmm, hmm.

"I've spoken with David Power and we're contacting Austcorp, Marine Group, Sohiel Abedian and Stanley Ho. I'd be grateful if you could be patient for just a few more days." So this is early July?-- Mmm, hmm.

Would you just answer rather than make a noise because it's being recorded, you see? So would you just say "Yes" or whatever you want to say in answer to the question?-- I missed what the question was. Have I see this seen this before - I'm aware of it?

10

Yes?-- Yes, I have.

So you received that at that time?-- I did.

And were you discussing what was happening in relation to this matter with Mr Morgan?-- No, that was simply an update from Mr Ray to myself.

20

Well it's addressed to Tony Scott, Chris Morgan - but you received it, you say?-- I did indeed.

Right, so you didn't pass it on to Mr Morgan?-- No. He would have had a copy - he would have had a copy of it as well.

Then there are emails - and I needn't take you through all of these - but in August of 2005 - they start from July - the 8th of July or, sorry, the 7th of July?-- Mmm, hmm.

30

And they run right through to the 22nd of July. Just quickly have a look at those?-- I'm familiar with them.

All right. You're aware of - how did you become aware of these?-- They were sent to me.

Well, not all of them were sent to you. If you start with the 7th, it's from Brian Ray to Terry Morris?-- If we look at the 17th.

40

Sorry, the 7th is the first one - the 7th of July?-- Right.

they're back to front?-- Yes. I became aware of them when I received it on the 17th of August - the trail of that information.

Right?-- Because it was sent to me for my information.

50

Right. All right, so all of this was sent to you - all of these? And had you asked for some indication of the paper trail as to what was being done or was that just Mr Ray providing that to you?-- Yes.

So he was letting you know how strenuously he was trying to get the money?-- Indeed.

But you didn't receive that until the 17th of August?-- Correct.

1

Yes, all right. You have the - you have an email there of the 4th of August 2004?-- Yes.

And that's another in relation to the same matter but it makes reference to you - the one of the 4th of August at 1.25 p.m.. This is from Brian Ray to Terry Morris. Do you know Mr Morris?-- Only by reputation.

10

All right. Did you know of any association he had with Pronto?-- Yes.

And in this email there's a reference to the \$5,000, "You've advised Sue of my office that you have given instructions to your accounting section to issue a refund for \$5,000 to Quadrant in relation to services provided re the election. Tony Scott of Quadrant has advised that he would like to receive the \$5,000 via Hickey Lawyers Trust Account to resolve any funding reporting issues he would encounter. I'd be grateful if you would advise that you can release the funds this way please, Terry, and when Tony might expect to receive them." Now does the content of that email reflect your position in relation to the \$5,000?-- Correct.

20

Now what does that mean? What were you referring to in relation to funding reporting issues that you would encounter?-- The word "reporting" is not my words. I think the word I used in an email to Sue was "audited". If I can just step back a second and explain it. Pronto were a supplier to us. They did the letterbox distribution and if had come to Quadrant as a refund that, in theory, was really not our money. We sort of passed that money back to the individual candidates. That's why I was very clear saying that the donation must go via or the payment must go via the trust account.

30

And that had been made plain in other communications?-- In other emails, correct. The word "reporting" is Sue's word, not mine. I think I would use "audited".

40

Yes, all right. So you were concerned about that. Now this sum that had been paid to Pronto for work done for the Quadrant, what was the total amount, do you recall?-- From memory, \$17,000.

Now there was a suggestion at one stage that this would be subject to some discount. In other words that the amount that was paid, approximately \$17,000, was a discounted rate to Quadrant but Quadrant, as I understand it, resisted that and said that the \$17,000 was not a discounted amount?-- Correct. That was a commercial.

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That was a commercial figure?-- Correct.

So you charged Pronto the commercial rate?-- No, charge Quadrant - Pronto charged us.

Pronto charged you?-- Correct.

So there can be no question of you paying a discounted amount to Pronto in relation to that work?-- That is correct.

And your position in relation to any amount that was going to come back from Pronto, it wouldn't come by way of some credit being some discount that they were prepared to allow Quadrant?-- Correct.

That discussion about whether or not this amount would be paid by Quadrant and how it would be paid went on for some time, didn't it?-- It did; a number of e-mails.

How was that amount eventually paid, that is from Pronto?-- A cheque made out to Quadrant.

Yes. Well, now, we know that it was paid directly from Pronto to Quadrant on the 19th of August 2004. What paperwork was prepared in relation to that?-- Nothing. We simply receipted the amount against the outstanding debt.

You receipted the amount against the outstanding debt?-- Correct.

You mean the outstanding debt in relation to the fund?-- Yes.

That we're talking about; the election fund?-- Yes.

So what was it, a donation of some kind?-- I assume so.

Well, as you understood it, you were receiving from Pronto \$5,000 as a donation to clear up some of the balance that was owing in relation to this account?-- That is correct.

Was that shown on the receipt?-- Yes, it was - so - what - no, there was no receipt issued.

No receipt issued?-- No.

Well, how does that square with the - with your wish to ensure that you had the correct paperwork for auditing purposes?-- We actually showed in our reconciliation of funds received and detailed who the funds came from for the outstanding \$22,000.

Right?-- And I think that was tabled as an exhibit.

So you received the \$5,000. You understood it as a donation. You didn't issue any receipt. You just showed it against the amount of the balance outstanding?-- That is right.

There was no invoice raised?-- No.

Is there anything that you can help us with in regard to what occurred between this e-mail which I have shown you of the 4th August 2004 and when the amount was finally paid? You said you'd like to receive it via - the \$5,000 via Hickey Lawyers.

Well, obviously you didn't receive it via Hickey Lawyers, you received it direct from Quadrant?-- We did to our mailing address at our office rather than our PO box or via the trust account.

1

So what you seem to have been pressing for, and you have agreed with me in regard to this e-mail, that you were seeking to have it go via Hickey Lawyers. In fact, it did not go via Hickey Lawyers, it went direct. Can you help the inquiry with what occurred between wanting it to go that way and finally being paid direct?-- A cheque turned up a couple of days later. There was no further correspondence from myself after the one to Sue Davies.

10

So what seems to have happened is that - just excuse me for a moment. I can't take you to that e-mail, but-----?-- 24th of August.

24th of August-----?-- I believe so.

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What, just read it to us?-- It's not - it's from Sue Davies to Brian, "No money" - "No money into Hickey account from Sohiel. I spoke with David Power's secretary in his absence. She will get on to David. Tony received \$5,000 refund from Terry Morris last week." That was on the 24th of August.

So what seems to have happened is you were wanting to receive the money via Hickey Lawyers but in fact you were paid - paid it direct?-- That's correct.

30

And despite the fact that you had wanted it to receive it through Hickey Lawyers you didn't make an issue of it?-- I was grateful to get paid.

Now, I ask you to go to the e-mail of the 11th of August from Brian Ray to yourself?-- Yes.

"You always make a very elegant response to the most trying circumstances. Thank you for your gesture. It was appreciated as always. Right now we are attempting to finalise the last papers. Catch up soon." What was that a reference to? This is from Mr Ray to you?-- From memory, I sent him a bottle of wine, thanks for chasing up the funds, a bottle of Penfolds 389 if I remember correctly. I-----

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Would you go to the last email in your bundle?-- Sorry, which one? This is the last bit-----

Just the last email in the bundle that I gave you, the one that you just referred to?-- Oh yes, yes.

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CHAIRMAN: Is that in Exhibit 89?

MR MULHOLLAND: It is-----

CHAIRMAN: Well, if you give us the date, we might be-----?-- 11th of August.

MR MULHOLLAND: 24th of August?-- 24th of August.

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CHAIRMAN: Yes. That's the last one in Exhibit 89?-- Yes.

MR MULHOLLAND: You see that. And that's where you say, I think, the refund has already been sent to Quadrant. Do you see that from Terry to Brian?-- Yes.

And what seems to have happened is you've asked for the amount to have been paid to Hickey but in the meantime what's occurred is that it's been paid direct. That's the way you remember it?-- That's exactly right.

10

Now, that sum of - that was paid from Pronto to Quadrant, was that assigned to any of the candidates?-- No. It just went against the \$22,000 that was outstanding at the time.

Right. So of course it follows that that amount, it wasn't of course paid until August but that amount wasn't declared by any candidate?-- I don't-----

20

You wouldn't know that? Well, now, can I take you, please, to the raising of an invoice in relation to Ninaford and Framwelgate. Do you remember the circumstances in which this occurred?-- Yes.

First of all, could I ask you to have a look at Exhibit 101 please. It should be in the bundle that you have there?-- Yes.

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Now, what you said in regard to this matter in your statement, paragraph 18, was this, "In or about" - I might say this is a statement that you made on the 10th of November this year - "In or about October 2004 I was informed that in order for Quadrant to be paid, it would be necessary to restyle past invoices in the name of third parties who I had been told were willing to contribute to the fund previously set up by Mr Ray and Hickey Lawyers. I caused for our accounts section to issue replacement invoices manually pursuant to the instructions received from Mr Hickey's office. The replacement invoice drawn up for Framwelgate was sent to Hickey Lawyers. However, on instructions, the replacement invoice to Sunland was sent directly to Craig Treasure." Now, do you remember saying that there, Mr Scott?-- Yes, I do.

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And-----?-- Although we did correct the date, I think, at our last-----

Yes?-- To August.

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You said it was August not October?-- Correct.

So does that - is that your best recollection in relation to what occurred?-- It is.

MR BOE: Well, just before he answers that, to be fair to the witness Mr Mulholland should put to him what he said to correct that paragraph.

MR MULHOLLAND: No, I shouldn't put that and I object, Mr Chairman, to the witness during the course of cross-examination on this important subject interrupting him, and as it were leading him so far as what his recollection is in regard to this matter. I'm cross-examining a witness and my friend should not - he can re-examine if he wants to, with your permission, about this matter but it is objectionable for my friend to interrupt the cross-examination in this way.

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My cross-examination was perfectly in order. I was asking him, by directing him to that statement, whether that was his recollection. I was giving him the opportunity to comment on it.

CHAIRMAN: Yes, the witness did clarify and Mr Mulholland in the question agreed that the witness had corrected the date to August.

MR BOE: But he did much more than that.

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CHAIRMAN: I see absolutely no reason why we need to get the precise words that the witness used at the time in that, Mr Boe.

MR BOE: Mr Chair-----

CHAIRMAN: And if you're going into any detail on this, I take-----

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MR BOE: I'm happy for the witness-----

CHAIRMAN: -----cognizance of the objection and-----

MR BOE: Yes, I won't refer to the evidence. If the witness needs to go outside, I'm happy for that to happen to - for me to raise my objection. I won't go into the evidence. As I understand this process, the Commission seeks information from a witness they invite the provision of a statement which we have done. When he came to give evidence-in-chief he corrected what he had put in that paragraph in some detail, and if he's going to be asked a rolled-up question such as does that paragraph accurately reflect his evidence, well, Mr Mulholland knows that it doesn't because he has the transcript in front of him and this witness was at great pains to explain the detail of that incident in that paragraph.

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Out of fairness to the witness, it should be all put to him rather than just the earlier written statement with no clarification. Otherwise, what's the point in a witness giving evidence-in-chief clarifying his evidence. All we have is a prior statement provided by the witness to this Commission. The witness has given evidence in some detail and my objection is out of fairness to the witness that he's not asked to answer rolled-up questions which don't accurately reflect the evidence already called from this witness.

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CHAIRMAN: As often happens in these circumstances, Mr Boe, with a bit of an interchange that's gone on, I now do not precisely recall the question but I didn't understand it was a roll-up and to pin the witness to that as being everything he knew about it but-----

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MR BOE: Where I objected-----

MR MULHOLLAND: I made no suggestion-----

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CHAIRMAN: May I put it this way that if what you are saying is correct then that's not appropriate but I don't think it was what Mr Mulholland was doing-----

MR BOE: When I rose-----

CHAIRMAN: -----but what we might do is, Mr Mulholland can start again and ask his question and we'll see where it goes from there.

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MR MULHOLLAND: I made no suggestion, Mr Chairman, I was asking the witness for his recollection.

And I'll now take you back, after that interruption, Mr Scott, to what you said in your statement which I reminded you was on the 10th of November 2005. You've read that now, paragraph 18. Is there anything you want to add to your account there?-- I think the more detailed version I gave was - can we read it from the transcript and I can refresh my memory of that?

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No, I want you - you see, what we have here is an account which you gave on the 10th of November after conferring with your lawyer, Mr Boe, in regard to the matter. Is that correct?-- Yes.

This was the best recollection you had after you had conferred with Mr Boe. Is that correct?-- Yes.

And indeed, did Mr Boe witness this statement - this signature of yours on the statement?-- Not personally, no.

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Well, someone in his office?-- Yes.

If you want to add anything from your recollection then you have the opportunity to tell us. Look at the paragraph-----

MR BOE: Well, I just object to this course, Mr Chairman, because, as I understand the transcript of proceedings in this Commission, when witnesses are being asked to stretch their memory, they are given the benefit of their various accounts. This witness gave a detailed explanation of the shortcomings in that paragraph in-chief. Now, if Mr Mulholland wants to go back to a note of an affidavit drawn by a lawyer at some point and say, "Is that the best you can do? Is there more you can add?" It's quite unfair to this witness.

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If this witness has already given an account on oath, he should be given the benefit of refreshing his memory on that account.

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MR MULHOLLAND: I want the witness's recollection.

MR BOE: Well, it was his evidence-----

CHAIRMAN: I don't know that Mr Boe is right but I also don't really understand the point of this, Mr Mulholland, I must say.

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MR MULHOLLAND: The point of-----

CHAIRMAN: I - the witness has already told us - told you before that he corrected the date.

MR MULHOLLAND: Yes.

CHAIRMAN: I have a memory that he also told us that, "I was informed that that was informed by Mr Hickey, Mr Tony Hickey." I don't remember a great extra detail given in his evidence-in-chief a little bit over a week ago. But is there any point in this?

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MR MULHOLLAND: Well, there is, Mr Chairman. It's so difficult to do now in view of the way in which this has proceeded and probably it's just lost all the significance but what happened was this. The witness provided a statement provided after conferring with lawyers. Then between that date and when this witness came to give evidence, without any forewarning to the Commission at all that this was going to happen, suddenly, we have elicited from him another version in relation to this matter.

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Now, that is why I wanted the witness today to have an opportunity aided by the original statement that he made which he signed but, if he wanted to, to supplement it with anything else that he could remember about it. But I don't propose to simply take him to something that he was led to by Mr Boe without-----

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CHAIRMAN: No, I certainly agree you don't need to do that.

MR MULHOLLAND: And I'm just giving you an opportunity, Mr Scott, if you do remember anything additional to what you have said in paragraph 18 apart from the date which you say that you altered from October to August - we know that the amount was paid in August anyway so it couldn't have been October. But if there's anything else that you can remember which you would like to add to paragraph 18, please tell us?-- Well, I'm happy to go through the detailed recollection again as I did two weeks ago.

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What do you - you knew that Quadrant had an amount outstanding. Is that right?-- Yes.

And in relation to Ninaford, Framwelgate, you had a conversation with Mr Hickey. Is that correct?-- That is correct.

1

Now, in relation to the conversation that you had with Mr Hickey, you said you had a phone conversation with Mr Hickey - this is at 1840 of the transcript - and he said, "To get you paid, I need you to send me an invoice for consultancy fees for \$10,000 plus GST made out to a company called - and he spelt it to me. I hadn't heard of this company Framwelgate. Send the invoice to me directly and I'll have it paid for you"?-- That is correct.

10

So in relation to this sum of \$11,000, that's how it came to be raised in this invoice of Quadrant?-- That's correct.

Yes. Is there anything else that you can recall in relation to this invoice?-- No.

It was manually raised. Is that the position?-- It was a replacement invoice; that's correct.

20

What do you mean by that? A replacement invoice for what?-- Well, when we use the word "manual", it's not to duplicate an existing invoice that is in our accounting system. It was a duplicate or a replacement invoice for one that had already been issued.

Right. Issued to whom?-- To the trust account.

30

To Hickeys, you mean?-- Correct.

So - and this invoice number, 0408, on the Ninaford invoice, is that a number which would have been in sequence?-- No.

So was that a number which represented also the invoice which it replaced?-- No.

So how was the number 0408 selected?-- Ad hoc.

40

Well, would it be - and this is just my suggestion, but looking at it, it's inescapable that it's the same as the day and the month of the year that the invoice is for. Well, look at it. It's 0408. Do you think that that would be as good as any?-- As good as any.

So it was really a number which was chosen at random and someone has just taken the-----?-- The date.

-----the date of the - that it was prepared the 4th of August?-- That's - that is correct.

50

At this point are you able to tell us what invoice this was a replacement for?-- At that time we had approximately \$22,000 outstanding for our fees. This would have gone against that. It wasn't a specific invoice, no.

So it wasn't for the specific amount of \$11,000 that was part of the 10 - 20 - sorry, 20-----?-- 22,000 approximately.

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\$22,000?-- Yes.

Would that have been an invoice or would that have been a statement, do you know?-- The previous?

Yes?-- Invoice and statement.

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Invoice and statement?-- Certainly.

Now, this was done at the request of Mr Hickey, as you've told us?-- Yes, on a telephone conversation.

And you're quite sure that he asked you to raise it both in the amount of \$10,000 and also the GST of \$1,000?-- That is correct.

That suggests, does it not, that the client of Quadrant in relation to this amount was Ninaford? That is, Quadrant is charging Ninaford for some work that Quadrant had done, that's what this suggests, consultancy fees \$10,000?-- No, this was offsetting moneys that were already owed to us.

20

I know that because you've explained that as have others, but it shows the client as Ninaford. Now being an invoice, a form of this invoice, it can only be understood by anyone looking at it that it is for work which is said to have been done by Quadrant for Ninaford, that is consultancy work. That's what it clearly depicts, doesn't it, Mr Scott? On its face that's what it depicts?-- On its face but I knew differently.

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You knew differently-----?-- And it's-----

And anyone, any third person looking on would not know what you knew?-- Yes.

So to anyone not aware of what you were aware of it was false, wasn't it?-- No.

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It was false because Quadrant was not doing work, consultancy work, for Ninaford in the amount and had not done consultancy work for Ninaford in the amount of \$10,000, had it?-- It was replacing consultancy fees already done, work already done by Quadrant.

Mr Scott, you are an experienced commercial person. You know that this invoice to any person other than yourself is false because it suggests that Quadrant had done consultancy work for Ninaford in the amount of \$10,000. Please address yourself to that question. Is that so?-- That was not our intent.

50

But that is clearly the result of what you did, isn't it? Isn't it?-- It is.

And is the long and the short of this, that you did that because you were requested to do it by Mr Hickey and you knew that it was the only way you were going to be paid?-- That's correct.

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Thank you. Now could I also ask you to have a look at Exhibit 259. Do you have a copy of this one? Maybe this is the Sunland invoice. Maybe you don't have this. I'll get it for you?-- No, I don't have it as yet.

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259. Now this is an invoice in the amount of \$7,000. Again in relation to this invoice can you tell us what your recollection is about how this was prepared? You say in your statement in relation to this, you deal with it in the same way, in the same paragraph, paragraph 18, you say, "The replacement invoice drawn up with Framwelgate was sent to Hickey Lawyers, however on instruction the replacement invoice to Sunland was sent directly to Craig Treasure." Now so far as the amount of this invoice and the drawing up of the invoice could you just tell us what the context of it was? How did you come to prepare this?-- Again this is November, after the end of business of March, there was an e-mail received from Sue Davies, Brian Ray's secretary, I'm sure that's been tabled. Can we refer to that to-----

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Yes, you can?-- For my recollection of that.

It's Exhibit 89 and it's the last email. Let me pass it to you. Just ignore the writing on it - the handwriting on it. Just read that out to us?-- "Tony Hickey spoke to Craig Treasure at Sunland, Craig requests that you raise an invoice for 7,000 plus or minus, plus GST, for general marketing advice or similar and a cheque will be forwarded to you straight away."

30

Right. That is the context in which-----?-- Correct, and the subject matter is Gold Coast Elections.

All right?-- And I went through the same process with Framwelgate. However, this was sent directly to Sunland, not to Mr Hickey.

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Right. So this - this was - this came to you from Mr Ray really, this request?-- From - yes.

Then from the email it appeared that Mr Hickey has spoken with Craig Treasure?-- That's how I understood it.

So you then relied on this occasion by what you were told by Mr Ray as to what had occurred between Mr Hickey and Mr Treasure?-- Yes.

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And the way in which it was put was, "Craig requests you raise an invoice," it says A-M-D but it's clearly "and", "invoice for the \$7,000 plus or minus plus GST for 'general marketing advice' or similar and he will forward a cheque straight away." Now, if you go to Exhibit 259, what - the job description shown is Marketing Recommendations?-- Yes.

So you caused that to go onto that document?-- Yes.

And that is - that fulfils the request that you had received that it should be general marketing advice or similar?-- Yes.

So it's marketing recommendations and if we go through the same process - sorry, did you want to say something?-- No.

The invoice number that was selected here was it again an invoice selected at random - a number selected at random?-- It was.

I can't relate it to the date on this occasion but you give - somehow or other just selected that?-- Personally I didn't but one of my girls would have, yes.

One has. So how would they know to do that? Presumably you've told them to do that?-- To raise the manual invoice?

Yes?-- I did, yes.

And when a manual invoice as you've described it is raised, that's just a number selected at random, is it?-- It is.

In this case - yes, thank you - in this case the amount of the invoice is \$7,000 plus service fee of \$700?-- Plus GST of \$700.

Sorry, GS - well, it says service fee but it's-----?-- I believe it's meaning GST.

GST, all right, \$7,700. And it is the case that Quadrant had not done any marketing work for Sunland in that amount, isn't it?-- That's correct.

And again you've gone ahead and raised the invoice despite that because you have been asked to do it by Mr Ray who has told you of the conversation. You've been asked to do so by Mr Ray who has referred you to contact between Mr Hickey and Mr Treasure?-- Yes.

And even though you knew that the content of the document insofar as it's suggested that marketing work had been done by Quadrant for Sunland in the amount of \$7,000 was false; is that correct? Is that correct?-- Yes.

And the long and the short of this has - with the other - is that you have done it because you have been asked to do it and the only way that you saw that you would be paid?-- Correct.

Were you aware, Mr Scott, that in relation to the consultancy fee charged by Quadrant in relation to the work it performed concerning the campaign for the selected candidates that that amount of \$33,000 was not allotted to any of those candidates?-- I'm not familiar with that.

May the witness see Exhibit 141, please, Mr Chairman. If you go to that document - you have seen this document - I think Mr Boe might have referred you to it; am I correct?-- Look, I printed off another one and tabled it two weeks ago when I was here and-----

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If you just go to the amount of the consultancy fee, the last page, you see those three amounts. What did you have to do with the preparation of this document?-- Nothing at all.

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So you've referred to it having been aware that Mr Morgan had produced it?-- I referred to it to show that the funds received from Pronto, Sunland and Framwelgate were allotted to this account.

Right. Well, I just wanted, not only does it deal with the allotting of those amounts to this account, but it also deals with the allotting of the various amounts to the candidates; do you see that?-- I do see that.

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For example, you can see that under - if you go back to the previous page - you can see amounts being allocated to Mr Shepherd - well, sorry - if you go down to the easiest one is Mr Betts; do you see the-----?-- Yes.

-----amounts there, Framwelgate and Sunland; do you see that?-- I do.

Now, if you go to the last page which I've asked you to look at, you'll see the three amounts of \$11,000 for the consultancy fees-----?-- Mmm-hmm.

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-----due to Quadrant?-- Yes.

And you'll notice that they're not allocated to anyone?-- I do see that.

Also the - can I suggest to you that the two negative campaigns, one in relation to Southport Citizens For Change, which you can see up the top there-----?-- Yes.

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-----do you see that-----?-- Yes.

-----that that amount wasn't allocated to any candidate?-- I can see that.

And - yes. Yes. All right. Thank you. You can return that. Now, can I ask you about the material that you produced in April of 2005, Exhibit 144. I have a copy here, Mr Orderly, if it's easier. Thank you. Do you remember producing this material? You produced a bundle of invoices in April of 2005. It was - the material was received by the Commission on the 20th of April 2005 and the material that you produced included invoices - four invoices in the names of Power and Robbins. I'd just like you to go to those invoices and the first four-----?-- Mmm-hmm.

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Can you see that, 226, 27, \$177.71 and then there are two amounts of \$10,000 - sorry, with GST - so \$11,000, in relation to consultancy fees?-- Mmm-hmm. Yes.

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Now, could you tell us, Mr Scott, first of all at the time that you produced this material to the Commission, was - did you have any contact with Mr Morgan?-- From recollection, we received the letter - Mr Morgan was overseas at the time - so I responded to the letter, by simply going and having one of my girls photocopy all of the invoices that were on file and I wrote that letter and we sent it off and I followed that up with a telephone conversation to Mark and asked if he had everything he needed.

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Now, did you pay any attention when you did that, when you prepared that material, to the detail? Did you note, for example, that these four invoices were in the name of Power and Robbins?-- I didn't note that.

Right. So you went to the file and where is the file?-- In our accounts department.

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Right. Did you have any discussion at all with Mr Morgan before you provided this material?-- None whatsoever. He was overseas, I believe.

Are you aware that when Mr Morgan was called upon to supply the material, he responded with a letter of the 19th of August, so some five months later, 19th of August 2005? Did you have any contact with him when he supplied the material which he did to the Commission at that time?--I'm only aware of it from what I've subsequently read. No, not at the time.

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Right. So you know nothing about the explanation for the fact - you know nothing personally about the explanation for the fact that when Mr Morgan supplied his material, he did not include these invoices which you had or copies of these invoices which you had supplied in April?-- No.

But only four re-issued ones, that is those four that I've shown you, re-issued in the name of Lionel Barden?-- I'm not aware of that, only from information that I've gleaned since.

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Do you - were you aware at the time that you supplied the material which you did to the Commission in April of 2005, that those four invoices that I've shown you had been re-issued in the name of Lionel Barden?-- No.

And you were not aware that that had happened until you heard the evidence here?-- Correct.

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Yes, thank you, Mr Chairman.

CHAIRMAN: Yes, thank you. Any questions? Yes, Mr Radcliff?

MR RADCLIFF: Thank you. Mr Scott, I appear for Councillor Shepherd so my questions will be addressed at that area of things only. Dealing firstly with Exhibit 303, the statement you have provided today, it seems the exhibit is the outward diary page for December - diary entries for December. That seems to be a composite diary of what you do and what Mr Morgan does and someone else perhaps as well. Is that right?-- It's - it's meant to be for all staff members; their activities for the month.

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So for those who couldn't follow it before, where there is a "CM" that's a reference to Chris Morgan, something that he was going to be doing?-- That's correct.

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The best example of that is on the 12th of December, 3.30 p.m., CM, Ted Shepherd, Wayne Moran, Division 9 Meeting at Q Boardroom. That wouldn't have involved you at all, would it?-- That is correct.

Right?-- My name was at - there it would be just TS.

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So if TS was there it indicates that you were more than likely at that meeting?-- Correct.

And if it's not there it indicates more than likely that you weren't at that meeting?-- I'd suggest so.

Yes, thank you. Prior to the events of November 2003 onwards when these events occurred with Mr Wave et cetera, you had met Councillor Shepherd once or twice I understand?-- I think I met him once at a birthday party.

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Yes. He came to be a client of Quadrant during the 2004 election campaign that was a Morgan client, if I could call him that?-- That's correct.

You had nothing whatsoever to do with him at all?-- Correct.

And had no involvement in your firm or company in his part of the activities that were being performed for him?-- None at all.

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And the only knowledge that you have of his involvement with your company or your firm are the documents that relate to his accounts and the work that was performed? You did nothing for him, did you, personally?-- I did not.

His accounts - your records indicate that his accounts were paid from his campaign funds, don't they?-- I believe they do.

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Yes. You were just shown Exhibit 141 and that has your entries for reconciliation. I think it was a slip on the part of counsel assisting; he asked you whether any moneys were allocated to Councillor Shepherd's accounts. You can look at the document again if you have to but it appears to me that there were only payments and not allocations of any additional moneys to him?-- I'm not familiar with how the allocations were made.

I see. Might I show the witness this document, it's a copy of - I don't have the - if he could see Exhibit 141? We have a clean copy of it here. I'm told by my friend it was slip on his part. I don't need to take that any further.

CHAIRMAN: It was fairly obviously so.

MR RADCLIFF: Thank you, Mr Bailiff, we don't require the document. I have nothing further.

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CHAIRMAN: Mr Debattista? No, Mr Martin?

MR MARTIN: Thank you. Just a couple of matters, Mr Scott. In relation to the conversation with Mr Hickey that you've been taken to today - the telephone conversation - did Mr Hickey say to you that there were developers of The Wave who were prepared to contribute \$10,000 towards the outstanding consultancy fees and that they wanted an invoice and told you the names Ninaford and Framwelgate; words to that effect?-- I was not familiar with the word - the actual development. Certainly the company that you told me to invoice, yes.

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Okay. I take it that you didn't take a note of the conversation that you had with Mr Hickey at the time?-- Not at all.

Thanks, Mr Scott.

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CHAIRMAN: Yes?

MR DEBATTISTA: I'm representing Councillor La Castra here today. I understand your evidence is effectively that you had no involvement in the activities that Chris Morgan was undertaking with respect to these clients, is that correct?-- That is correct. Our practice is split fairly down the middle. He does his clients, I took after my property related clients.

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Specifically, can I ask you if you had any involvement in the campaign involving Roxanne Scott?-- None at all.

All right. And my - did you have any involvement during the course of the elections and the period leading up to the elections with my client, Councillor La Castra?-- Never met the gentleman, don't know.

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Thank you.

CHAIRMAN: Yes, Mr Boe?

MR BOE: Mr Scott, you agreed with Mr Mulholland the characterisation of the word "donation" with the payment from Pronto. Do you recall that this afternoon? Did you mean to say that you regarded it as a donation to you or did you regard it as a donation by Pronto to those who were responsible for payment to you?-- I regarded it as a donation of those that were responsible for payment to me.

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Have you ever regarded any receipt of money by you for the payment of your fees as a donation in any sense?-- As a donation to Quadrant?

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Yes?-- Not at all.

Thank you. You also agreed to the characterisation by Mr Mulholland to the Sunland and Framwelgate invoices being false invoices, do you recall that?-- I do.

Did you ever use that document in any representation to any party other than Mr Hickey or Sunland?-- Not at all.

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Did those people, to your knowledge, know exactly the truth of the matters in terms of the arrangement?-- I believe so.

Did you producing those documents amount to any misrepresentation to any other party at all-----?-- Not at all.

-----as to the nature of your retainer?-- No.

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Thank you. I have no further questions.

MR MULHOLLAND: Who were the people responsible for payment to you in connection with these amounts which you received from Sunland and Netherford?-- I'm not clear on the question, sorry?

Well, I'm just interested in the question or the answer that you gave to the question of Mr Boe, those people who were responsible for the payment to you of the amount that was outstanding. Who were those people as you saw it?-- Mr Hickey, in one instance and I guess, Mr Ray and Mr Hickey in the second instance.

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Yes, thank you. I have nothing further thank you, Mr Chairman.

CHAIRMAN: Yes, thank you.

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MR MULHOLLAND: May the witness be excused?

CHAIRMAN: Yes, thank you. Thank you, Mr Scott for your evidence. You're excused.

WITNESS EXCUSED

MR MULHOLLAND: We have no other witness this afternoon. Mr Dickson tomorrow morning.

CHAIRMAN: Yes, 10 o'clock?

MR MULHOLLAND: Thank you.

THE HEARING ADJOURNED AT 3.36 P.M. TILL 10.00 A.M. THE FOLLOWING DAY

WITNESS LIST

ROBERT LA CASTRA, SWORN AND EXAMINED..... 2161

WITNESS EXCUSED..... 2211

ANTHONY DAVID SCOTT, RECALLED AND RESWORN..... 2213

WITNESS EXCUSED..... 2233

EXHIBITS

ADMITTED AND MARKED "EXHIBIT 300"..... 2161

ADMITTED AND MARKED "EXHIBIT 301"..... 2162

ADMITTED AND MARKED "EXHIBIT 302"..... 2164

ADMITTED AND MARKED "EXHIBIT 303"..... 2212

ADMITTED AND MARKED "EXHIBIT 304"..... 2213