



Transcript of Proceedings

CRIME AND MISCONDUCT COMMISSION

MR R NEEDHAM, Chairman

No 5 of 2005

PUBLIC HEARING INTO GOLD COAST CITY COUNCIL

BRISBANE

..DATE 17/10/2005

..DAY 7

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THE HEARING RESUMED AT 9.55 A.M.

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GREGORY JAMES BETTS, CONTINUING:

CHAIRMAN: Yes, Mr Mulholland.

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MR MULHOLLAND: Thank you, Mr Chairman. Mr Betts, I asked you on Friday as to who attended the meetings on the 16th of December and the 8th of January, one name I didn't put to you but I would ask you now is Mr Molhoek?-- Yes, that's correct. He was at - I remember he was definitely at the first meeting in December. I can't totally recall whether he was at the January meeting. As I said on Friday the January meeting was more one of - the candidates were there but we were spoken to individually by Mr Morgan so I don't remember that Mr Molhoek was there but I remember there was - there was about four maybe five candidates but I can't completely tell you if he was there or if Mr Rowe was there. I do remember-----

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That's for the January meeting?-- January meeting, correct.

But he was certainly there in December?-- Certainly.

And he may have been there in January?-- I think he was but I - I wouldn't like to promise you that he was there.

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All right. Could I see Exhibits 9, 10 and 14 please, Mr Chairman? Now, Mr Betts you recall that on Friday I asked you about information that you may have had regard to in assessing what your legal obligations were; do you remember that?-- Yes.

I also was asking you about these meetings. The first document that I would like you to have a look at is Exhibit 14. Now, do you remember at any stage seeing a document like that?-- I - I saw this document in Chris Morgan's evidence on the CD and I hadn't remembered a document like this until I saw that but it did - it did sort of make me remember that there was something on the disk at that first meeting and it most likely would have been this particular document.

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So that's at the 16th of December meeting?-- Correct.

And do you know who produced that document?-- No, I don't but Mr Morgan's staff I believe brought it in and I have a feeling that he made some attempt to speak to the document during the meeting but wasn't successful.

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Why wasn't he successful?-- Well, Sue probably talked about him as she did a number of times.

Did anyone - were you offered a copy of this document?-- Well, I wasn't offered a copy - as I say, I didn't take one away from the meeting, there may have been one on the desk in front

of me but I don't really remember it very strongly from that meeting that there was this document there so I may have been looking across at someone else's or there may have been one in front of me, I'm not really sure but we didn't - we didn't go into much detail of what was in it.

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Well, Mr Morgan did, however, speak as did Mr Power and Sue Robbins at that first meeting, didn't they?-- And Ted Shepherd.

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Yes. Well now, just having a look at that document would you see there under "Strategy" - just look at the document please - "The overall plan is comprised of four elements," and you'll see in (3) - well, first of all (1) "Group consensus on above objectives." Now, were you given to understand at this first meeting that you were a part of an attempt to gain a group consensus?-- Definitely not. I - as I told you my understanding at the meeting was an opportunity to hear about the possibility of getting funding for my election campaign and there was a lot of discussion about how to run a campaign, what was the dos and don'ts of a good campaign and I believe Chris may have tried to touch on a couple of these items but the Councillors who were present really weren't all that interested in talking about what he had there. They were more interested in talking to us about how to run a campaign and the fact of - well, just discussing in general of what the Council is like and how it was or in fact wasn't functioning very well.

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In (3), "An agreed media position" - this is one of the four elements - "An agreed media position once awareness of this resource" - this resource - "or 'campaign for commonsense in Council' working title becomes public." Did you - were you given to understand at that meeting that this is what was being sought among the group, an agreed media position?-- Well, I - as I say I don't really remember the document that well but my understanding of that comment is a reflection of Chris Morgan's idea. Being a media man and an advertising man this was his idea of how to put across an idea to get a group of people into Council. Now, I don't agree that that was the understanding of the Councillors who were present. I think it may have been Chris's idea of what he wanted but I don't think the other people that were there agreed with that.

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Well, presumably if that was Chris's idea of what he wanted he would have conveyed it to the meeting?-- He may have - well, he may have touched on the points but as I say he was interrupted a number of times and although he did try to run the meeting the others pretty much took over.

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Would you agree with this much, that something was said at that first meeting in relation to this being a wish to have the group campaign on a commonsense for Council theme?-- I can't recall that.

You can't?-- No.

Something about commonsense in Council?-- There was a lot of talk about commonsense and the lack of it in the current Council.

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And was there agreement at least this far, so far as the group was concerned that they were for commonsense in Council?-- Well, everyone was discussing commonsense and I believe that we were talking about like-minded candidates on Friday and the definition of "like-minded candidates" of people in that room were people who agreed on the fact that there needed to be more commonsense in Council. That was our position of being like-minded.

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Now, under consensus on issues. Various issues are there listed. Was there some reference even if you don't remember the details as to the issues that it was suggested would be key issues in the campaign?-- Look, I - I think that may have been touched on because I do remember Chris talking about wanting to come up with key issues to put out in advertising material and he was asking us for suggestions of what we had - we had found through door knocking or through discussions with our constituency over what were the key issues because he's again looking for direction for advertising campaigns.

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Now, under the heading "The Resource" is this the extent of the resource will naturally depend on the size of the funding achieved. Just pausing there. The funding was a - was a matter of conversation at this first meeting, is that right?-- Yeah, I believe it was mentioned that there would be an attempt to get some funding a cross-section of businesses and I'm pretty sure that those were the exact words "cross-section of businesses".

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Right and you certainly went there very much - with very much in mind the prospect of you being funded?-- That's why it was there.

Yes. On page 2 "Objectives". Do you remember some - some reference to objectives?--

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CHAIRMAN: Page 1, do you mean?

WITNESS: Mr Chairman, is that page 1?

MR MULHOLLAND: Sorry, page 1. To achieve consensus among a select group of councillors that acknowledge public concern on five key issues at a top of mind to cross all divisions. So, something's said about that?-- No, I - I don't remember anything about that. I do remember the consensus on issues. I think that was the - probably the most - actually that looks like my writing.

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Your writing? Can I just see that please? Your writing?-- It looks like it.

You mean the-----?-- The circles with the numbers.

-----the circles. Right. Okay. Yes. That's on
the-----?-- Yeah, I do remember that. That-----

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-----the same page, page 2?-- -----consensus on issues but I
don't remember the bit about objectives on the front page.

Right. So, could you just - if you do recognise that as your
numbering?-- Yeah, I would say that he must have asked us what
we would - what we would have thought were the top issues and
I've numbered them.

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Does that suggest, now, seeing your writing on the document
that in fact there was quite a bit of discussion about what's
in this paper?-- Well, I - as I said, I believe there was some
conversation over the consensus on issues topic and by the
looks of that and that, sort of, jogged my memory that I think
he must have asked us to fill that out and hand it back to him
of what our ideas were on the, I guess, putting those into a
priority list of what we thought was of concern to the
community.

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All right?-- As I say, he wanted to get some direction as to
what was - what he needed to focus on with advertising
campaigns.

Anything else now that you've actually seen that document that
you would like to add to your evidence in regard to what
happened at the first meeting?-- No, I can't think of anything
else. As I say, we didn't talk about this a lot. It was more
just general conversation and as I say the councillors had a
direction they wanted to go in and Chris seemed to want to go
in this direction so it was a little bit crossed.

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All right. Could you hand that back now and I'll ask you to
have a look at Exhibit 9?-- Oh good.

Now, do you remember receiving that document?-- Yeah, I sure
do.

It's the Gold Coast City Council's Information for Prospective
Candidates Booklet?-- Correct.

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Did you receive a copy of that?-- I did.

I don't think it was with your material but you certainly
received a copy of it?-- No, I didn't keep it but - I did and
I actually - I referred to it on a number of occasions.

Now, when you say you referred to it on a number of occasions.
In the election campaign did you go back at different times to
look at the booklet to see if it could assist you?-- Yeah,
well, information such as the polling booths and that sort of
thing was of great interest so I did go back and look at that.

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So, you would have had that with you throughout the election
campaign?-- I believe so.

Now, would you just go to the end of the document?-- Last page?

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Yes, last page. And under 16 is the heading, "Candidates Handbook 2004 Local Government Elections". The Queensland Department of Communication, Information, Local Government and Planning has prepared a booklet titled 2004 Local Government Elections Candidates Handbook. A copy of the booklet will be given to all candidates when they nominate. Well, you certainly had this information booklet, didn't you?-- Well, isn't this the book that I was given when I nominated?

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Well, that's what I'm asking you. Was this document that you are looking at, Exhibit 9, the one that you received when I nominated?-- Well, that's what I believe but they're saying here that they're going to give us one when we nominate.

Well, you say that you received that when you did nominate?-- I believe I did, yeah. So, it doesn't make sense.

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Have a look at 17, "Disclosure of Election Gifts", see section 242, 314 and 414 to 440. The Department of Communication, Information, Local Government and Planning is to issue a booklet dealing with election gifts. A copy of this booklet when it is available will be given to all candidates. Did you receive any such booklet?-- I can't recall receiving anything other than this one but I did think that there was something - unless it's in here - something about the Act and what the requirements were as far as filling out forms and so on.

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Right. Just return that please. It doesn't assist you any further. Have a look at this document, Exhibit 10. Now - now, did you receive that document at any stage?-- I - I can't say that I received this exact document. I don't recall whether I received this document or not but I did receive something at some stage that was from the State Government I believe but I know that I got something off the internet so it could have been that particular document.

Mr Chairman, would you allow me to just approach the witness to ask him about a couple of things?

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Let me just point out a couple of these clauses. First of all, 1.1, purpose. "The purpose of this handbook is to provide guidance to candidates in all local government elections, i.e., quadrennial, fresh or bi-elections and third parties on their responsibilities to disclose election donations and gifts under the Local Government Act 1993, the Act." Do you remember ever getting that far in a document like this?-- I don't remember those words.

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Does this-----?-- It's not the sort of thing you'd lock in your memory.

Does this document, as you look at it, ring any bell at all in your memory, for example, 2.1.1, Disclosure by candidates, and a reference to certain sections in the Act?-- I do remember

reading about the requirements of filling out the forms but I don't remember if it was exactly what's written there.

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2.1.2, disclosure by groups of candidates?-- Well, I wouldn't have read that.

Did you know that there was an obligation in relation to the situation where you were one of a group of candidates and-----?-- No, because I wasn't a - part of a group.

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You weren't?-- No.

Well, what about the meetings that you attended in - what about the meetings you attended in December and January and the benefit which you received by attending those meetings from the funding provided to that group?-- Well, as I - as I said, at the meeting, particularly the December meeting which is the one where it was more of a Board table type discussion, it was impressed upon us at that meeting and a number of times afterwards by Sue Robbins that we would be individual candidates who were independent, we were not part of a group. And I even suggested to Sue at one point that we should become a group and she was not interested that - in that.

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Did you know that there was an obligation where you were part of a group?-- I would have read that there was a section for members of a group but I didn't read that because I wasn't part of a group.

Well, how would you know unless you knew what the legislation said a group consisted of?-- Well, I know whether I'm part of a group or not, I don't need the law to tell me that.

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All right. You see, the law might actually define what a group is?-- Well, the law might define a lot of things but in our day to day lives we can't go around reading forms all the time.

Yes. Even if you're standing for council and you haven't stood before and you're trying to satisfy yourself as to your legal obligations?-- Well, I was trusting in the fact that I was receiving information from experienced people who had been through a number of elections.

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Did Sue Robbins, for example, ever say to you, "You're not part of a group"?-- Correct.

Right. So, what, you asked her whether you were part of a group?-- No, as I said to you, I suggested that we become a group after we saw the headlines about the Virgin army group and I suggested that we do the same thing and she said, "No, we're not a group, we're individuals."

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All right. Did you see this, 2.5.7 or something like this, what is in a group of candidates return?-- No, because I wasn't part of a group so I wouldn't have read it.

All right. Did you ever see a clause like this or be aware of what is conveyed in this clause, 2.5.15, Gifts via solicitors' or accountants' trust accounts, "Where a gift is made by a client through a solicitor's accountant's trust account, the return must include the name and address of the client who made the donation. The relationship between solicitor, accountant and client is that of agent and principal. For the purposes of the Act's disclosure provisions, a gift paid by an agent at the discretion of his or her principal"-----

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CHAIRMAN: The direction.

MR MULHOLLAND: Sorry, "at the direction of his or principal is a gift made by the principal and not the agent." Now, did you ever read that?-- Well-----

In other words-----?-- -----I don't believe so and I still don't understand it anyway.

Well, let's read part of it again. It's first of all referring to a situation where a gift is made through, leaving aside the accountant, made through a solicitor's trust account?-- Right, okay.

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You can follow that much?-- Yes, fine.

"The return must include the name and address of the client who made the donation", right?-- Yes, I read that.

Then it goes onto explore the relationship between the solicitor and the client. "The relationship between the solicitor and client is that of agent and principal"?-- Mmm-hmm.

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You see that?-- Yeah, okay, I've got that.

So for the purposes of-----?-- So the donor is the principal, correct?

The donor is the principal?-- Right, okay.

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For the purposes of the Act's disclosure provisions a gift paid by an agent at the direction of his or her principal is a gift made by the principal and not the agent?-- Okay-----

Now, what would that tell you if you'd read it?-- That would say that the gift is made by the person who's providing the money not by the solicitor.

So what would you do if you were aware of a clause like that in a handbook-----

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MR NYST: Sir, I object to this. The witness has said he doesn't believe he read it and is being now cross-examined on apparently matters of law as to what he would have thought if had read it, well, how does that help-----

CHAIRMAN: Is that right, Mr Betts, that you don't believe - I thought you were saying that you couldn't recall whether you had read it or not?-- I don't believe I've read it but I'm just answering the questions, that's all, I'm happy to answer the questions.

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MR NYST: His evidence was, "I don't believe I've read the provisions."

CHAIRMAN: All right.

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MR MULHOLLAND: I ask that the witness be allowed to answer it, Mr Chairman, even to the extent that it shows what would have been the situation if he'd been aware of it.

CHAIRMAN: Yes.

MR NYST: Well, how does that help, Sir? How - if we were to know that, how would that help?

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CHAIRMAN: Well, it might give an indication as to how it would be read in the mind of a, what I assume is, a reasonable candidate. You and I read it in a particular way as a lawyer must, Mr Nyst. Perhaps this might assist us to how the average, reasonable candidate would read a - such a provision.

MR NYST: Well, but he says he hasn't-----

CHAIRMAN: I'm not suggesting you to take it very far.

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MR NYST: Yes, all right.

WITNESS: I - if I had read that like that I would assume that that means - and if I'd concentrated on it - it does mean that the person who is providing the money to the solicitor needs to be-----

MR MULHOLLAND: Disclosed?-- Or does it say disclosed?

Well, it's-----?-- No, hang on, hang on, let me read it. Where the gift-----

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MR NYST: Well, why not have Mr Mulholland give this evidence?

WITNESS: The return must include the name, yes, okay. So the return must include the name of the person who made the donation, right. I get that.

MR MULHOLLAND: So you would have, in those circumstances if you'd been aware of that clause, you would have tried to find out who the donor was?-- Yeah, I would have had a big problem because I didn't want to know who the donors were.

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Okay. Well, I might come back to that in a second. Finally, 2.5.16 under the heading "anonymous donations", "Candidates and campaign committees should be aware section 428 of the Act states, 'It is unlawful for a candidate to accept a donation of \$200 or more in respect of which the relevant details of

the donation are not knowing' - 'known'", ie, an anonymous donation?-- Well, we knew who the relevant details were.

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You knew who the - you knew what the relevant details were, what do you mean by that?-- Well, can you read out the relevant details to me and I'll explain it?

You mean the relevant details as defined in the Act?-- Yes.

Well, what's your recollection? It says - well, okay, it says something along the lines of - in the case of a solicitor's trust account or something you must know the - what's it called? - the trustee.

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That's your recollection?-- Yeah. So I filled out my form based on the fact that when Quadrant supplied me with my invoices they had at the top of the invoice, and you've got a copy of it, you know this, it says, "The Lionel Barden Trust Fund" or trust account, and something about Hickey Lawyers Solicitors, so that's what I put on my return.

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Yes. Are you referring-----?-- I mean, Mr Chairman, I think the thing is here, the problem that we have is basically to run for council we - we seem to be in the position that you have to engage a lawyer to find out how to fill out your forms. That, to me, doesn't make sense.

Well, I'm suggesting to you, Mr Betts, that judging by what you have told us so far you really were at the very least grossly irresponsible in the way in which you investigated what your legal obligations were?-- I - I refute that. I wasn't grossly irresponsible. What I did was I read the form and filled it out to the best of my understanding of what the form meant.

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Well-----?-- Now, I mean, that happens in all - all situations in our life. We get all sorts of letters from insurance companies and so on and so forth with all sorts of legal jargon and you may understand it, I usually throw it in the bin because I don't understand it. And generally what you try to do is you try to do the right thing and - okay, in some cases maybe you miss out but I've never tried to do the wrong thing, I always try to comply with the law to the best of my ability.

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When you said that the relevant details, whatever the Act said or something to that effect, were you referring to this particular part of the definition, "Relevant details for a gift"-----?-- Excuse me, Mr Chairman. Can I just ask where this is coming from?

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It comes from the Act?-- Yeah, but where is it printed? Because I - I don't - I didn't have a copy of the Local Government Act, I had copies of various different documents.

Well, all right, so - well, just listen to what I-----?-- Okay, fair enough, go on, go ahead.

What I read and if you didn't - if this isn't what you've read, well, you can tell us?-- Okay.

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"Relevant details for a gift means the value of the gift and when the gift was made, and" - and this is one of the ways in which it is defined - "for a gift purportedly made out of a trust fund or out of the funds of a foundation: 1, the names and residential or business addresses of the trustees of the fund or other persons responsible for the funds of the foundation, and 2, the title or other description of the trust fund or the name of the foundation." Now is that - does that sound like what you're referring to or were you referring to something else?-- No, that sounds very close to what I'm referring to.

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And did you also read on in relation to relevant details, "for a gift," this is (c) of the definition, "for a gift not mentioned in paragraph (a) or (b) the name and residential or business address of the person who made the gift." Were you aware of that, if it didn't fit within, in your circumstances, a trust fund or out of the funds of a foundation, that what would be required was the name and residential or business address of the person who had made the gift. Do you remember reading that?-- Yeah, so if you're getting a donation direct from someone you would put their name and address in.

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And you understood that this was something - the money that you were receiving was being made out of a trust fund?-- Correct.

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And the trust fund that you believed that - that it was made out of, that trust fund was the trust account of the solicitor. Is that correct?-- Well, I'll just have a look here at my receipts. Under-----

This is -----?-- -----attachment 1.1.1 to 29 is my receipts from Quadrant.

1.1.29?-- Correct.

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Yes?-- No, 1.1.1 through to 29.

Yes. Yes?-- Got that?

Yes. These are the invoices, you mean?-- That's correct. So that's what I received from Quadrant before I put in my final return.

Yes?-- And in those - for example, at 1.1.4, "Lionel Barden Trust Account" at the very top and then it's got "Care of Hickey Lawyers."

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But look at the dates of these invoices?-- Mmm.

And what do you see about the dates? When is the earliest date that you can find in relation to these receipts?-- Let's see.

They're February, aren't they? February and March and one of April?-- Probably. Yes, by what relevance is that?

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Well, isn't it correct that you had made or you had received money from this source and you'd received it actually, received it from the solicitors?-- Are you talking about the cheques I received?

Yes?-- Yes, I got the cheques in January I think.

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In January?-- Yeah. Which I put down separately on my return, I believe.

Yes?-- As Hickey Lawyers because-----

You certainly got one in January?-- That's where the cheques came from, Hickey Lawyers, so that's what I put on my return.

Right. You put - what you put on your return was the Lionel Barden Trust Fund?-- Is that the only entry?

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Well, in the - what you received was \$7,000 paid on the 28th of January 2004, this is according to your return, to which you named the donor as the Lionel Barden Trust Fund?-- Mmm-hmm.

You received \$5,000 on the 20th of February 2004 and you named the donor as the Lionel Barden Trust Fund, and finally in relation to artwork, printing and related marketing costs you nominated the date of the gift as the 31st of March 2004 and again you put the Lionel Barden Trust Fund. That was an amount of \$16,978.97.

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CHAIRMAN: Mr Mulholland, on the actual return, it's between 29 February '04 and 31 March '04 for the date.

MR MULHOLLAND: Thank you, Mr Chairman.

Well, keep that in mind?-- Mmm.

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So that is when these amounts were received and the donor was the Lionel Barden Trust Fund. Now, are you saying that this was a final return and you placed the Lionel Barden Trust Fund as a donor because by the time you put in the return, you had received these invoices?-- Well, if I can - if I can just go back a step. You have to put in an interim return-----

Yes?-- -----straight after the election.

Yes?-- And you may not have that but I put in the single ad that was paid for by a friend and two entries for cheques that I received, one for 5 and one for 7,000-----

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Yes?-- -----and those entries were from Hickey Lawyers because that's where the cheque came from.

Yes?-- And then in my final return-----

Just before you leave that?-- Yes.

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Can I just, for the record, indicate that that is correct and that they are in relation to the same dates that I've mentioned and for the same amounts, 7,000 and \$5,000?-- Right.

And the other amount - so the final amount of \$16,978.97 appeared in the final return?-- Yes.

I just wanted to mention that. Yes, now, the point that you are-----?-- So are you saying to me that my final return only had the Lionel Barden Trust Fund?

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That's right, as a donor?-- Even for the two cheques?

Yes?-- Okay, well, I must have decided that since that was the name of the trust fund, I had to put that in.

Well, for some reason you have put Hickey Lawyers in the interim return?-- Yes, because that's all I knew.

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That's all you knew?-- Yes.

But didn't you think that you had some obligation to investigate where it came from? After all, you didn't think that it was coming from Hickey Lawyers. You must have known there was a source?-- Well, I - I didn't know who the donors were so my understanding was that it was going through Hickey Lawyers so that was my obligation to supply the name of Hickey Lawyers.

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So you do agree with me that you knew that you weren't actually getting the donation from Hickey Lawyers-----?-- Correct.

-----the donation was coming from someone via Hickey Lawyers?-- Correct.

And via Hickey Lawyers trust account-----?-- Correct.

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-----you would have known that?-- Yes.

So you were content to do that without investigating it?-- Well, my investigation was that I put down the details as per what was on the cheque.

Now, did you first hear of the name Lionel Barden Trust in the newspapers or when the invoices came to you?-- Oh, in the newspapers before the invoices definitely. I don't think I received the invoices until May or June.

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Yes. Now, you did not know that Mr Brian Ray had anything to do with this fund?-- Only what I read in newspapers.

After the event?-- No, no, during - well, there was - maybe three or four days before the election there was something came out in the papers about him.

All right. Well, I think-----?-- I - I - sorry. I didn't know that - well, I can only assume that what he was talking about in his interview in the newspaper was the same as what I was involved with but I had no confirmation of that.

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Now, I asked you on Friday some questions in relation to the person or persons who controlled the funds that you received. Did you understand at the time that you received that first amount of \$7,000 in January 2004, that the persons who were controlling the distribution of the funds were Councillors Power and Robbins?-- No.

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So you didn't know who was controlling the direction from the solicitors' trust account?-- No.

It must have been someone?-- Of course. I didn't ask.

You didn't ask and, what, you didn't think that you should ask?-- No. Well, I was told that I shouldn't know who the donors were so I just left it at that. I was invited to get an opportunity to get some funding so I did that. When the cheques came in I believed that I had to fill in my forms based on the - where I got the cheque from.

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All right. And you were unaware of the fact, may we take it from what you've said, that the persons who were able to control the direction of the funds within the solicitors' trust account changed in 2004 from initially being Power and Robbins to being Lionel Barden?-- Can you ask that question again? That was a bit long.

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All right. You were unaware that in 2004 the persons in control of the direction of funds within the solicitors' trust account changed from Power and Robbins to Barden?-- I was aware through conversations I had with Sue that Lionel Barden was going to be involved. She told me that Lionel Barden - and I didn't know who Lionel Barden was and she explained that he was a former president of Robina Chamber of Commerce or something and he was, you know, well respected in the business community and he would be, I think - I don't know whether she called him the trustee or the person in charge of the trust fund.

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What I'm suggesting to you, Mr Betts, is that until February 2004, Mr Barden had no authority in relation to the direction of funds within the solicitors' trust account what so ever?-- Well, that's fine, you can suggest that.

Well, if that be correct, what I put to you, and having regard to what you have declared in your return, would that be of concern to you?-- Well, I - as I say, I don't really remember what's on my return.

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Well, let me just ask you this question. You see, if, during the course of January and February, the persons in control of these funds changed from Power and Robbins to Barden, leaving aside any other circumstances, would that not then place you in a situation that you would have to revise your putting the

Lionel Barden Trust as the person from whom you received the funds?-- When I received the cheques from Hickey Lawyers, I put that down in my interim return as the donor. Then, when my final return went in, I think you're telling me that I put down the Lionel Barden Trust Fund for the cheques and the in-kind donations. So I don't really understand your question because I did change it to Lionel Barden Trust fund.

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Well, it seems a funny old trust fund, the Lionel Barden Trust Fund, if, in January, Barden had nothing whatever to do with the trust fund. That's the implication of what I'm putting to you?-- Oh, okay. Well, it didn't sound like that.

10

You've received money - hold on. You've received money in January in circumstances where I suggest to you Barden had no authority whatever in relation to those funds. That's what the evidence will show?-- Okay. That's fine. The evidence may-----

Well, that doesn't disturb you at all?-- No, because I filled it in to the best of my ability. I understood that if Lionel Barden took over that trust fund then he was the person that you would have to name as being the person on the trust fund.

20

But - well, did you understand him to be the trustee of the fund?-- No, I think Hickey - I understood Hickey Lawyers to be the trustee, that's why I put them down.

Who was the settler in relation to the fund?-- I've got no idea. I don't even know what you're talking about.

30

Well, you were certainly one of the beneficiaries?-- Well, I - I don't know about that, was my name on the document or was it someone else who was being the beneficiary and then handing the money out? I think you'd have to see the document to know that.

Yes. Now, I want to take you - have you got your diary entries there?-- Yes.

40

You told us on Friday of the circumstances in which you referred to Sue Robbins in the entry for the 27th of November 2003. If you go to the 1st of December you'll see that in your diary you've referred to Paul Bulletin re delivery?-- Yes.

So you're receiving the Gold Coast Bulletin-----?-- I think I was setting it up. I think I was setting up to receive it.

All right. And so you received it from then on daily, did you?-- Probably.

50

You have there under, 3 o'clock I assume that is, check paper for letter. What's that about?-- It probably means I've written a letter to the editor and I was looking for it to see if they printed it. They probably didn't.

In The Bulletin?-- Oh, could have been - oh most likely The Bulletin if it's a Monday, there's no other papers come out on a Monday.

1

Go to the 3rd of December next to 12, that - they refer to the hours of the day, do they?-- Well, not necessarily the numbers down there but in that case where I've written 12 it would refer to the time.

Ralph Germon, G-E-R-----?-- Germon.

10

Sorry?-- Germon.

Germon, spelt G-E-R-M-O-N?-- Yeah, I don't think that's how you spell it but anyway.

All right. Australand. What was that about?-- Well, it was suggested to me that - and I don't remember who suggested it but it was nothing to do with what we're talking about here - but there was a very controversial development going on in Burleigh Heads being built by Australand or actually being proposed by Australand. It had been recently approved by the Council and the Friends of Burleigh were against the application and they were very - very much against it and someone suggested to me that I needed to find out all the details about it because it would come up as a big issue in our election campaign locally.

20

Now, is this something that was later raised with you?-- Sorry, what do you mean?

30

Were you asked to give some view to the Friends of Burleigh?-- Yes. Yes.

All right. We might come to that later. That was later in your campaign?-- Yes.

But at this stage you are just investigating, are you, as consultant?-- Well, I've - I've rung him because I've heard from the Friends of Burleigh, they put out all the information that they thought about this proposal, about this development, so someone suggested to me you need to contact the developers themselves and find out their side to make sure you get a balanced view on it so that's what I did.

40

Just in regard to this question of the developers, this funding that you were receiving, did it ever occur to you that there might well be an expectation on the part of the people who were donating that they wanted something for what they were giving even if it was as much as, Mr Betts, some influence or access, did that occur to you?-- Well, that would be understandable from people who give a direction donation to a candidate but the reason why I accepted the funds through a trust fund was because I didn't want anyone to be coming to me and saying that they'd donated to me and they wanted to see me about a development.

50

But I'm suggesting to you that it was inevitable having in mind that you realised that there would be third party returns that eventually the donors would be identified?-- Well, as a matter of fact I didn't realise that. My understanding was that I would never need to know. Now, I understand now that a third party has to put in a return and that those donors would - would go on file but I would never have gone looking for it anyway.

1

Well, leave aside the fact that you didn't realise that this is what would happen, you did know that there was funding being gathered among business people?-- A cross section of businesses.

10

A cross section of business people who might well have included developers?-- Possibly.

Right. Now, you say that if direct funding was given then it might be a case of the donor expecting some access or influence. Why would the position be any different if it was given indirectly?-- Because I didn't know who was giving the donation so how could they come and tap me on the shoulder later?

20

But this is what I'm suggesting to you, having regard to the circumstances in which you gain this funding of going along to these meetings of a group even if you did not regard it as a group-----?-- Belong to a group.

-----for the purposes of the Act, going along to a meeting attended by a group in a similar position to yourself - that is, standing for the election - surely it occurred to you that these people who were giving must have wanted something in return. They're not just going to give large sums of money without wanting anything in return, are they?-- Well, although I never heard anything about individual donors the idea or the concept that was put to us at the first meeting was that the cross section of businesses or the - the business community - was not happy with the Council in general. There was too much in fighting. There was too many silly headlines about things that were really nothing to do with giving the city a good image and there were too many people grandstanding for political reasons. The business community was sick and tired of it and they were quite happy to help out to get common sense people into Council who were going to act with some dignity and professionalism and I believe that that was what they were hoping to get out of it.

30

40

Yes. If you had known that the group who were funding - let me put it a different way - that the people or entities that were funding the pool out of which you were paid had decided to do so in order to mount a campaign to win a caucus of like-minded individuals in various wards in order to achieve a predictable outcome in a similar way to what was achieved in the Tweed elections - if that was the object, would that have been a concern to you?-- Well, I know what you're referring to. I've read that myself and-----

50

Where have you read it?-- I believe it was in Mr Ray's CD, one of his e-mails to someone.

1

Yes?-- I reject it. That may have been his idea. I don't know if it was anyone else's.

If you knew that this was the objective of the people who were putting together the money, if you knew it-----?-- Mmm.

-----what would you have done?-- I wouldn't have been interested.

10

Would you have accepted the money?-- No. As I say, I was an independent candidate. I wasn't interested in being influenced by anyone and, at that very first meeting we went to, it was impressed upon us that we were independent, we were not going to be a group and there was no - even - I think someone even asked one of the councillors on the - on that day, were we going to be expected to vote a certain way and the answer was definitely no. And we had an example of it at the meeting where two of the councillors argued about a certain issue but they laughed about it and said, "There you go. We don't agree. We're not going to ask you to agree with us on everything we do."

20

Would you go to your diary entry, please, for the 11th of December? "Find out about S/C for 16/12, call SR." I take it "SR" is Sue Robbins?-- Yes.

"Answer". What's that?-- Well, it says, "Find out about a schedule change for the 16th of the 12th" - sorry, shift change - that's my work - 16th of the 12th.

30

And that was a meeting?-- That was so that I could get - so that I could attend the meeting. You can see I've crossed out - I was on a 10.15 till 8.15. The meeting was going to be held at 5 so I've swapped to do an early shift so that I could go to the meeting.

Right. And you-----?-- So - and then "call Sue Robbins" to give her the answer as to whether I could go to the meeting after I'd found out if I got the schedule change. And then I had to phone Wink and ask him if I could do the schedule change with him so I've got his phone number there.

40

All right. Go to the 17th of December. This is the day after the meeting-----?-- Right.

-----which had occurred the previous evening. "Tuesday phone list" - "Tues phone list"?-- Yes, Tuesday.

50

Right?-- That means that-----

Is that relating to the campaign?-- Well, what that means is that I had a - I had people to call on Tuesday and I didn't complete it so I had to complete it.

Now, there are several entries here in which you mention Mr Gamon by name, that's Paul Gamon-----?-- Yes.

1

What, was he - he was involved, you told us, in you getting involved in the first place-----?-- Yes.

-----meeting Sue Robbins?-- Yes. She - sorry.

Or she contacted you?-- Sue contacted me.

10

Yes?-- Sue told me right from the beginning, "You need to call Paul Gamon. You need to talk to him," and I kept putting his name and his phone number down and I continued not to do it.

All right?-- I didn't get around to it. So I kept writing it in that I had to do it.

Right. And then on the 8th of January, you have listed there "common sense Council candidates meeting at Quadrant"?-- Correct.

20

Is that right?-- Correct.

The 15th of December, you have an entry there-----?-- Is that the 15th of January?

Sorry, you're correct, 15th of January, "8" - is that 8 o'clock?-- 8 a.m., yes.

"Chris, Quadrant"?-- Correct.

30

Right?-- So that was a meeting for me to discuss my marketing promotional material.

So you were the only two present?-- Yes.

Nothing about funding?-- Oh, no, no. I discussed funding with Sue after that. I never really talked to Chris about it.

Yes, all right. Now, on the 2nd of February, if you go to that?-- Yes.

40

"9.30 Chris Quadrant"; what was that about?-- Oh, who knows.

Same sort of thing?-- Yes, exactly. It was all - I had continuous meetings going over there and giving him the ideas that I wanted to put into my material and discussing layouts that he might have given to me or all sorts of things.

All right. Now, you can just leave that aside for the moment but refer to it if you need to. Were you aware of any assessment or rating of candidates that was being done during the course of the-----?-- No, I wasn't but I'm not happy that I got 50 per cent.

50

Right. Well, you've seen - you've seen subsequently an e-mail from Sue Davies to Tony Hickey; is that what you mean?-- Yes, I believe it's been tendered as a document here.

Right. And are you able to help us in relation to that or don't you know any background-----?-- No, look, I-----

Hang on. You don't know any background about that at all?-- I don't and I'd like to point out - what date was it?

The-----?-- What was the date on the e-mail?

The 24th of November?-- It was before I even met Sue Robbins so I don't - I've got no idea how I got on the list unless she had discussed me prior to her actually making that first phone call to me.

Well, you'd decided to run?-- I already had my information out. I'd done a letterbox drop and I'd done an ad so that's how she found out about me.

CHAIRMAN: Perhaps your rating might have gone up - might make you feel better - that was only an early rating?-- Yes, that's right.

MR MULHOLLAND: Would you have a look at this, please?

Now, could you just look at that quickly and confirm for us that that is some election material that you enclosed with the - your answer to the Commission?-- Yes, that's correct.

And are you able to, by reference to the documents there, are you able to place when that material was prepared, or any of it?-- Are you talking about the first page or which page?

Yes. Well, any of it?-- Oh.

If you could place any of it?-- The first page was an ongoing - an ongoing work. It was done by myself and my campaign adviser, Clive Lord, who is a workmate at Qantas, and it started when he - he lived in Division 7 and he got a letter in the mail from Don McGinn and-----

I'm just interested really in whether you can place its date?-- I don't - I can't give a date. I can't.

You can't?-- Well, that would have been-----

2003, 2004?-- Oh, yeah, definitely 2003 because it was - this was my first letter box drop, this first letter.

Right. All right. So this is before any of the meetings occurred?-- Yeah.

Can you look at the material and tell us whether any of that material was prepared according to your recollection after the first meeting?-- Yes, there is. There's the one with - well, you can't really see the photo but there's me and Paul Gammon as you can see by the names underneath the dark photo.

Now is that the one headed Advertisement. I Urge Division 12 Residents to Support Greg Betts? Is that the one?-- It looks like it, yes.

1

The heading?-- Correct.

Your Local Independent Council Candidate?-- Correct.

So that came after that first meeting?-- Oh, yeah, a long time after. This was sort of in March or something I think.

10

Yes?-- This went out in the local newsletter in March I believe.

And if you go to the next one in the material, again up in the right hand corner, Your Local Independent Council Candidate?-- Yeah.

Did that go out also around about the same time?-- Yeah. Well, see, all of this - everything with that on it, that was through Quadrant so that went out - well, it's got a date on it, it's got Monday the 1st of March.

20

Yes. Now, there's some writing on this. Is that your handwriting?-- Is that the second page?

First of all on the first page there's some handwriting?-- Yes that's - well, that - that handwriting has been put there as an explanation of this document to you.

30

Right. So this is in responding to the Commission, is that right?-- That's right.

What about the second page?-- The second page is the writing of Clive Lord, my friend from Qantas, and his - his writing is a bit difficult to read but I believe that he's - he's given me some tips for what to put on the website.

Right, and is that before the first meeting?-- Yes, yeah. The following page is the website that I did, and that would relate to that second page there.

40

And the writing which appears then on them, just have a look at-----?-- Well, for example, the page with myself and Paul Gammon, that-----

Yes?-- -----"I urge the Division 12 residents".

Yes?-- That's all my writing explaining to Chris Morgan what I wanted done. I wanted the names put in bold and put - and centred and I wanted Paul Gammon's name bigger. There was a couple of things there that I-----

50

And I think you indicated that in an e-mail, didn't you, to Mr Morgan?-- Probably.

All right?-- I dealt with Chris directly on everything to do with the information that was sent out about me.

1

Is there anything else that you want to add in regard to that before I tender it?-- Yes, there is actually. Let me just check. There's - towards the end there's a - there's a letter that went out and that was right at the end of the campaign. It was - it was something that Chris said was the big gun that was, you know, going to get me all these votes and it cost probably about \$12,000 to send out this one letter. I believed it was a waste of money but he seemed to think it was fantastic and I ended up getting almost a thousand of them back, not at that address.

10

Okay. Anything else?-- Well, there's the how to vote cards, how we had to change them because there was a reneged deal that happened on preference voting.

Right. Well, I'm not asking you to go into that unless you want to?-- No, I don't need to go into that. I think that's obvious.

20

All right. I tender that material, Mr Chairman.

CHAIRMAN: Yes, that will be Exhibit 77.

ADMITTED AND MARKED "EXHIBIT 77"

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MR MULHOLLAND: Now would you have a look at this document please. Could the witness be shown this document. Would you go to, in looking at that document, just before you go to it, would you look at your diary?-- Yes.

The entry for the 25th of February?-- 25th, right.

40

And you see next to 6?-- Yes.

It has "7 p.m. FOBA"-----?-- Friends of-----

-----meeting, speech"?-- Friends of Burleigh.

Right. Now, if you have a look at the document I've put in front of you, is this the speech that you gave at that meeting?-- It is.

50

CHAIRMAN: Sorry, what was that date, Mr Mulholland?

MR MULHOLLAND: The 27th - sorry-----

WITNESS: 25th.

MR MULHOLLAND: -----25th of February.

CHAIRMAN: Thank you.

1

MR MULHOLLAND: Mr Betts, is this the only speech you delivered to the Friends of Burleigh Association during the course of the election campaign?-- Yeah, there - there was a - I guess you'd call it a speech that I gave at the Burleigh Chamber of Commerce breakfast. They - they held a similar sort of function for the candidates.

Now that was closer, was it, to the-----?-- Yeah, that was-----

10

The election?-- Yeah, that was almost - only a week out, I think.

Right. Well, we might - might come to that. So far as this is concerned this is the speech you gave?-- Yes, correct.

In which you stated that you're a true independent?-- Correct. Probably, somewhere there, yeah, there it is.

20

Right, on the first page?-- Emphasised.

You spoke about the issues, if you go several pages over, catch up issues, water supply, traffic congestion and so on?-- Correct.

And so you portrayed yourself in this as being independent?-- I portrayed myself as being what I was which was independent.

30

All right, anything else that you want to add to that? What-----?-- No, I think it's pretty self-explanatory.

Now, you've mentioned two meetings, one being the Chamber of Commerce breakfast-----?-- Mmm.

-----which occurred closer to the election. When was that in relation to the election on the 27th of March?-- I think we'll probably find that in the diary.

40

All right. If you go to the 10th of March?-- Oh, you know. There it is, well done.

Is that the date?-- That's it, 10th of March, Burleigh Heads Chamber of Commerce breakfast.

All right. Now, I tender that speech.

CHAIRMAN: That's the one to the Friends of Burleigh?

50

MR MULHOLLAND: Yes.

CHAIRMAN: That will be Exhibit 78.

ADMITTED AND MARKED "EXHIBIT 78"

MR MULHOLLAND: You can keep that if you wish or return it. Perhaps return it. I'm not going back to it at the moment. If you need to look at it, however, as I ask you these questions, please do so. Now, do you remember at either of these two functions whether you were asked any questions as to whether or not you were funded by developers?-- No, I wasn't.

You weren't?-- Mmm.

10

Were you - do you remember ever being asked by Irene Warring as to whether or not you were funded by developers?-- Only through the e-mail that we talked about on Friday from the Friends of Burleigh.

Do you remember any conversation between you and her where she directly asked whether or not you were funded by developers?-- No. No, I was never asked any questions about my funding.

20

And you said that you weren't?-- I was never asked any questions about my funding.

Do you remember at any stage ever having her challenge you in relation to the reference in the paper to the Lionel Barden Trust Fund and accusing you, effectively, of lying?-- Oh-----

Do you remember anything like that happening?-- I remember her accusing me of some things, I think, but I can't remember exactly what. Towards the end it got a bit nasty.

30

Do you remember at the Chamber of Commerce breakfast in March, to which you have referred-----?-- Mmm.

-----being asked questions in relation to your funding and you stating that you were funded by "business people, family and friends"?-- No, I don't recall that but I did put that in the response to the Friends of Burleigh from the e-mail that they sent me.

40

Do you remember any conversation with Irene Warring in relation to the Lionel Barden Trust Fund where she referred to the Lionel Barden Trust Fund having been mentioned in the paper and essentially accused you of lying about the matter and you said that you were part of the Lionel Barden Trust Fund but you had no idea who the donors were. Do you remember saying that?-- Not before the election, no. That may have happened after the election.

50

Well, did it happen after the election?-- Possibly. I can't recall it.

Do you remember-----?-- But I know it didn't happen before the election.

Do you remember her asking you, in relation to this fund, as to whether or not you thought to ask where the money came from

and you said, no, you never thought to ask or something to that effect?-- No, I don't recall that but it's possible but definitely not before the election.

1

All right. Now, on the 3rd of December 2003, if you just got to your diary entry-----?-- Okay.

-----is there any - are you able to say by looking at your diary entries for that day that you did meet with Merrilyn McKenzie from the Gold Coast Bulletin?-- Merrilyn McKenzie is with The Gold Coast Sun.

10

Gold Coast Sun?-- I probably did based on that. But that could either mean a meeting or phoning her but I assume it means that I met her. I do recall meeting her before the election and doing an interview with her.

Yes. Now, may the witness see Exhibit 41, please?

CHAIRMAN: 41.

20

MR MULHOLLAND: This is a letter addressed to Chris Morgan of Quadrant-----?-- Yes.

-----regarding appointment. You would not have seen that letter of course during the course of the election campaign?-- No. No, I've seen it in the evidence on the CDs.

And you see there reference to the candidate resource trust account?-- Yes, yes.

30

I think you told us that you were unaware of any such account; is that right?-- Not called by that name, no.

And you, of course, know nothing about the circumstances in which this letter which there is some - will be some evidence - was a backdated letter - that is to say, the letter was actually completed and signed at a much later date - you know nothing about the circumstances in which that occurred?-- No.

40

You see that in the letter there's a reference to a confirmation of a trade in terms of conditions of supplying - that is, Quadrant - supplying all services on a nett cost basis with monthly consultancy fee \$10,000. Did you ever know that that was the consultancy fee?-- No - no, I didn't.

You see there January, February and March 2004, is it the situation that you just didn't concern yourself at all with who was paying the advertising?-- Correct. I - I did worry at one stage though, I was concerned that there was possibly the difficulty in getting the money through, Sue had told me that they had problems getting money and I was worried I was going to have to pay for all this stuff myself.

50

Is this at a later time in the election?-- Well, it was probably -oh, look, I can't say. But when I got those cheques

from Hickey Lawyers Sue told me later that I needed to pay Quadrant 8,000 because I was apparently not supposed to receive cheques, I was just supposed to get in-kind material from Quadrant and they - they weren't really supposed to give me cheques at all.

1

You mean the solicitors weren't supposed to give you cheques?-- Well, whoever was controlling the money wasn't supposed to tell the solicitors to give me the cheques.

10

Right. So is that after you received those two cheques in January and February?-- Yeah, because Sue told me to give back 8,000 to Quadrant because they'd - they mustn't have had money in the trust to give Quadrant and Quadrant needed their money so they asked me to give me - to give money back to Quadrant.

Right. And did you give back the-----?-- Eight thousand.

-----\$8,000?-- Yeah.

20

So when that happened would that have been in February?-- Could have been, we'll - we'll know by the cheque butts there.

Right. So when that happened you were - you were concerned enough to worry about just what was going on, were you?-- Well, I was worried that I was getting all this work done and I may have to end up paying for it because I hadn't budgeted for all - all this professional extent that they were going to.

30

Well, how were you reassured? Who did you seek reassurance from and what was the reassurance?-- Sue. Well, I spoke to Sue about it and she said you know it'd be all right.

Do you know that during this period that Sue and Power were authorising funds to go from the solicitors trust account?-- No. She didn't tell me that.

Well, how does that now square with what she did tell you?-- Well, I guess it makes sense. If she - she told me it was going to be all right then she must have known, mustn't she?

40

No, no, but if she actually authorised - she needed to authorise you to receive the money and you received it and now she's telling you, you've said, that you shouldn't have received that money?-- Yeah, she did.

Well, did you ask her well, what happened?-- Well, someone stuffed up.

50

Did you ask her well, who stuffed up, how did that happen?-- No. No. I wasn't interested in that.

Go back to my question however in relation to Quadrant, in that letter that I've shown you there's a reference to a consultancy fee of \$10,000 for those three months?-- Yes.

Now, of course, that refers to - as distinct from the advertising costs, this is talking about a consultancy fee. Did it ever enter your head that Quadrant would need to be paid a professional fee for what they were doing?-- Well, it entered my head that I might have to pay Quadrant and that concerned me but other than that I didn't care what happened to Quadrant.

1

So you didn't think that saying well, what's happening, are the donors fixing up Quadrant, are they going to pay any professional fees, things like that?-- Well, it was - it was either going to be that Quadrant got money from the trust fund or Quadrant was doing the work because they were believing in the idea of getting commonsense people into Council.

10

Yes. All right. Would that be a convenient time, Mr Chairman?

CHAIRMAN: Yes, we'll adjourn for 10 minutes.

20

THE HEARING ADJOURNED AT 11.12 A.M.

THE HEARING RESUMED AT 11.25 A.M.

GREGORY JAMES BETTS, CONTINUING:

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MR MULHOLLAND: Now, I'd like you to have a look at this letter. First of all have a look at Exhibit 46 please. Now, you'll see that that is an email from Hickey Lawyers to Sue Robbins of the 28th of January 2004, re campaign fund. "I now hold in my trust account sufficient funds to make the following authorised payments," and referring to you, G Betts, \$7,000. Did you become aware of this email through Sue Robbins?-- No.

40

She did, I take it, speak to you, however, about the \$7,000 that you were going to receive?-- No, she didn't. I got a call from Hickey Lawyers. They said they had a cheque for me.

So you see the detail there, "Could you please understand the difficulty that Brian and I have had in collecting these funds is because most of the donors have been away on holidays and are now only getting back into action." Brian, a reference to Brian Ray, you see?-- Do you think so?

50

Are you sure Sue Robbins never mentioned Brian Ray to you?-- Never. And in fact when we went to Quadrant I only realised later that the Ray Group is in the same building. She never mentioned him to me.

By this time did you regard Sue Robbins as a friend of yours?-- By that time I probably - oh yeah, well, we were becoming friends, yeah.

1

You certainly had had by that time, the end of January 2004, quite a good deal to do with her?-- Numerous conversations on the phone.

And she never mentioned Brian Ray to you?-- Never.

10

Or the difficulty in getting donations together?-- Well, I - I don't know that she had anything to do with getting donations together.

Well-----?-- She never said anything like that to me.

No, but she's being advised - as you can see in this email. What I'm suggesting to you is she never communicated to you that the people who were responsible for the donations - apparently Brian Ray and others - were having difficulty getting those funds. She never mentioned that to you?-- Correct.

20

All right. Well, return that. I'd ask you now to have a look at this document please. Do you recognise that as the letter of the 28th of January 2004 addressed to Mrs Susan Betts re campaign funds that you received along with the cheque for \$7,000?-- Well, I remember the cheque definitely.

You see that in this letter that went to you as directed - this is stated - "As directed by Councillor Robbins and Councillor Power please find enclosed our trust account cheque made payable to you in the sum of \$7,000"?-- Sorry, was that a question?

30

Yes. Well, you see that in the letter?-- I see it. Correct.

Were you not aware that with the cheque came that letter which indicated that the money had been paid at the direction of your fellow Councillors?-- Well, I do remember the cheque, my-----

40

Or candidates?-- -----my wife may have opened the letter and given me the cheque to bank, I don't know if I actually read this letter.

Well, is that a surprise to you now that I've put that in front of you, that that's a letter that accompanied the cheque?-- Well, it isn't a surprise putting it to me today because I've seen this sort of thing happen over the last couple of days so it's not that much of a surprise but it would have been on the day that I received it.

50

So - well, are you accepting that you would have received that letter - or you actually saw the letter when it - when it came to you?-- I'm - I'm not - I'm not sure that I saw the letter. I got the cheque. I assume my wife saw the letter.

Does that mean that you are not sure whether or not you knew that the money, the \$7,000, was paid as directed by Councillor Robbins and Councillor Power?-- Well, no, I can't say that I'm sure of that.

1

If you had known it at the time would that have caused you to answer any questions?-- As question, you mean?

To ask any questions?-- Well, it may have, yeah. I probably would have asked questions.

10

Like what?-- Why does it say as directed by Councillor Robbins and Councillor Power?

And - because that would have been a surprise to you?-- I think so, yeah.

It would be a surprise to discover that the person or persons controlling funds to you of \$7,000 were fellow candidates in the election?-- Well, I know that Sue was dealing with Quadrant as far as what I would be getting as far as what came from the trust fund so whether or not she had any decision making over the amounts and that sort of thing I didn't know but I did know that Sue was sort of dealing on my behalf with Quadrant.

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At this stage all you would have known from the documents is - if you read them - one is that the funds were directed to you by Councillor Robbins and Councillor Power and the second is that the cheque for \$7,000 came from Hickey Lawyers trust account?-- Right.

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That's all-----?-- I accept that.

I tender that, Mr Chairman.

CHAIRMAN: Yes, that letter will be Exhibit 79.

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ADMITTED AND MARKED "EXHIBIT 79"

MR MULHOLLAND: Now, would you have a look at this document please. This amount - this receipt is for the sum of \$150 on the 12th of February 2004 and it's a receipt from the Gold Coast City Council to you so this is your nomination deposit, is that correct?-- Correct.

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And that \$150 was paid by you out of your campaign account which was funded by moneys coming from Hickey Lawyers trust account; is that correct?-- That would have been right at that time, yes.

So, essentially the - this is paid out of the \$7,000 which you had received?-- Correct.

I tender that Mr Chairman.

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CHAIRMAN: Exhibit 80.

ADMITTED AND MARKED "EXHIBIT 80"

MR MULHOLLAND: Now, do you have an entry in relation to your nomination in your diary?-- What was the date again?

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The 12th of February. See the last entry for the 12th of February. Submit nomination with bank cheque?-- Yes. Yeah, you've got that, I haven't.

You don't have that one?-- No, I seem to be missing that page.

Well, is it in - is it in-----?-- It's in my real diary, yeah.

20

It's in your diary. All right. And so you obtained a bank cheque from funds out of the campaign account to which I've just referred, is that right?-- Yeah, I went to - to the Bank of Queensland at Burleigh where I had my account and got them to drawer a bank cheque because that was how you had to pay your nomination form.

All right, thank you. Now, can I - well, now, would you have a look please at this document and is this a letter of the 20th of February 2004 again addressed to Mrs Susan Betts from Hickey Lawyers re campaign funds as directed by Councillor Robbins and Councillor Power; "Please find enclosed our trust account cheque made payable to you in the sum of \$5,000". So, here some three weeks later you're receiving amount similar worded letter. Do you recall receiving this letter?-- No Again, see I - I was out door knocking just about every day and my wife did the mail and that sort of thing so I don't recall receiving the letter. I recall receiving the cheque.

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So, what? Do you think that you - you just missed this because if you had you would have asked some questions about it?-- Oh well, I may have mentioned it to Sue but-----

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How did that-----?-- -----I may not - I may not have even read the letter. I was more interested in the cheque.

But surely, if you'd read - if you'd glanced at the letter because it's only three - three lines, you would have seen that it was at the direction of Councillor Robbins and Councillor Power again?--Yeah, well-----

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And you've told us that you would have asked questions-----

MR WEBB: Mr Chair, the witness hasn't acceded the proposition though that he'd seen the one before. It's not a fair question to put it like that? I-----

CHAIRMAN: He's answered questions in relation to the previous one, Mr Mulholland. I don't know that we need to take up time with it, do we?

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MR MULHOLLAND: So, you just have no recollection at all in relation to seeing that these amounts totalling \$12,000 were paid at the direction of Councillor Robbins and Councillor Power, just no recollection of that at all?-- I can't remember it standing out in my mind, no. I do remember receiving the cheques.

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All right. And the cheque is part of that page or a photocopy of it?-- It was perforated at the bottom I believe.

And it's again Hickey Lawyers Trust Account, is that right?-- That's what it says.

I tender that.

CHAIRMAN: That will be Exhibit 81.

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ADMITTED AND MARKED "EXHIBIT 81"

MR MULHOLLAND: All right. If you'd have a look at this article, copy article please. Number 27 of Exhibit 3. Look at this article in the Gold Coast Bulletin for Wednesday-----

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CHAIRMAN: Oh sorry, it's 27?

MR MULHOLLAND: -----for Wednesday the 24th of March 2004 and what is attributed there to you. You see your name mentioned?-- Yes.

This is referring to your reprinting of election material?-- Correct.

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So, in so far as this attributes comments to you, "I did the deal with Irene Warring" and so on. Is that correct that you did say this to the reporter?-- This would be along the lines of what I said. I don't know if it's exactly what I said.

Well, just read what you said to her-----?-- Do you want me to read it out?

No, no, read it to yourself and tell us whether there's anything you disagree with?-- Okay.

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Do you accept that you said that to the reporter?-- Oh it's - as I say, it's probably along the lines of what I said but I can't say that those were the exact words.

Now, if you have a look please at number 31 of Exhibit - have a look at this, this is number 31 of Exhibit 3?-- Do you want me to keep this?

No, return that if you wouldn't mind.

Now, do you see in that, if you go to the second page, about halfway down you see that in this article, this is attributed to Councillor Robbins, "Councillor Robbins said she knew nothing about the trust fund and had not accepted money from it." Do you remember reading that in the newspaper?-- Sorry, I'm still trying to find that.

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It's about halfway, just over halfway down the page. "Councillor Robbins said she knew nothing about the trust"?-- Okay, right.

Got that?-- Yep, got that.

"And had not accepted money from it," and quoting, "Greg Betts has rung me on a number of occasions"?-- That's correct.

All right. Well-----?-- Sometimes nightly.

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So you read that in the paper at the time?-- Oh, probably, yeah.

Did that reflect what you knew?-- What she said?

So far as her knowledge was concerned, that she knew nothing about the trust fund?-- Oh, well, that's - that's her words, not mine. I'm not going to comment on her words.

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Did it reflect the degree of contact that you had had with her when she described it as "Greg Betts has rung me on a number of occasions"?-- Yes, I did. That's what I just said.

All right. Well, return that please. The next document, Mr Chairman, I wish to refer the witness to is a copy of the article Exhibit 3 number 54. In this article of the 15th of April 2004 "the man named by Councillor David Power as the king of the bloc yesterday said he was just following orders." Did you read that in the paper at the time?-- Actually I don't remember that.

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Just read through it?-- Okay.

I'm just wondering whether you saw this article not long after the election in which Mr Morgan is quoted as saying, "Lionel Barden had to give the sign off on everything, approved everything. He was the trustee. The trust was set up in his name, he was the authorising individual. It was administered by Hickeys." And then, going on, further down the page, "Lionel was just basically asked to head up the trust by the individuals concerned." You see that?-- I see it.

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Well, you don't recall seeing that?-- No, actually, I don't remember reading that article.

Is that correct, that you were one of a number of individuals who had - who had asked to - who had asked that Lionel Barden

head up the trust?-- No. As I said, I didn't know Lionel Barden.

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You see this context in which this is said, "Mr Morgan confirmed that Quadrant did work for Roxanne Scott, Greg Betts, Grant Pforr, Brian Rowe and gave strategic advice to Rob Molhoek." You don't remember seeing this article?-- No, I don't remember it but.

Yes. You can return that please. Could you have a look at this please. Now is that a letter that you wrote to the editor of The Gold Coast Sun, 15th of April 2004?-- Yes.

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Right, and what caused you to write this letter?-- Oh, just the general rubbish that was going on in the - in the council chamber and in the media about, you know, references to developer-friendly people and basically accusing us of forming a bloc and - and so on.

All right. And in that you said that you attended a meeting of like-minded candidates. This is in the second paragraph, do you see that?-- Yes, I do.

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"The following month in a meeting organised to discuss a campaign strategy I was made aware that funds would be available to provide a professional campaign. At no time was the individual source of funds discussed," and so on?-- Yep.

Is that what you said?-- That's right.

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And were you intending to be comprehensive in what you knew of the funding for your election campaign when you wrote that letter?-- Comprehensive in my funding? I was - I was trying to-----

Comprehensive in your treatment of your funding in writing to the editor?-- Well, what I - what I was trying to do was to point out that I wasn't part of a voting bloc and that I wasn't anything other than what I said here. "I will not be a servant to any special interest group but will support them if I think they are right and after thorough impact research has been undertaken beforehand."

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Yes. I tender that, Mr Chairman.

CHAIRMAN: Exhibit 82.

ADMITTED AND MARKED "EXHIBIT 82"

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MR MULHOLLAND: Right. Would you have a look now at this article, number 79 of Exhibit 3. Just read it to yourself and tell us whether or not you agree with what, if you said, what is attributed to you in the article?-- Oh, gee.

Do you remember seeing the article?-- Actually yeah, I do remember seeing this. Unbelievable.

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Well, Miami resident - I'm just giving you the opportunity to comment on it. You see a Miami resident is quoted there in which he - this is Mr Ingram - is stated as having attended a meeting the previous year - this is 2004 - at which he stood up and asked you, then a candidate, who was funding your campaign. The article goes on to say, "Councillor Betts who received nearly \$30,000 in funding from developers told the meeting the money came from his family, Mr Ingram said, even though this wasn't the case," and so on?-- Sorry, was that a question?

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Was that correct? Was that correct?-- No, this is totally incorrect.

All right. Well, do you want to make any comment in relation to what is said about you in that article?-- Well, the comment that I'd like to make is that I had friends and family at the meeting, which was the only meeting that took place which was the Friends of Burleigh meeting, so I assume that that's what he's talking about, and they can confirm that there was never any question put to me about funding.

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All right. Perhaps I can have that back and I'd like you to have a look at this article, please.

CHAIRMAN: This one is number?

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MR MULHOLLAND: This is number 100 of Exhibit 3, Mr Chairman.

Now, this is a more recent article in the Gold Coast Bulletin of 1st October headed The Bloc. Do you remember seeing this article?-- Yeah, I think so. It's a bit hard to say when you don't see it as it was printed in the paper.

Right. Well, you see first of all that it refers to a meeting that is supposed to have happened on November 13th, 2003 at The Islander Resort, Surfers Paradise. Did you know of any such meeting?-- Sorry, where are you reading that from?

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From the first page, top of the page?-- Top of the page, okay, hang on.

It's about five lines down, "They came together," do you see that?-- Okay, yeah, got that. Top of the page, yeah.

It refers to the Chamber of Commerce and various people there present?-- Right.

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Mr Janssen, John Lang, David Power, Tom Tait, see that?-- Yes.

Did you know anything of such a meeting?-- No. I didn't meet Ian Solomon, Bob Janssen, I don't think I've ever met John Lang, but those other two I didn't meet till after the election, and David Power I met on the occasion of the meeting at Quadrant.

All right. Well, you see about halfway down that first page, "In a frank and open interview with The Bulletin this week, Councillor Power, leader of the so-called Council bloc, makes some surprising admissions about the development of the trust fund in saying that he actively sought money for the trust and approached key players in an attempt, he says, not to wrest control but to build a better Council."?-- Got that.

Now, did Mr Power ever speak to you at any time in relation to how this evolved - that is, how funding evolved?-- No. Actually, as I say, I spoke to - well, I met David at the first meeting at Quadrant. I don't believe I said much to him other than, "Nice to meet you," and he spoke at the meeting. Then he was at the second time I was at Quadrant there with the other candidates. I don't think he addressed the group. As I said, he was - he had to leave early because he had a doctor's appointment and his two boys were outside feeding the ducks, or something, and he kept going in and out to make sure they were okay, and that was the only time I met him before the election, and then even after the election I didn't have a lot to do with him.

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All right. Well, he never had any conversation with you about any of these matters that he's talking about here?-- Never.

Now, if you go down to the second last page of that article, you'll see you're referred to. Just above, there is reference to Sue Robbins and David Power denying originally the meeting to The Bulletin and then checking their diaries and remembering. Can you see that bit at the top?-- Yes.

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It then goes on, "Betts said the notion of a bloc was never discussed when the group met." Now, did you speak to the reporter about this?-- Yeah, I had a discussion that lasted probably an hour and a half.

All right. Well, just read what is attributed to you there, "They impressed upon us all the time, right from the beginning, we're not a team, we are not trying to bring together a group. What we're trying to do is just get better quality people in Council and help move the city forward." So, did you say that to the reporter?-- That's probably a good summary of what I said.

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MR NYST: Mr Commissioner, just whilst we're on that quote, there's no great significance to this point other than the fact that what's on this document doesn't seem to quite follow what's in the newspaper article. I've got a photocopy of the article, and the quote is not quite the same. I'm not sure that it has any significance. It probably doesn't. But in the quote put by my learned friend, Mr Mulholland, quite properly from the document before him it reads, "They impressed upon us." In the newspaper article that I've got a photocopy of, which seems to be the one we're talking about, it says, "It was impressed upon us." Now, I'm not saying that there's any-----

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CHAIRMAN: No, but there might be other parts where it is relevant.

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MR NYST: Yes.

CHAIRMAN: Yes.

MR NYST: I just make the point.

CHAIRMAN: Thank you for that.

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MR WEBB: Perhaps we could have that verified, if I might suggest this, Mr Chairman, and we get a correct copy substituted.

CHAIRMAN: Mr Nyst might kindly allow us to photocopy the original that he has.

WITNESS: I'm sure Councillor Pforr has got it.

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MR NYST: They're probably notes I wanted to make known to you, anyway.

CHAIRMAN: We can white them out, Mr Nyst.

WITNESS: Councillor Pforr will have it, Mr Chairman.

MR MULHOLLAND: Would you have a look at-----

CHAIRMAN: It might have his noted on. That's true. Councillor Pforr did have a full bundle of all of these. Perhaps we could borrow those to check these because it is best that we don't have any inaccurate copies.

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MR MULHOLLAND: Would you have a look at that material that I've put in front of you and tell us what that is; is that the-----?-- These are the receipts or invoices that I received from Quadrant probably in May or June 2004 which I based my final return on.

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Now, they're 1.13 to 1.29 of the folders which people at the Bar table should have. I tender that bundle of invoices and Quadrant expenditure summary.

CHAIRMAN: That will be Exhibit 83.

ADMITTED AND MARKED "EXHIBIT 83"

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MR MULHOLLAND: Now, I propose to tender - and perhaps I can do this first - a statement of Karel Alexander Weimar of the 14th of October 2005 referring - and this relates to something mentioned on Friday - emails which have been recovered from Mr Betts's computer and four relevant emails have been identified as he says as being relevant to the current investigation. So

I'll tender that statement together with enclosures first, Mr Chairman.

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CHAIRMAN: That will be Exhibit 84.

ADMITTED AND MARKED "EXHIBIT 84"

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MR MULHOLLAND: And I would ask that the witness be given a copy of that exhibit. Just - the emails - first of all perhaps you can just note that Mr Weimar says in relation to these emails in paragraphs 7 and following on the second page the - refers to the emails and then in paragraph 11 says, "I have not edited these emails other than to enlarge the text size and underline Councillor Betts's answers in the Friends of Burleigh email." So just have a look at those emails, can you identify the first one of the 4th of March 2004 being an email that you sent or was sent under - or sent by you, "Regards Greg," under the name of you and your wife-----?-- Correct.

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-----do you see that, "To Sue Robbins"?-- Correct.

And it refers to Jeremy from Rayjon Pty Ltd offering you a couple of thousand for your campaign?-- Correct.

And you indicating that you told him you appreciated the offer but was concerned about public perception to a developer contribution?-- Correct.

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And he said they have other companies and can send the money through and you asked of her, "What do you think, I'll ring you in the morning"?-- Correct.

And did she reply?-- I think we - we spoke on the phone.

Right. And do you see on the next page an email - do you see that?-- Yes.

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"I've already told Chris I don't approve, my suggestion is do not attend, I won't be"?-- Yeah, but that's a different email, that's not related.

Yes - sorry. Well, let's deal with the first one. You declined to accept that funding?-- Yes.

And did you take any step at all in regard to the matter apart from telling the developer-----?-- Well, I told - yeah, I told them I didn't want the money.

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And by looking at that date are you able to say that it was around about that time that that occurred, early March?-- Oh if that's when I sent the email that would be when - when it happened. It probably happened - well, it said I had a call today so that would be the date.

Now-----?-- I think there's a note in my diary of the date that I actually attended the meeting with them.

All right. Do you want to check your diary? Do you see a reference in the 4th - the diary entry for the 4th of March, do you see that, contact Sue?-- Contact Sue re Rayjon, yes, so that's when I've sent the email so it would have been either the day before or - oh okay, well, I'll check this diary. The 2nd of March.

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The email's-----?-- Yes.

-----for the 4th of March?-- Yeah - no, the meeting was on the 2nd.

Right. Well, does that assist you at all in-----?-- In what?--

-----your recollection?-- Yeah. I - I've no loss of memory over it.

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So it was on the 2nd and then you communicated with Sue and she indicated not to go ahead and you didn't?-- Now, the meeting was on the Tuesday and then I got a call from them - and I think I've put this in my submission to you - I had a meeting with them and then the following day they rang me and made the offer to me for funding although the - funding was not discussed at the meeting I had with them - so on the 4th I sent the email to Sue telling her that they had offered me some funding.

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So what was wrong with accepting contributions?-- Oh well, developers are seen as a second-class citizen on the Gold Coast.

So you wouldn't accept a donation direction from a developer, is that what you're saying?-- Definitely not.

But you'd be prepared to accept it indirectly?-- Well, if it was - if I didn't know that the developers were contributing to my - my campaign I would accept it.

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In hindsight, is there anything that you would have done differently in relation to your approach to funding concerning the March 2004 election?-- I would have filled out the forms differently. I - I guess I probably - knowing now what I know I probably would have asked more questions about what were the requirements under the Act. I probably - I guess now I would probably accept donations directly but I still think that a trust fund is a better way than taking them directly.

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Well, do I understand your answer a few minutes ago so far as not accepting developer funding was because of the perception of the Gold Coast, or at least where you resided, and in your division, to developer funding? Is that what you mean?-- Yeah, well, I can't speak for the rest of the Gold

Coast but I know particularly in my division developer funding would have been a real big issue.

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Do you mean the people would have been against it?-- Yeah.

Yes. All right. Now, if you go to the next e-mail there was a - an indication given to you that it would be a meeting of candidates and donors late in the campaign. Is that correct? That is, in the week leading up to the election on the 27th of March?-- There was an e-mail from Chris Morgan I think. I don't know if I can see that here but.

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Yes, referring to the meeting?-- Yeah, but there would be a meeting with people who, I don't know, may contribute to the fund or may have already, I'm not sure exactly whether it was people who had already donated or not.

Now, where was this meeting to take place?-- I'm not sure.

You were invited to such a meeting?-- Yeah, I was invited to go, yeah.

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And what you did in relation to that was to again speak to Sue Robbins about it. Is that so?-- Mmm. Yeah, I thought it was stupid. I thought the whole idea of the trust fund was that we didn't know who the donors were, so I thought it was pretty silly of Chris to ask me to go to a meeting like that, and Sue agreed. I think she bore it up him for it.

Did you know that there were - there was a view that this might assist the donations or promises of donations being fulfilled if there was a meeting between candidates and prospective donors? Did you think that?-- I'm not sure. I'm not sure what Chris's e-mail said. I can't remember the situation, whether I thought that or not. I just knew that it wasn't a good thing to be meeting with donors when you've got an arm's length trust fund.

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All right. Well, the only e-mails that we've got to go on you have a recollection of it, so far as you were concerned, are these e-mails and what we see here is for the 21st of March "re meet the donors", do you see that? Now that's a - that's

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an e-mail in response to an e-mail from you, "Hi, Sue," this is of the 20th of March 2004, "Something I should have asked you about last night. Chris mentioned to me yesterday that there was a plan" - sorry, do you have this?-- Yes, I've got it now.

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"Chris mentioned to me yesterday that is a plan to have the candidates meet some of the donors to the fund. Doesn't this change the fact that it is an anonymous trust account? I suppose it would be okay if these people were not committed yet and therefore technically not confirmed as part of the fund. In this case we would never know if they did end up joining or not, however if these people are already in I don't

think it is in anyone's best interests. What are your thoughts?"?-- Mmm-hmm.

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"Regards, Greg"?-- Yep.

She sends back-----?-- On what page?

On the previous page, her e-mail appears first on page 2?-- Okay, yeah.

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"Greg, I've already told" - this is of the 21st of March-----?-- Mmm-hmm.

-----2004, "Greg, I've already told Chris I don't approve. My suggestion is do not attend. I won't be."?-- Mmm. That's right.

And then on that basis you didn't go ahead?-- No. Well, I didn't want to go anyway and I think she let him have it over that. I think Chris was taking things in his own direction.

20

Again, even at this stage, there wasn't any reference to who these donors or prospective donors-----?-- No.

-----might be or whether developers were among them?-- Sue - Sue knew that I was accepting money from the trust fund because I didn't want to know who the donors were. That was the whole idea behind it. She wasn't going to tell me who they were if she knew.

30

Did you communicate with Mr Morgan?-- About that meeting?

Yes?-- Oh, probably. I probably told him no, I'm not going.

Do you remember any conversation that you had with him once you had made your decision?-- I don't think I rang him. I probably sent him an e-mail saying I won't be going.

40

All right. Now would you go please to this, the FOBA committee. Have you got that page?-- Sorry, what page?

One of 6, Wednesday-----?-- One of 6, okay.

One of 6?-- Yep.

Wednesday the 24th of March 2004, and you see it's from you, Subject, Answers to Questions. See that? Now this is the Friends of Burleigh Association?-- That's right.

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And you were asked to respond and you did so. Can I just take you to page 2. Do you see a reference to Australand?-- At the top of the page.

It's about half a dozen - yes, near the top of the page?-- Australand 15 storey development.

Yes?-- Okay.

So you answered a question in relation to Australand; is that so?-- That's correct. Well, actually, I don't know that that is a question, is it?

Well, you made your - no, no. You certainly responded anyway. You referred to Australand?-- Is that where I said, "The current site is ugly and in need of redevelopment"-----

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Yes?-- -----"that would be good for Burleigh. However, I don't think 15 storeys is the best outcome."

Yes?-- Right.

And then you see as I - that's why I put before you what Mr Weimar said in relation to the underlining. The underlining is your response?-- Yes, okay.

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You see that?-- Yes.

All right. Well, you can - now that I've reminded you of it, this is what you said in response, is it-----?-- Yes.

-----to the Friends of Burleigh?-- Yes.

Now, I want to take you to the - page 5. You see about halfway down - this is apparently from the Friends of Burleigh?-- Well, it's from the committee.

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From the committee?-- Yes.

Right, well, what did the committee consist of? How many people?-- Oh, a handful, half a dozen maybe.

You - at any rate, you were asked to respond and you did?-- Yes, yes.

And one of the things that was said there, "We believe the voters have a right to know about the funding of candidates before the election"?-- Mmm.

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"Will you be releasing your funding before the election?" And then your response, "There have been rumours that some candidates may be funded"-----?-- No, that's not my response.

That isn't your response?-- No. He's underlined it but it isn't my response.

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Right, well, you just tell us what is - what you recollect-----?-- My response-----

-----was the question to you and what you responded?-- Well, that is - that's actually part of the question.

Right?-- My response - it's all about whether I was being supported by developers. "Are you being supported by

developers? Do you know any candidates being supported by developers? If so, which candidates and which developers?" And I responded, "I believe that" - because actually the question is a lot longer than that. It's all about declaration of funds and so on. My response was, "I believe that it would be better to change the system so that all funding for all candidates is declared before the election. My wife and I have spent thousands of dollars on my campaign and we have received support from friends and businesses. All the details will be supplied to the requirements of the law."

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Right. Well now, you had - in making that response, were you intending to be truthful about what had happened?-- Yes, I was truthful.

And did that reflect the situation, in particular, the support that you received in relation to Quadrant advertising and the amounts of \$12,000 that you had received via a trust account - a solicitor's trust account?-- Yes, that's right because I was-----

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Where does that fit into the answer?-- "Businesses"; they're all businesses. I was told that it would be a cross-section of businesses and that's - that was my understanding of who was donating to the trust fund.

Now, that statement that you made there about you believed that, "It would be better to change the system so that all fundings for all candidates is declared before the election." Does that reflect your present view?-- Well, I've got mixed views on that now. I've got a little statement that I'd like to-----

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Well, this might be the time to make it?-- Okay.

What you want to say-----?-- Well, look, I do - I do think it - on the face of it, that makes sense but there is-----

You mean what makes sense? What you said at that time?-- Declaring - no, no, no. You're asking me about declaring funding before the election, right? My answer is that, on the face of it, that does make sense and it makes everything open and accountable. The problem is that some people don't donate if the - if the chances are that their names are going to be published and that's what we found when Mrs Scott was talking about Mr Rix. He didn't want to donate unless he was going to be anonymous because he was worried about the problems that he may have with the current councillor.

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Is that a bad thing? That if people were not prepared to lend their names to any donation, that you wouldn't receive that. Is that a bad thing? Do you think you need to have provision to accept anonymous donations? Is that what your present view is?-- Well, not anonymous donations. You need to know that it's coming from a trust fund or something - you can't just put, "Anonymous gave me so many dollars."

Right?-- There has to be a link somewhere to someone, some entity, and my-----

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Now, you - sorry, I don't want to interrupt you?-- Well, my opinion is that we have political parties that get donations through trust funds and everyone seems to accept that. Just because you're an independent candidate, the law seems to be against those people for getting funding through trust funds.

Yes. But can't you see the difference?-- No, I can't actually.

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Haven't you investigated the difference between the funding which goes to political parties and what occurred in this instance?-- No.

You haven't?-- No.

Well, do you know that in relation to funding so far as political parties are concerned, that they are also covered by an Act of Parliament and that the fund would have to declare, by way of a third party return, the receipt of funds during an election period, the same period basically as local councillors have to. Are you aware of that?-- Well, I'm aware now and I'm aware that in our case with-----

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And can I just put one further thing to you in asking you to comment? Are you also aware that the public would therefore know once that declaration had been made who gave funds in relation to that particular election-----?-- Well, I-----

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-----and they would know, therefore, that those donors - that those donors were supporting that political party at the election?-- Right.

Now, I wanted to put that to you-----?-- Okay.

-----before you respond in suggesting that it's just the same?-- Well, I think there's about three or four questions there but I'll give you my opinion.

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Okay?-- My opinion is, as I've said, that - and this is my opinion - I don't know what the law says - that political parties get their donations through trust funds and that - and I now understand that they have to declare those funds via a third party return at the end. Now, I also understand that the Lionel Barden Trust Fund had to declare those donors in the end as well. I wasn't aware of that at the time. I'm aware of it now. But it really doesn't change things because whether you're a political party or whether you're a Lionel Barden Trust Fund and your third party donors are declared on a return form somewhere in - whether it's the Electoral Commission or the Council, how many people are actually going to be interested in looking at that? I don't think there's going to be too many. There will be some but, in the end, when the newspaper comes out and prints it, that's when people see it. Some people are interested, some people are not. Mr

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Chairman, is it okay for me to just read out that bit
that-----

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Well, just - hold on, just before you go on to read out what you do I want to bring you back to this point that I'm trying to make with you which you may or may not accept but what I'm suggesting to you is a very real difference between the political party situation and the situation here is that in relation to the political it would be known after the return was put in by the third party that the donors were supporting all of the candidates within that political party at the election whereas if you have a situation, as happened here, such as a third party fund going in - and leave aside the publicity which occurred which revealed all this before the election - because there didn't have to be a reference to the donee in the third party return you would have a situation where people couldn't connect up the dots-----?-- Well, I disagree with that.

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-----so that makes it a very different situation I suggest to you, Mr Betts?-- No, I disagree with that because if - if I have to put in that the Lionel Barden Trust Fund is the donor and they have to put in a third party return with all those companies that put the money in that is a link.

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But what we have here, you see, is we have a whole number of different people being shown as who gave the funds?-- Okay. Well, I'm not saying that's right. I think we've all misunderstood what we were required to do. But that's not really what we're talking about here, we're talking about the philosophy of how electoral donations are deposited either through a political party or a trust fund for individual candidates and I'm saying to you as a person on the street I don't see any difference, all right, and really what - what is important here is how the public perceives it and the public doesn't see any difference.

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What I'm suggesting to you here - and you can make whatever answer you want - I'm suggesting to you that this was no trust fund at all, the reference to a trust fund was a complete sham?-- Well, you can make that suggestion, I've got no idea what was there and what wasn't.

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This is not a case whereas in political parties as you have referred to you have a trust deed showing who the trustee is and the beneficiaries, it's nothing like that at all, you didn't even ask to see such a document, Mr Betts?-- That's right and do-----

You couldn't have cared less?-- That's right, you're correct. I couldn't have cared less. And I would ask you does every candidate who stands for the Labor, National and Liberal Party ask to see the trust deed; what's your answer to that?

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Well, I can't answer questions?-- Thank you.

But what I'm suggesting to you is that the trust deed would have to be referred to - that is to say, in the third party

return it would have to be made clear absolutely who the donors were and people could see who had benefited - in other words, the people who would wear the political cost if there was a political cost would be the candidates but what you left open here was a situation where you didn't have any trust deed at all, you believed at some stage apparently that there was a trust fund but you never checked to see whether there was such a trust fund or not, did you?-- My answer to that is that no, I didn't check and-----

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Well, there's something different-----?-- Hang on, just let me finish my answer. I didn't check and my responsibility is not the third party return, it's my return. If those people fill out their return incorrectly that's their problem, not mine. But the link is there. I put down the Lionel Barden Trust Fund and the Lionel Barden Trust Fund will put down the donors who are in it.

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Yes. Now, you have a statement there, do you want to refer to that in the answer to the questions that I've asked you?

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CHAIRMAN: Can I ask how long this statement is because really-----?-- Oh it's only - it's only a short one, Mr Chairman.

MR MULHOLLAND: Well, can we tender it perhaps, would you be satisfied if you tendered it so that it be - it could become part of the record?-- Well, if I did I'd prefer to type it.

CHAIRMAN: Well, could you type it up and produce it to the Commission, I'm very happy to receive any submission from you with respect to any recommendation that you might make to us as to how the law should be changed?-- Okay.

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MR NYST: Sir, I'd like to hear it before I cross-examine Mr Betts.

CHAIRMAN: Well, you can read it then, we can produce it at the moment and you can type it up later to get into a tidier form for presentation but Mr Nyst then can read it before he cross-examines you?-- Mr Chairman, would it be a convenient time to read from my media excerpt that I was going to address on Friday?

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Look, I'm not wanting to take up time here with the difference between how political parties do it and how independents have to do it-----?-- No, that-----

-----that's a matter that will have to be addressed at the recommendation stage, this Inquiry is basically at the investigative stage here and I'm really quite concerned at how long it's taking. I'd like it to move along as fast as we can, thank you?-- Can I just make the point then, Mr Chairman, that the reason why I brought that in is because it explains-----

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I think you've made the point-----?-- No, it is a different point.

-----it's quite clearly that Mr Beattie said he didn't know the names of the trustees or whatever-----?-- And he wasn't interested.

And I could accept that?-- Okay. It's the same as - same position I have.

MR MULHOLLAND: Well, Mr Chairman, perhaps on the same basis Mr Betts wanted to tender a transcript of such an interview with the Premier.

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CHAIRMAN: Yes, we'll take it as an exhibit to get it in. Move on so we can deal with it quickly.

MR MULHOLLAND: And that would be tendered as part of the same exhibit.

CHAIRMAN: Well, Exhibit 84 will be Mr Weimar's statement.

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MR MULHOLLAND: Yes.

CHAIRMAN: So it will 85 for this transcript.

ADMITTED AND MARKED "EXHIBIT 85"

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CHAIRMAN: It's just - I am getting concerned about the time all this is taking, we've got quite a few witnesses and we need to move on.

MR MULHOLLAND: Yes. That's all we have.

CHAIRMAN: Do you want to go first, Mr Nyst, or would you prefer to wait until you've read-----

MR NYST: I'd prefer to wait provided it doesn't end up delaying-----

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CHAIRMAN: Yes. All right. Is there anyone else who desires to ask any questions of this witness?

MR WEBB: I have no questions.

CHAIRMAN: Mr Fynes-Clinton.

MR S FYNES-CLINTON: No, Chairman, not today.

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CHAIRMAN: No-one else? We'll adjourn for five minutes while you read that and come back when you're ready.

MR NYST: Or I can get started if you'd prefer and-----

CHAIRMAN: Well, will you take up till 1 o'clock with all the questions?

MR NYST: I think I probably will.

CHAIRMAN: Okay.

MR NYST: But I'm happy to get started-----

CHAIRMAN: All right. Well, if you finish everything else then we'll perhaps adjourn early and you can read it and we'll resume a bit earlier.

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MR NYST: Mr Betts, you told my learned friend that you announced publicly your intention to run in July 2003; that's right, isn't it?-- That would be correct.

And you hadn't met Councillor Power before that time, had you?-- No, I didn't.

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Pardon?-- No, I didn't.

And certainly it's the case I take it that you'd had no correspondence with him of any kind?-- None at all.

And he certainly didn't recruit you in any way, shape, manner or form to run as a candidate?-- Well, that was impossible, he didn't know who I was.

Didn't know who you were. And your decision was made by reference of those family and friends, was it?-- Yes, it was totally independent of anyone.

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Right. You were referred to Exhibit 80 which was a receipt for your nomination fee, I think, and I think you said that that money was ultimately paid out of funds that you received from Quadrant; is that right?-- Well, actually, it was the funds received through the cheque from Hickey Lawyers.

Right. But I take it that had you got that money or not, you would have nominated the proceeded?-- Yes, yes. I'd already started my campaign before I got money from them.

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Okay. All right. Well now, you said that you spoke to Councillor Robbins. This is long before you met - long before the Quadrant meeting of 16th December, wasn't it?-- I believe it was 27th November I met Councillor Robbins or spoke to her for the first time.

27th November. And up to that point, you hadn't met David Power?-- No, not at all.

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And did you meet him for the first time on 16th December?-- Yes, at the Quadrant meeting.

At the Quadrant meeting. All right. Well, you spoke to Councillor Robbins and I think you said you found that you were like-minded and in particular you said we agreed that the

Gold Coast was exploding development-wise, and I think you said something about you thought that development should be slowed down to allow infrastructure to keep pace. Is that a fair assessment of what you said?-- That would be correct.

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So, you would not describe yourself as a pro-development person; is that right?-- Definitely not.

I think in the material that you sent to the Commission - this is at page 2 of your statement - you said, "I admit to being pro-business and I'm also pro-community but I'm not pro-development."?-- That's correct.

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Well, when you talk about being like-minded with Sue Robbins - this is late November believing you were like-minded - do you mean that you were like-minded in the sense that you believe that some brakes needed to be put on development in the city to allow for better outcomes?-- Well, we discussed infrastructure and the fact that it was a big issue of the community. There were issues of road and water supply that were big issues and that development didn't slow down - the infrastructure wasn't catching up with the fact that development was running ahead.

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Right?-- And roads and water weren't catching up with it.

Well, you more or less behaved consistently with that since you've been in Council, haven't you? You're very much a person that believes in better outcomes, in particular here I'm talking about the development side of things?-- Well, yes, but I've since found, being a councillor, that you can't just say you can't have development. It's not as simple as that.

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Yes, but sometimes you've flown in the face of even Council recommendations where you've felt that relaxations, for example, although consistent with the town plan and consistent with the Council officers recommendation where you've thought they weren't getting necessarily the best outcome?-- Yes, that's correct.

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You have a saying or a view, don't you, in Council: why should we be giving relaxations for what people should be achieving as a matter of course?-- Yeah, that's correct.

Is that your stance?-- Well, the case of giving relaxations generally would be that there would be some sort of public benefit as a trade off.

Right. But so you're anything but a gung ho pro-development councillor, aren't you?-- Yeah, not a pro-development councillor.

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All right. Well, you say then - you told my learned friend that Councillor Robbins contacted you on 27th November, I think you said. You were moving house that day. In your statement to the Commission, you said this at page 11, "Sue called me and said there was going to be a meeting at Quadrant to talk about campaigning and to discuss the possibility of

campaign funds being offered by a cross-section of business. She told me that the business people of the city were sick and tired of a Council that would not make decisions on the big issues and they were prepared to put in money to support some fresh blood." Do you see that?-- Words to that effect, yes.

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Right. And she did say that to you, did she?-- Yeah, yeah, she did.

When she said to you that business people of the city were sick and tired of the Council - and I'll come to the rest of it in a minute, but sick and tired of the Council, did that accord with messages you were getting from the community?-- Yeah, the community hated the Council.

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Well, you say in your statement, you go on to say: sick and tired of the Council that would not make decisions on the big issues. Did you agree with that when she said that?-- Yes.

And what did you understand to be a failure to make the decisions on the big issues?-- Well, particularly with not raising the Hinze Dam. Since I've been in Council, I understand that things do take time, but the Council wasn't putting out any particular stance on raising the dam. There was a lot of talk about a pipeline from Wivenhoe, but in the eyes of the community the dam needed to be raised to stage 3 and the Council weren't making any noises about that at all.

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Okay. Any other issues that you meant when you were talking about not making big decisions?-- I can't think of anything off the top of my head at the moment, no.

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Well look, you did meet on 16th December?-- Yes.

And you said by that time you had - you had never met David Power before then or had any correspondence with him?-- No.

Is that right, to your recollection?-- No.

But you'd had enough contact with Ms Robbins, I take it, for her to have made some assessment of what your general modus operandi was?-- Well, I'd met her; I had probably an hour or more meeting with her and then a couple of phone calls in the mean time after that as well.

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And you'd had discussions, had you, about-----?-- Yeah.

About various issues including how people ought to behave, and so forth?-- Well, particularly what was going on in the Council and the issues at hand for Council.

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You'd had enough contact with her, I take it, for her to have made an assessment of you as a sensible, level-headed, polite person?-- I believe that's what she thought.

And would you count yourself as that?-- I would say so.

And you'd had enough discussions with her - I should say, in your discussions with her you'd made it clear to her, had you, that you thought that the development industry needed to have some brakes put on it to ensure better outcomes for the city?-- Well, I felt things like - and I think I mentioned it in my website material that there were subdivisions being built where the roads were too narrow and, you know, that - that was a particular thing that I knew about through my personal experience.

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Yes?-- And that was one of the things that I mentioned to her at the time.

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But you also believed, didn't you, that development had to be slowed to allow for infrastructure to keep pace?-- Yeah. Well, I mean, it's a big call with the water situation. We were in drought at the time. People were worried about the water.

Yes?-- And the subdivisions were still going ahead.

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Well, had you made these things clear to Ms Robbins prior to the 16th of December?-- Yeah, for sure.

Well, then, at the meeting of the 16th of December you told my learned friend that - you were giving your recollection of what happened, you said, "We all went into the boardroom, we all stood up, said something about ourselves and our campaign, what we'd done so far," and by that you mean in terms of campaigning, do you?-- Well, what we'd done as in had we had any material out in the public, you know, had we - what had we produced as far as advertising, business cards or flyers or anything like that.

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Right. You weren't asked what your policies were, were you?-- No.

And you weren't asked whether you were pro-development?-- No. Well, I wasn't - I wasn't asked about whether I was pro-development but actually when you're talking about the policies I think that document that we referred to earlier where I believe Chris asked me to number those - those issues in order of what I thought was the public opinion on them.

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Yes, but you weren't asked whether you were pro-development?-- No, no.

And in fact, if you'd been asked you would have told everybody at the meeting that you thought the development industry needed some brakes put on it?-- Yeah. Yeah.

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Well, you told my learned friend that there was discussion about bad publicity in the council, bad behaviour by councillors. Is that right?-- That's correct.

Well, I suggest that at some stage David Power said words to this effect, "We've got some serious behavioural issues with

some of the councillors in council at the moment"-- That sounds like something he'd say.

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He said that he felt that the council had been hitting the headlines for all the wrong reasons?-- Yeah.

And he said words to this effect, didn't he? "The reason we're speaking to you guys is because you appear to be sensible, rational, well-behaved people and we're anxious to end up with a council that knows how to behave properly and professionally. We want to be surrounded by councillors who have some dignity."?-- Well, that sounds very much the tone of the meeting.

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Right. That was the message that was coming across-----?-- Yeah, yeah.

-----from Power at least, is that right?-- Yeah, yeah. All of them were in agreeance on that.

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All right. Well, you said in your statement at page 4, the statement to the Commission, "I was told that the business community was sick and tired of squabbling, the squabbling within the ranks of our council and believed that it needed fresh blood." That was true, was it, that's what you were told?-- Yes, it's true.

And did you believe that was so?-- Yes. It was - it was ongoing in the press, all the personality clashes and the - well, the meetings that weren't exactly professional type outcomes that they were having.

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And you said in your statement, "Decisions were being put off because they were controversial and the city was stagnating politically"?-- Well, I believe that a good answer to that was the dam, that they weren't making decisions on that. There was a lot of discussion in the public arena about the Surfers Paradise traffic management scheme. They were going through the stage where the traffic was horrendous in Surfers at that time and the general public felt that the council weren't addressing it.

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Right. Well, what you're saying is that was what was said to me and not only was it said to me but I knew from my own experience and contact with the broader Gold Coast community that that was - that was a view of a lot of people?-- Yeah, that's correct.

Your statement goes on there to say, "The councillors that were present advised us that we'd not be expected to vote on any issues in any particular way. What was needed in the city was a few more people with a bit of common sense." Well, that was said to you? That was in your statement?-- That was impressed upon us that we wouldn't have to vote in any

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particular way, and I think - I think just about everyone from the candidates at that meeting was keen to find out, you know,

were we expected to be voting in the lines of these people who were asking us to come to the meeting.

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Yes. Well, we'll come back to the voting issue shortly but I'm more bringing your attention to what you said in your statement about what was needed in the city was a few more people with a bit of common sense?-- Right.

Now that was said at the meeting?-- It was, yes.

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And was that your view?-- Yes.

And was it a view that you'd heard regularly expressed throughout the Gold Coast community as you moved around?-- Yes, it was a common theme. Yes, it was a common theme throughout the city.

Okay. Well then, on the issue of voting, you say you were - you weren't expected - you were told you weren't going to be expected to vote in any particular way. I suggest Mr Power said words to this effect, "We're not looking at forming any sort of a ticket or alliance. People on the Gold Coast expect their councillors to be independent so it's very important that you remain independent at all times." That's right?-- Yeah, that's true.

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But he went on to say, "But at the same time you don't have to be discourteous or disruptive in the process. If you've got a different opinion to someone else, that's fine, nobody cares, but if you've got a different opinion logically and sensibly you don't attack your fellow councillors and grandstand in council for purely political reasons"?-- Well, that was the big problem, that sort of thing was happening and I think the business community were embarrassed by the council because of those sorts of goings on.

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Well, you're there agreeing-----

CHAIRMAN: Look, you've got to be careful here. You're not being asked whether - what was said was correct. You're being asked whether Councillor Power said that at the meeting?-- Oh, okay, right.

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So it's just a matter of whether he said it?-- Okay.

You don't have to tell us whether it's correct or not?-- All right, okay.

MR NYST: Thank you, sir. I was going to say, I take it from that you're agreeing with me, are you, that-----?-- Yes.

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-----the councillor said that or words to that effect?-- I believe so, yeah.

Right. And beyond that your experience in the community told you that was true?-- Yes, it did.

Okay. Now you said Chris Morgan was trying to lead the discussion. Is that a fair - he was trying to lead the discussion-----?-- Well-----

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-----but Sue Robbins was butting in from time to time?-- Yes, I believe Chris thought he was chairing the meeting but Sue didn't think so.

Took over. Okay. But he, Morgan, talked about campaigning and what the - what the quadrant could produce. He seemed to be wanting to talk about those issues whereas the councillors were talking more about door knocking and their own election campaigns?-- Well, I think Chris's point of view - he was there as an advertising person, to try and get messages that he wanted to get out in any advertising that he would be doing whereas the councillors were there to assist us with information on to help how to run a campaign.

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Yes. The actual practicalities of door knocking-----?-- Yeah, exactly.

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-----or perhaps how you might draft a leaflet or-----?-- Yep.

-----something like that?-- Exactly.

But none of the councillors were interested in talking about issues or any sort of political platform of any kind?-- No, only that we needed more common sense people in the council-----

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Yep?-- -----to make, you know, a better professional image for the city.

Yeah, needed people to be more sensible-----?-- Yep.

-----But nothing beyond that?-- No.

Okay, now, you told my learned friend that you didn't - you don't really recall whether the talk about funding was at the first meeting or the second meeting. I suggest to you that Mr Power, at least, referred to funding in this sense. He said at that meeting words to the effect of, "Business is very keen to ensure that we get our act together. We're hoping the business community might put its money where its mouth is to some extent and support sensible candidates and I'll be doing what I can to let my contacts within" the business, sorry, "within business on the Gold Coast know who I think the sensible candidates are"?-- Well, that - that could have been at that meeting or the second one but it's more likely that that happened at the first meeting.

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Well, you went to the first meeting thinking you were going to hear something about funding?-- Yes, I did.

And you heard, I suggest, something about funding in that sense that Mr Power said, well, we're going to do what we can to get out there and see whether or not we can get the business community-----?-- Yeah, yeah. Well, they-----

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-----to put its money where its mouth is?-- Yeah. My understanding was that there wasn't any confirmed funding as yet but that it was going to be sought.

Now, at some stage, you got to understand that the money would be put into a trust account, right?-- Correct.

And you've said earlier in evidence, "I didn't ask about specific donors. That was the whole reason I accepted it because I wouldn't know who the donors would be"?-- That's correct.

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I think - I think you said Sue Robbins told you that that was a good idea, not to know who the donors would be?-- Yes. Yes. Sue invited me and explained those things to me.

Right. She told you, I take it, something to the effect that it was coming from a solicitor's trust account. You wouldn't need to know who they were - who the donors were and you didn't - you wouldn't need to disclose who the donors were?-- Well, that was my understanding. She explained it to be the same as a state politician or the current Mayor, Gary Baildon, how he ran his campaign.

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Okay and you liked that idea didn't you because you felt, if I don't know who's giving me money I can't beholden to them, nor can there be any perception that I would ever be beholden to them?-- That's correct.

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I think you expressed it in your statement at page 4. "That was what I liked about the trust fund concept. I was accepting funds at arm's length. Nobody had control over me and I didn't owe anything to anyone."?-- That's right.

That was your - your sincere belief wasn't it?-- Well, that was the understanding that I took the money under.

Well, now, there was later a suggestion that - that you might go to a meeting and meet with some of the donors and I think you were - you were asked about Exhibit 84. The e-mail of the 22nd of March. It was an e-mail inviting you to the meeting and I think my learned friend, Mr Mulholland, asked you if you knew there was a view that - there was a view that meeting with the donors would be a good idea to get them over the line or to promise donors would be a good idea to get them over the line. You said you weren't - you weren't sure that that was what the view was. What you do know is this isn't it? If there was such a view, if anybody held the view that it would be a good idea to meet the donors and know who they were to get them over the line, that certainly did not appear to be Sue Robbins view?-- I - Sue was totally opposed to that night. It's my opinion that Sue got the whole meeting canned.

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It was a view that was put - sorry, the proposal was put to you by Chris Morgan that he was going to organise this meeting?-- Yes.

But as soon as you referred that proposal to Sue Robbins she was quite strident in her objection to it?-- Yes, definitely. 1

And so far as you know she canned the meeting?-- Yes.

And it was apparent to you wasn't it in the discussion that it was never her idea that it would be good for you to know who these individual donors were?-- No. She-----

Quite the opposite?-- Yes, the opposite. Definitely. 10

Right. Well, what she seemed to be thinking all the way along the line was that you'd never know who the donors were-----?-- Correct.

-----and therefore you couldn't be beholden to them or perceived to be beholden to them in any way?-- Correct.

Now, you've told us that you didn't think that people would find out eventually who the donors were?-- Well, my understanding was that the - the donors would be to me, it would be the trust fund. 20

Yes?-- That that was what I would be declaring.

You didn't realise that if there was a need for the solicitors to do a third party return, you didn't realise that there was?-- No, I found that out after the election.

Right. Well, I take it that your understanding of that came from Ms Robbins, did it?-- That their solicitors would have to fill out a third party return? 30

No, no. That the solicitors were exempt, that this money that was going into the trust account would be exempt from any third party return?-- Well, that was the impression that she gave me. I - that's where I got it from.

That's where - that's - you got your view on, sorry - I should ask you the question. That was your view, was it, that the solicitors trust account would be exempt from any third party return?-- I've never heard of a third party return so I didn't----- 40

I see. Well, in any event, your view was that nobody was ever going to have to do-----?-- That's right.

-----any return on what was in the solicitors trust account?-- That's correct. 50

And you got that from-----?-- From Sue.

-----your discussions with Miss-----?-- Yeah.

-----with Councillor Robbins. Well then, going on to the meeting of the 8th of January - oh at that meeting - I think you told my learned friend that Sue Robbins commented that

Roxanne Scott looked like a good little Labor Party girl-----?-- Yeah.

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-----in her red dress, is that right?-- Well, I - she was having a joke with her because Roxanne was in the Liberal Party but I didn't realise that at the time so I didn't get the joke.

Well, you didn't even know what Roxanne's politics were?-- No.

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You've since found out-----?-- No, we never discussed that.

Sorry?-- We never discussed that.

You've since found out that she's a Liberal party person but at that time you didn't know because you hadn't discussed it you say nor had you discussed the politics of anybody at the meeting-----?-- No.

-----is that right?-- No, I didn't know what any of them thought of anything.

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So no discussion about politics, no discussion about policies?-- No, it was only general discussion on the Council and there were some issues like water and so on that were discussed as Council issues but - but not political ideologies.

There was no discussion nor from what you could see was there any attempt by any of the Councillors to initiate any such discussion?-- No.

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The discussion only being that you were like minded in the sense that you were all sensible rational people, is that fair?-- We were like minded in the fact that we all agreed that the current situation wasn't a good one for the city.

Well, you weren't asked to vote in any particular way?-- Not at all. We actually asked them if they would be wanting us to vote with them if we were elected into Council and they were adamant that that was not what that meeting was all about, they didn't want us to vote with them, they wanted us to be independent and vote our own particular way and they even said that they don't vote together all the time either.

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Have you found that to be the case since you've been in Council?-- Yeah, I have. I have.

Are you on the planning committee?-- Yes.

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It's not uncommon in the planning committee for you to vote contrary to David Power who's also on the planning committee, is that right?-- Yeah, that's - that's happened on numerous occasions.

And the same with Ted Shepherd-----?-- Yes, I've-----

-----it's not uncommon for you to vote-----?-- -----recently voted against him on issues.

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-----differently to him and it's not uncommon for Power and Shepherd to disagree?-- Yes, it's a matter of course really. I mean, most of the decisions that we make are based on officers' recommendations and I would say in most of the cases we - we don't have reason to do too much question to the recommendations so we - we vote with them.

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It's generally pretty simply, isn't it?-- It is.

The Council officers normally recommend in terms of what the scheme is and so forth and you're looking-----?-- Yes. Generally - yeah, people have an opinion that varies on different issues and we discuss that in the meeting. If we have an opposing view to the officer we'll put it forward. The issue is debated and we take a vote on it after that.

By the way, the vote on the - in the committee - committee level - the planning committee - the vote isn't recorded unless a division is called, isn't that right?-- Yeah, that's correct. It's the same in the Council meeting.

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And in committee you can't call for a division although you can if you want to have your name recorded as opposing?-- Actually, the CEO did explain to us at one point that his understanding was that you can call for a division in a committee meeting but no-one ever does it, they just - if they don't agree they put - put their name down as voting against usually.

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All right. Well, invariably in your experience the vote is not recorded at committee-----?-- Oh look, there's been cases where I've voted against an issue and Ted Shepherd, the Chairman, will ask if I wanted my vote recorded against and I've said no, that's fine. I just wanted to make my vote against.

And is it correct to say that it's only a very, very small percentage of matters that come before full Council where a division is called and a vote recorded?-- Well, it seems to happen - it happens just about every meeting we call a division on the planning agenda but that's not a single decision, that's just adoption of the whole agenda for the planning committee. That happens at every meeting - generally - but otherwise out of the number of decisions that are made and the resolutions that are passed very few have a division called.

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Is it correct to say that in virtually every planning committee matter - every matter that goes before the planning committee - the vote in full Council to accept the committee's recommendation is unanimous in virtually every instance?-- Unless there's a contentious issue with one of them, they - they get - well, basically they get voted through - we don't vote on individual issues unless - individual applications

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unless there's an issue with one of them, we bring it up separately.

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It's very rare, isn't it, normally those planning committees are following the recommendations according to the scheme and so forth?-- Out of the 12 to 15 applications that we look at each week there may be one or two that we have to discuss at the full Council.

But ultimately following discussion it's very rare for there not to be unanimous acceptance?-- Oh I wouldn't say that. There's - there's usually - if there's a contentious issue then it would normally be unanimous that everyone agrees with it. People vote their own ways.

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I was going to go onto another subject now, sir.

CHAIRMAN: Yes, 2.15 thanks.

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THE HEARING ADJOURNED AT 1.00 P.M. TILL 2.15 P.M.

THE HEARING RESUMED AT 2.21 P.M.

GREGORY JAMES BETTS, CONTINUING:

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CHAIRMAN: Thank you, Mr Nyst?

MR NYST: Mr Betts, earlier on today you were asked about Exhibit 14. Could the witness see Exhibit 14? That's the document that - I think you said you saw it in Mr Morgan's evidence?

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MR WEBB: Office.

MR NYST: No, Mr Morgan's evidence forwarded to the CMC and you hadn't remembered it before that. Do you remember saying-----?-- Are you talking about the list of-----

Perhaps we better - to be fair to you, have it now in front of you?-- Thank you. Yes, I saw this in Mr Morgan's CD evidence.

Evidence, yes. And you said something to the effect, "it may be remembered, there was something on the desk and it most probably was that document. Do you remember saying that?-- Right. Yes, I do.

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I take it from that, that you don't really remember that document itself?-- I hadn't remembered it until I saw this on Mr Morgan's CD. It did look vaguely familiar, but having

looked at this, this morning, I recognised my own writing on it.

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Okay. You might recognise your own writing but I'm interested in the comment you made, "It may be remembered there was something on the desk and it most probably was that document." Are you simply saying "it may or may not have been that document, I really can't say with certainty"-- I - well, now that I've seen my writing on it I would say it would have to be but I don't remember talking too much about this document at the meeting.

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Okay. Well, obviously in any event you've said you didn't attach much weight to it at that meeting?-- No.

Is that - is that the case?-- No, well, it - I guess Mr Morgan thought the meeting was about this but we didn't end up going in that direction. The councillors who were there sort of took over.

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Okay. Well, on that score Mr Morgan, I think you said, made some attempt to speak to a document or the document, he had a document there that he was attempting to speak to but he wasn't successful, you said, because Ms Robbins - you think probably because she was speaking over the top of him?-- Mmm, correct.

And you're saying, well, it may have been that document that he was attempting to speak to?-- I believe so.

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But Councillor Robbins was - spoke over the top of him, you think?-- Yes, numerous occasions.

And you said the councillors there weren't interested in what he had there and by that you, as I understand it, meaning that document?-- Yeah.

The councillors didn't seem to be too much interested in what he had in that document?-- No.

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You said "this was his idea or this appeared to be his idea of the method he was going to get - methods he was going to use but I don't think this was the idea of the other people at the meeting." So from all of that do I correctly glean that you got the impression that Morgan had created a document that he wanted to speak to that he was of some use but nobody else seemed to be much interested in it at all?-- Well, that's pretty close to it. He being an advertising person created something to work from.

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Yes?-- And I think he wanted us to give him some direction.

Right?-- Based on this document.

Right. In particular his ideas seemed to be a little out of sync with what the councillors wanted to talk about?-- Yeah, they were talking about campaign techniques and so on and he was more concerned with advertising type-----

Yes, yes, okay?-- -----information.

Well, you said to Mr Mulholland, "I don't recall anything being said about a joint advertising campaign" or-----?-- No. No, there was no discussion over us all having a - you know, a singular campaign for - like, as in a group campaign. We were going to use Quadrant as an advertising agency on an individual basis.

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There was no suggestion in particular by Power or any of the councillors there that there would ever be any sort of joint platform or grouping of you-----?-- No, not at all.

-----at all in the-----?-- Not at all.

In the election?-- No, it was - it was the opposite. They said to us that we were not to consider ourselves as a group, we were independent and they didn't want to form a group. They-----

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Right. And as it transpired there was no joint advertising?-- No.

But you said that there was a lot of talk about common sense at that meeting?-- Yeah, it was quite a large part of the discussion.

And indeed that didn't surprise you, did it, because common sense had been very much the topic of the day out there in the community at the time?-- That's correct.

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A lack of - the perceived lack of common sense by some councillors and the need to inject such common sense into council?-- Well, it was a - I guess, a catch phrase that summed things up fairly simply.

Right, okay. Now, still staying with that document, do you remember Mr Mulholland asking you some questions about the consensus on issues part, and I think you said that may have been touched on and that's when you-----?-- Yeah, I-----

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-----thought you recognised your numbering and said he must have asked us what the top issues were and handed it back to him, something like that?-- Yeah, I believe that having seen my own writing on the paper.

Yes?-- It made me recollect that we must have been asked to give them some sort of a rating on these particular issues. As I say, he was - he was after a direction from us, what was the community feeling on different issues, what were the top issues within the community.

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Well, you say you must have been asked - I take it you don't actually remember being asked?-- Oh, no, no.

All right. I mean, it may be, mightn't it, that you've just, at some stage yourself numbered that down the page?-- Well, I

can't remember being asked to do it but I don't know why I would have done it otherwise.

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Okay. Well, the point being you really don't remember?-- No, I don't remember a lot about the whole thing.

How that numbering got onto the page?-- No.

Okay?-- It wasn't a - it wasn't a major part of the meeting.

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Right. And on the - on the topic of Objectives which is on the first page, I think you've said you don't remember any talk on objectives. The fact of it is that there was no discussion was there on any of those dot points on that first page?-- I don't recall any discussion on that at all. It may have been that we, throughout our - our discussion that just flowed those things may have been touched on but it wasn't - we didn't go through it like a normal meeting agenda that we have to touch on all of these points and discuss them.

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There was never any suggestion by Mr Power or indeed any of the councillors at that meeting that you were going to somehow try to achieve a consensus amongst a select group of councillors, was there?-- No. In fact, there wasn't consensus when they argued about an issue.

Okay. The whole conversation, the whole slant of the discussion was on the basis that all that was being asked of you was that they were looking to see sensible people in Council and therefore wanted to support you?-- Yeah. I believed that they felt we were people who were already running a campaign and that at some point must have been spoken to by someone and someone had made a decision that these people were sensible and were supporting.

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Okay. And flowing from that, you told Mr Mulholland, "I wasn't part of a group, but at the meeting, particularly the December meeting, it was impressed upon us we were not part of a group, we were independent candidates."?-- That's right.

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And I think you later went on to say when someone asked were we going to be asked to vote in a particular way, and the answer was definitely no. That's the effect of your evidence to Mr Mulholland?-- Yes.

And that is so, is it, that there was a very clear message coming from that meeting that there was to in no way, shape, manner or form be any kind of a voting bloc in Council?-- I think that particularly myself, I can't speak for others but I'm sure they all felt the same way, that we wanted to know that if we'd gone to hear about some opportunity for funding that we got that clear, that we wanted to know: if you're going to offer us funding, are we going to have to vote your way to get it.

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And the answer very clearly was you were not?-- That's right. It was clear.

And in fact the opposite was stressed, wasn't it, that you had to remain independent?-- That's right.

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You told Mr Mulholland that in that context Councillor Robbins told you you were not part of a group and you said, "After we saw the headlines regarding the Virgin Army Group, I suggested we form a group," and you said, no, we were to remain independent. What was that reference to the Virgin Army Group?-- Well, there was a newspaper ad - sorry, not an add - I guess it could be, an article that came out on 26th December '03 with a group of candidates who were running in the election and that group had been dubbed the Virgin Army because none of them had had any political experience before, and then there was an article sort of, I guess, more elaboration on each of the individuals further back in the paper and how they were, you know, what their objectives were, and so on.

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Were any of those candidates elected?-- No, I don't think they were.

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All right. Now, in your - sorry, I withdraw that. You were asked, weren't you, about Exhibit 84 which is the email or the bundle of emails. One in particular I was interested in was the one of 4th March 2004 regarding the request or regarding the rage on request for funding?-- Yes, okay.

For wanting to give you funding, I should say. That was a matter that you volunteered on that to the Commission, didn't you?-- That's correct.

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I think you raised that at page 4 of your statement, didn't you; you told them that you'd been approached or there had been an approach from Rayjon to pay you some money?-- Well, actually, I approached Rayjon after advice from Judy Gammon who used to be the Member for Burleigh previously, and she suggested I give them a call and go and meet them.

Yes, but you went to the meeting, but then after that they approached you about-----?-- They phoned me and offered me some funding.

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Take some funding, and you were disinclined; is that so?-- Yes, that's true.

And did you say that they then suggested that you might - that they might pay it through another name or another company and that's what you contacted Ms Robbins about?-- Yes, they said that they had a number of companies and that if I chose to, they could put it through a different company.

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Yes. And you contacted Councillor Robbins, I take it, to inquire what she thought of that proposition that you might misrepresent, you might be part of a misrepresentation as to where the money was coming from?-- I guess you could call it that.

And she was quite clear in her advice to you that that was inappropriate, wasn't she?-- Yeah. She didn't think it was a good idea.

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I take it specifically because there was some suggestion that it would be in some way misrepresented?-- I don't think she had a problem with me taking a donation directly from the company if they offered it to me, but I don't think she liked the idea of them hiding it behind another company.

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Exactly, and that's what you went to her to ask advice upon, wasn't it?-- Yeah.

I mean, you'd have no objection, I take it, to accepting donations from anybody in the community?-- I think I probably wouldn't have accepted a donation from Australand because of the situation in Burleigh at the time.

Okay, all right. But there might be some specific examples?-- Yeah.

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That's probably badly worded, but apart from some specific examples-----?-- Yeah.

-----I suppose there'd be some nefarious people that you might not want to accept money from?-- Mmm.

But by and large from any reputable, respectable person in the community, you'd be happy to accept donations from them?-- Well, I would, but I didn't accept it from them because, again, you know, there's this perception about developers. So I tried to stay away from it.

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Yes. But here it was more than that, wasn't it. When you went to Ms Robbins, or Councillor Robbins for advice, the real issue at that point was that they were suggesting that they'd pay it to you but you'd somehow misrepresent where it came from?-- Well, yeah, that was the thrust of it.

And she advised you against that?-- Yes.

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In your statement - at page 2 of your statement to the Commission you say this, this is in the third paragraph on that page, "My opinion is that this investigation has been the result of a minority group of Councillors and their supporters mostly failed candidates from Council and State elections who have the total support of the media because of the conflict that it has caused in Council." See that?-- Yes.

What do you mean by that?-- Well, what I mean is that the - since the election we've had non-stop barrages from those groups and from the Councillors who supported them calling for the Council to be sacked and you know making all sorts of claims about us being developer friendly, in a voting bloc and so on and-----

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Who has been raising those allegations?-- Well, particularly Councillors Chrichlow, Young, Sarroff.

Any others?-- No, mostly those three. Well, there's been - the community groups have supported that position.

Okay. When you say - you refer to this group of Councillors and their supporters, by that do you mean the community groups?-- Well, I don't - I don't know that I actually mean the groups as such, I mean the people in the positions such as presidents and spokespeople and so on that have the support of those Councillors.

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Okay. And then you add, "Who have the total support of the media because of the conflict that it has caused in Council." What are you referring to there?-- Well, it makes good - it makes good news - not so much good news but it makes good stories.

What does?-- Oh conflict, it sells a lot of newspapers and so on.

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All right. Well then you go on to say - you say the media thrives on it and it should be noted that it was the Gold Coast Bulletin that came up with the name "the bloc"?-- That's correct.

So far as you know that's the case, is it?-- Well, that's where I first saw it, yeah, and they've continued with it since.

Okay. Well, nobody at the meeting of the 16th of December or anybody associated with that meeting has ever referred to a bloc or the bloc?-- No.

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Or any concept that there should be any kind of a voting bloc at all?-- No.

Councillor Power in particular has never suggested to you that you'd vote in any particular way or be part of any sort of a voting bloc?-- No, definitely not. No - no-one has ever approached me since either before or after the election wanting me to vote any particular way on any issue.

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Okay. Councillor Power has never asked you to misrepresent anything to the press-----?-- No.

-----or to anybody else either by telling lies or being coy or-----?-- No.

-----not complete in any of your answers?-- No.

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And Councillor Power has never suggested to you at any time that you should fail to live up to all of the requirements on your so far as disclosure of funding is concerned?-- No, he's never asked me to do anything like that.

Or to breach the Act in any way?-- No.

All right. Just finally I think, you told Mr Mulholland earlier today - you said words to the effect, "I still think a trust fund is a better way than taking donations directly." Is that because you believe that by not knowing who the donors are you can't be beholden to someone?-- Well, that's right. I feel that if someone was to give a donation directly to a Councillor or a candidate then whether or not it is the case it could be implied that there is some request for - in response for that donation whereas if I'm accepting a donation without knowing who the actual donors are behind the trust fund then in my opinion I've got no link to them and if they wanted to try and influence me then I've got no reason to try and - no reason to listen to them at all.

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And so far as your - all of your discussions and dealings with Councillor Power and those other people at the meeting of the 16th of December and - or those others that were there on the 16th of December - do you understand that that was apparently their view of how the trust set up would work?-- Well, that was the idea behind it, the whole thing-----

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The idea being that it would allow you to receive funds without knowing who you were getting them from and therefore not be beholden to anybody or be perceived to be - perceived to be beholden to anybody?-- Yeah, and that's the only reason I accepted it.

All right. Thank you, sir.

CHAIRMAN: Yes, thank you, Mr Nyst. You have no re-examination I presume, Mr Boyle?

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MR BOYLE: No, I have no re-examination, thank you, Mr Chairman.

CHAIRMAN: All right. Yes, thank you, Mr Betts, you're-----

MR WEBB: Mr Chairman, there was a document the witness was going to transcribe apparently.

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WITNESS: Yeah, I'll send that in.

CHAIRMAN: I presume that hasn't been typed yet?-- No. Okay.

You'll get that typed and send that in?-- I'll just send that in to you.

Yes, thank you, Mr Betts. I would appreciate that?-- Thank you.

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Yes, you're excused. Thank you very much for your attendance and evidence.

WITNESS EXCUSED

CHAIRMAN: The next witness?

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MR BOYLE: The next witness is Mr Ray. In the interests of making progress we've been attempting to isolate the document so that it can be dealt with in some form of bulk form and I'd just seek to have a short adjournment just to see how that's progressing, Mr Chairman.

CHAIRMAN: All right. If you'd let Mr Howarth know when you're ready to resume and I'll resume my seat then.

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THE HEARING ADJOURNED AT 2.43 P.M.

THE HEARING RESUMED AT 3.11 P.M.

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CHAIRMAN: Yes, Mr Mulholland.

MR MULHOLLAND: I call Mr Tom Ray.

TOM DANIEL RAY, ON AFFIRMATION, EXAMINED:

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MR MULHOLLAND: Would you state your full name please, Mr Ray?-- Tom Daniel Ray.

And are you the son of the late Mr Brian Ray and of Katherine Ray?-- I'm the eldest son.

Thank you. Now, can I just before going on, Mr Ray, express my condolences and I'm sure the condolences of everyone here on the death of your parents earlier this year in circumstances which are well known publicly-----?-- Thank you.

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-----and say to you that it is necessary, however, that we ask you to come here and you attend under an attendance notice or summons, is that correct?-- Correct.

Can I ask you to have a look at this please. Is that the attendance notice that you received?-- Yes.

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I tender that, Mr Chairman.

CHAIRMAN: Yes, that will be Exhibit 85.

MR MULHOLLAND: Were you also served with a notice to discover any information which you had relevant to the matters before the Commission?-- Yes, I was.

Would you have a look at this please.

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CHAIRMAN: Mr Mulholland, I'm told that last exhibit should be 86, not 85.

ADMITTED AND MARKED "EXHIBIT 86"

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MR MULHOLLAND: Thank you. Is that the notice?-- Yes, it is. Yes, I tender that, Mr Chairman.

CHAIRMAN: That will be Exhibit 87.

ADMITTED AND MARKED "EXHIBIT 87"

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MR MULHOLLAND: Now, did you supply in answer to that a good deal of information along with a letter dated the 22nd of August 2005 addressed to the Crime and Misconduct Commission?-- Yes, I did.

Would you have a look at this letter please. Do you recognise that as the letter?-- Yes, I do.

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I tender that, Mr Chairman.

CHAIRMAN: That will be Exhibit 88.

ADMITTED AND MARKED "EXHIBIT 88"

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MR MULHOLLAND: Now-----

MR WEBB: May I enquire is that the letter of 22nd August, Mr Chairman?

CHAIRMAN: Yes.

MR WEBB: Thank you.

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MR MULHOLLAND: Now, included in the material you supplied were many emails; is that correct?-- Correct.

Would you have a look at this bundle of emails prepared in chronological order starting with the first on the 19th of December 2003?-- Yes.

Have you recently just before coming into the Hearing Room had the opportunity to go through those emails again?-- Yes, I have. 1

I tender that bundle of emails, Mr Chairman.

CHAIRMAN: It's Exhibit 89.

ADMITTED AND MARKED "EXHIBIT 89" 10

MR MULHOLLAND: Mr Ray, in relation to the matters which you covered in your letter can I first of all ask you this, whereabouts were you in late 2003 and early 2004?-- I was a resident in the United Kingdom where I had been since two years prior to April 2004. 20

So you returned to Queensland in 2004, in April?-- Correct.

Do you know the date that you got back?-- I believe it was around the 19th of April.

Now, you are now responsible for the Ray Group?-- Correct, I'm sole director.

And is the Ray Group a - does that involve a number of companies?-- Yes, it does. 30

Interrelated companies?-- It does, yes.

How many companies in total?-- I would say in excess of 20.

And are they at least principally concerned with property development?-- Correct, yes.

And would that be property development in the Gold Coast area?-- Some of it has been. 40

Northern New South Wales?-- More - more often northern New South Wales.

In the Tweed area?-- Yes.

So mostly in northern New South Wales in the Tweed area but also some - you have some development projects in the Gold Coast area?-- I don't know of any active development projects we have in the Gold Coast area at the moment apart from a - we have a holding with our joint venture partners MFS with the Mirage Resort at Main Beach. 50

Right. And do you know what the situation was in late 2003, early 2004?-- No. I have no knowledge.

You say in your letter, "I have no personal knowledge relevant to the matters in the notice. My father, Brian Ray, was the

person exclusively involved on behalf of the Ray Group in all dealings relevant to the matters in the notice"-- Correct. I only became a director of all of those companies after his death in July this year.

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All right. Now, having been through the emails which we've just tendered do you have any knowledge whether direct or indirect in relation to the matters referred to in those emails?-- No, I'm sorry, I don't.

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You're not in a position to help us at all in relation to any matters covered there?-- Unfortunately, no. At the time, I was involved in entirely different working capacity in the country that was not Australia so we didn't talk about any of these matters at all.

Can I, just to confirm that answer, ask you a couple of questions relevant to the matters referred to? First of all, I suppose you became aware that in late March of 2004, there was an election on the Gold Coast, is that right, involving the election of councillors to the Gold Coast City Council?-- I was aware, yes.

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All right. And did you also become aware when you got back that your father had gone public shortly before the election in relation to the general question of a funding campaign involving a group of Council candidates?-- I can say I don't recall being made aware of that. That's not to say that he didn't at some point talk about that but it was of no interest to me at the time and, therefore, I can't recall any detail.

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So you're not able to recall whether or not he ever indicated to you why he decided to go public at that time?-- No, unfortunately, no.

Can I ask you to - and perhaps I can pass back the copies that you were looking at just a moment ago of e-mails. Can I get you to go to the e-mail of the 2nd of March 2004?-- Yes.

And you see that that is addressed to Bill Moss from your father. Do you know Bill Moss?-- Yes, I used to work for him.

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All right. And what position does he occupy?-- He's an executive director of Macquarie Bank Limited.

Right. Now, you - can I just ask you to follow me as I read this part of it? "Dear Bill" - this is from your father, 2nd of March 5.06 p.m. "Following our meeting today, I promised to confirm details of the arrangements major developers are putting together in an attempt to get a coherent Council for the Gold Coast especially with the disparate nature of members of the Council over the last three years or so which has caused difficulty in getting a predictable outcome from the elected body." And then it goes on to speak about other major national and Queensland developers listing, "And each participant is donating \$10,000 which goes to Hickeys Lawyers Trust Account," and so on. Now, did your father ever speak to

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you or do you have any knowledge of what is being referred to in that e-mail?-- No, I don't.

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Can I ask you then to go to the following e-mail of Wednesday, the 3rd of March 2004 from Brian Ray to Matthew Banks at Macquarie Bank, 2.47 p.m.

CHAIRMAN: That's missing from my bundle. We'd better check it's in the bundle that's become the formal exhibit.

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MR WEBB: I don't have it.

MR NYST: I don't have it.

MR WEBB: Sir, while we're looking for that, might I ask, if the witness says he has absolutely no knowledge of these matters, what is the purpose of questioning him about them except perhaps to get them in some way on the record where other people can use the information?

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CHAIRMAN: Well, it certainly would be the latter I would imagine but also in that last one of the 2nd of March, I had no idea who Bill Moss was. Mr Ray has now told me who he is so there's a-----

MR WEBB: Yes, I can understand that but, as to anything else, with respect, it's not appropriate to take this witness to the material. This is, in reality, time wasting because the document speaks for itself.

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MR MULHOLLAND: Mr Chairman, can I just say that it is not time wasting having regard to the importance of the matter, it is important that I get Mr Ray to confirm his lack of knowledge about these matters.

CHAIRMAN: Yes.

MR MULHOLLAND: Yes.

CHAIRMAN: There is-----

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MR MULHOLLAND: Let me - is this - do you have this copy in front of you?-- Yes, I do, from 3rd of March, 2.47 p.m.

Righto, well, we can read it-----?-- Yes.

-----and we'll get a copy before the Commission shortly. It's addressed, "Dear Matthew," and it states, "Following our conversation today, here are the details of the arrangements major developers are putting together in an attempt to get a coherent Council for the Gold Coast especially with the disparate nature of members of the Council over the last three years or so which has caused difficulty in getting a predictable outcome from the elected body." And then it goes on in a similar fashion and specifically refers to David Power and Sue Robbins being the chairmen of two planning committees from the existing Gold Coast City Council. Do you see that?-- Yes, I do.

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Again, is it the situation that you have no knowledge whatever of the matters referred to there by your father?-- That's the situation. I have no knowledge.

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Is there any further assistance that you are able to give to the Commission?-- I believe not.

Thank you, Mr Ray.

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CHAIRMAN: Yes, Mr Nyst?

MR NYST: Thank you, sir. Mr Ray, just on that issue about the Ray Group having various projects around the place, in late 2003/2004 the Ray Group didn't have any development projects on the Gold Coast?-- Not that I'm aware of. I've made some inquiries regarding that.

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Yes?-- And I'm not aware of any, no.

All right. You've been told?-- I've been told.

Following that inquiry that-----?-- Correct.

-----it did not?-- Yeah.

And since then have there been any?-- There's one that I know of which was relating to an application for extended trading hours at a pub.

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Right?-- That we owned in Coolangatta that we've since sold.

Okay?-- The Calypso Tavern.

All right, but no - nothing other than that?-- Not to my knowledge, no.

All right, thank you, sir.

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MR WEBB: No questions.

MR S FYNES-CLINTON: No questions.

MR MULHOLLAND: May Mr Ray be excused?

CHAIRMAN: Yes, yes, thank you, Mr Ray, for your attendance?-- A pleasure. Those e-mails are still here. Do you want me to just leave them?

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MR MULHOLLAND: Yes, thank you.

WITNESS EXCUSED

CHAIRMAN: Perhaps if that one of the 3rd of March could be photocopied outside and included in with everyone's.

MR MULHOLLAND: It's being done I think at the moment.

CHAIRMAN: Yes, okay.

MR MULHOLLAND: Hopefully it will be here very shortly. I call Susan Louise Davies.

SUSAN LOUISE DAVIES, ON AFFIRMATION, EXAMINED:

MR MULHOLLAND: Is your full name Susan Louise Davies?-- It is.

And Ms Davies, do you appear here under an attendance notice or summons directed to you by the Commission?-- I do.

Would you have a look at this please. Is that the document?-- Yes.

I tender that, Mr Chairman.

CHAIRMAN: That will be Exhibit 90.

ADMITTED AND MARKED "EXHIBIT 90"

MR MULHOLLAND: Now, you were not served with any notice to produce documentation. Is that correct? That went to Mr Ray?-- It did.

And did you supply information to the Commission?-- Yes.

Yourself? And what did that comprise?-- It comprised e-mails from Brian's computer and from mine.

All right. And have you been through those e-mails carefully?-- I've been through them.

Now, what position were you occupying in late 2003 and 2004 within the Ray Group?-- I was Brian Ray's PA.

That's personal assistant?-- Yes.

And how long had you been Mr Ray's personal assistant?-- In 2003 I was his personal assistant for 12 years.

Now did you, before coming here, take part in a record of interview with a detective inspector of the Crime and Misconduct Commission?-- Yes.

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And did that occur on the 29th of September 2005?-- Yes.

And you subsequently were provided with a copy of the transcript?-- No.

All right. So you haven't had the opportunity of going through the transcript?-- No.

10

Now, during the period from - in late 2003 through into 2004 were you aware of it being a time when there were elections, or election campaigning going on for the Gold Coast City Council?-- Yes.

And that election was held on the 27th of March 2004. Is that correct?-- Yes.

20

And you would have been aware from your dealings with Mr Ray of his involvement in organising funding for certain candidates at that election. Is that correct?-- Yes.

Now just in relation to how the office operated, whereabouts did - was Mr Ray's office during that period?-- At Robina.

At Robina. All right, and what part of Robina?-- Glenferrie Drive, Robina.

30

And just explain to us, did you occupy a room there, did Mr Ray occupy a room? What was the situation? How many staff were working there and so on?-- Brian had his own office.

Yes?-- I sat outside his office and altogether, just at the Robina premises we might have had 23 staff.

All right. And could you just tell us generally what services you were required to render as his personal assistant? Did it involve sending e-mails for example?-- Yes. He and I both did e-mails every morning.

40

Right. How did that work? Just explain to us how he would send e-mails. Would you type them up or would he type them up?-- Yes, I would type them up. Sometimes on his computer or sometimes he'd come out from his office to mine and he'd dictate to me and I'd type as he spoke.

Right, so the e-mails that we have been provided with a copy of which came from the Ray office they would have been typed by you at his direction?-- Yes.

50

And did you sometimes send e-mails under your own name?-- Sometimes.

And would - and would those e-mails be sent after having some discussion with Mr Ray?-- Yes.

Was he regularly in the office during that period of time?-- Regularly.

1

Right. Now, the group - The Ray Group was concerned with property development, is that correct?-- Yes.

All right. And you were - would work in that office for what, most days of the week?-- Every day.

And at weekends sometimes?-- No.

10

Would you ever send an e-mail after receiving or having it dictated over the telephone or was it always with Mr Ray present?-- It would have been rare that he did it over the phone.

I'd like to hand you this copy of-----

CHAIRMAN: It's Exhibit 89.

20

MR MULHOLLAND: Thank you. Now, this is a copy of e-mails which you have provided, which have come from you and Mr Ray but they've been prepared in chronological order so I'll just ask you to look at these as we go through them please. The first one is the 19th of December 2003 and this is from you to Brian Ray. Now, just tell us what were the circumstances first of all in which you would send an e-mail to Mr Ray?-- Well, this one specifically, Chris Morgan must have phoned and asked me to pass on that message to Brian.

30

Right. Does that mean that he, Mr Ray, wasn't there and you were informing him by e-mail just so there'd be a record of it?-- He either wasn't there or was busy.

Right. Had someone with him or on the telephone?-- Mmm.

Yes. And to establish a trust account for the campaign, first meeting with candidates set for 8 January at quadrant. Chris needs some details as to who is contributing to the campaign fund. Now, Chris, that's a reference to Mr Morgan is it, from Quadrant?-- Yes.

40

You knew Mr Morgan?-- I did.

And how long had you known Mr Morgan?-- For the time he was with Quadrant.

Right. And what was the - what was the relationship between Quadrant and The Ray Group?-- Just a business relationship. They used to do Ray Group's advertising at one time.

50

Right. And how long had that relationship existed?-- Oh, it might have existed for three or four years, some years prior to 2003.

Right. Now, this e-mail indicates that there was a - some trust account for the campaign. Is this the fund for the candidates that I've already asked you about? Did you know

that this is what was happening, that there was some fund that was being - being established?-- I knew-----

1

Did you know that?-- I knew there was some fund.

Yes?-- But I don't - I didn't know at the time it's specific purpose.

Right. Did you know at any rate at this time when you received that message from Mr Morgan and communicated with Mr Ray that Mr Ray was involved in organising some funding?-- I'd say-----

10

Did you know that much?-- I'd say that I didn't know what the fund was for at the time. Looking back on it, of course, I understand what it was for.

Right. So, you'd know what the campaign fund was a reference to, what campaign?-- No.

20

Or the first meeting with candidates-----?-- No.

That didn't mean anything to you?-- No.

Would you go to the next one please, 19th of December, commonsense candidates and all that being the subject, from Chris Morgan to yourself, 3.38 p.m., Friday, the 19th of December. Just read that. "Met with David and Sue again to recap and agree on activity for the new year. We have set a next meeting date with all candidates for Thursday, 8 January at Quadrant," and so on. Talking about a realistic budget and speaking of Roxanne Scott and again referring to a trust fund. Do you see all that?-- I do.

30

Now, having received that message from Chris Morgan did you communicate that to Brian Ray?-- Well, this one looks to me like that went directly to Brian.

Yes?-- So that would have gone to his computer, I wouldn't have communicated that to him, he would have found that in his emails.

40

Right. So the fact that it was addressed to Sue Davies it has gone to him you think?-- It is addressed to Brian.

MR WEBB: No, it wasn't addressed to Sue Davies, it's addressed to Brian Ray. Commonsense candidates and all that.

MR MULHOLLAND: My email is from Chris Morgan to Sue Davies. What does yours say?-- Mine says from Chris Morgan to Brian Ray - oh I know why yours is saying Sue Davies. Because the email addresses in that is info@raygroup which-----

50

MR WEBB: No.

CHAIRMAN: Yes, it is.

MR WEBB: Oh it is.

CHAIRMAN: You're not always right, Mr Webb.

MR WEBB: No, I admit I was wrong once, I thought I was wrong, yes.

WITNESS: So anything that goes to info@raygroup goes to my computer.

MR MULHOLLAND: Right. So you would have received it as well as Brian Ray, is that what you mean?-- Well, that's what it means, yes.

10

Now - so, can you help us please as to what this was about, did you know that - of a meeting with David and Sue?-- I didn't.

You would have known once you saw this?-- I don't remember seeing it.

20

So you recall Brian Ray having had contact with David Power and Sue Robbins during this period?-- I don't but then I wouldn't necessarily know.

So by this time there isn't - you don't have any knowledge of any detail concerning this fund; is that what you're saying?-- Yes.

Yes. Would you go to the next one please. You have there an email from Brian Ray to Chris Morgan of the 19th of December; do you have that one?-- I do.

30

And did you type that?-- I'd say so, yes.

And you did that with Mr Ray having dictated it to you?-- Yes.

And this refers to donors having confirmed their intent to contribute \$10,000 and listing a group of them and also then going on to say that almost certainly others will be confirmed in the new year, these being others who Tony and I - obviously Brian Ray - has spoken to; is that right?-- Yes.

40

And Tony and I will finalise the rest of the fund raising during January; is that correct?-- That's what it says.

I think it would be in order for you to send invoices to those people that I have outlined asking them to pay their funds directly now to Hickey Lawyers trust account and Tony Hickey has indicated that he will require to open that account in the name of David Power and Sue Robbins Campaign Account. Now, were you - did you have any knowledge of an account being opened at the solicitor's?-- By that time, yes.

50

Right. And what - how did you come to know about that?-- Because Brian told me that Hickeys would be operating a trust account I imagine.

And are Hickeys Lawyers that Brian would use?-- Yes.

How long had they been his solicitors?-- Many years. Many years.

And was it - did he generally deal with Tony Hickey or other people as well?-- Other people as well.

Is the Tony referred to there Tony Hickey?-- Yes.

Now, what about so far as the name of this account, did you know what the name of the account was going to be?-- I can't remember exactly, no, I'd be guessing. I'd be guessing.

10

do you remember any discussion-----

CHAIRMAN: It says in the email, Mr Mulholland, what the name's going to be.

MR MULHOLLAND: Yes. I'm interested in any discussion that you might have had with Mr Ray in relation to the name of the account?-- I can't remember anything specific.

20

Yes. Go to the next e-mail of the 22nd of December. This is from you to Brian Ray. That so?-- Yes.

Again, can you confirm that that is a message that you passed on to him?-- I can.

And just tell us the circumstances of that refreshing your memory from the e-mail?-- This is an e-mail that Chris Morgan of Quadrant would have sent to me because he's got my e-mail in his address book-----

30

Yes?-- -----and whenever I received e-mails that I knew were obviously for Brian, I'd forward them to him.

Now, there's a reference there to - again to follow up on donors. Do you remember any follow up in relation to donors? Do you remember contacting any donors yourself?-- After Brian had some discussions, yes, because Brian said to me my job is - I'm following up donors to obtain funds.

40

Right. Now, the donors had been mentioned in that earlier e-mail, prospective donors, those who'd promised and those who were likely to contribute. Did you follow them up yourself?-- In some cases, yes.

So, what, you'd make telephone calls?-- Or send e-mail.

And did you do that over the course of the next new months-----?-- Yes.

50

-----into 2004?-- Yes.

Do you remember any particular difficulty that you had with any contributors?-- I can't remember specifically but, yes, we had to follow some up.

Right. Did you keep any record of those contacts?-- I did -
the contacts?

1

Yes, those telephone contacts that you had?-- No, no.

That was a regular thing for you to pursue?-- Oh, it wasn't
regular but from time to time I did that.

Now, do you remember those people who were contacted, were
they in the property development area?-- Yes.

10

You're going back to the e-mail that I've just referred you
to?-- Yes.

Do you remember any prospective donors who were contacted who
weren't property developers?-- No.

And is that your recollection now that the pursuit of funds by
Mr Ray was from property developers?-- No, I don't think
that's quite it. I said, "No," with the view of I can't
remember other donors than those who you've mentioned or who
we've mentioned in this e-mail prior to the one we're talking
about.

20

So you think that he approached other people as well?-- I
can't be sure.

Can you remember personally contacting any? That is,
any-----?-- Any on this list?

30

Any donor apart from a developer?-- No, but that's not to say
I didn't.

Now, would you go to the next e-mail of the 24th of December,
please? And this is addressed from Mr Ray - you dictated it,
is that right, to Mr Hickey?-- He would have.

And is that in response to a message from Mr Hickey which you
received from - which Brian Ray received?-- Yes.

40

Now, this e-mail indicates, "We have opened a trust account in
the following names: Councillor David Power and Councillor Sue
Robbins, Gold Coast City Election Campaign Fund. All
donations should be made by way of a cheque to our trust
account that should be accompanied by an instruction from the
appropriate donating party. That is, that it is a
contribution to the Councillor David Power and Councillor Sue
Robbins Gold Coast City Council Election Campaign Fund." Now,
just pausing there, that indication by the solicitor that all
donations should be accompanied by an instruction from the
appropriate donating party and so on, do you know whether that
instruction was ever kept?-- I don't know. The funds didn't
come to our office.

50

Did you, in dealing with any of the prospective donors, ever
tell them that this is what was required, that the donating
party should give an instruction that any donation they make
was a contribution to the Councillor David Power and

Councillor Sue Robbins Gold Coast City Council Election Campaign Fund?-- Not in those terms but I would have told them to make a cheque out to the name of that trust account.

1

Right. All right. "Funds can only be paid out of this trust account with the written authority of both Councillor Power and Councillor Robbins. To arrange any disbursement of funds, please see that a written authority signed by both these parties and addressed to our office for the attention of my general manager is provided." And as I say, in response to that, the reply has gone back, for which you would have typed, "Roger that, Tony, and thanks." So that's an indication that that is going to be done, isn't it?-- Yes.

10

Yes. Well, do you remember taking any action after receiving that e-mail?-- Oh, not immediately but had I contacted somebody or-----

Yes?-- -----somebody had contacted me, if that happened at the time, I would have said, "Make your cheque out to the name of the campaign fund and send it to Hickey Lawyers."

20

Were you aware by this time of contact between David Power and/or Sue Robbins and Mr Ray?-- Possibly.

Did either of them come to the office?-- Not that I remember.

Do you remember any telephone calls between Mr Ray and those people?-- Well, I don't but I wouldn't have known necessarily had Brian been speaking to either.

30

You mean you wouldn't have heard?-- No, I wouldn't have heard.

CHAIRMAN: Mr Mulholland, there is some extracts from Brian Ray's diary which show of some meetings this witness might be aware of.

MR MULHOLLAND: Yes. Yes. Thank you. Let me first of all show you this. Now is that a - is that a bundle of e-mails? Can I just see that back a moment please before you go on. Now, what can you tell us about these - this record?-- The first one?

40

Yes. Well, just have a look through them. What are they? Are they-----?-- They're diary notes of meetings that were going to happen at Brian's office.

Right, and made by you?-- Well, not necessarily at Brian's office - made by me.

50

Right, well, take the first, "10th of December 2003, 9.30 a.m.- 10.30 a.m. at Quadrant with David Power and Sue Robbins." What does that tell you?-- It tells me the meeting was set for that date.

Right. Did it go ahead?-- I don't know. It might have, it might not have. I think that we've set a few meetings that didn't go head.

In circumstances where you - where the meeting wouldn't go ahead would you make any alteration to the entry?-- Not necessarily. I'd leave them in there generally because most times I used to put phone numbers with meetings. If I had to make any meeting I could easily go back and look at the phone number.

Do you have any recollection, even if you don't have a recollection of a particular date, of Mr Ray going to Quadrant?-- No. They were downstairs from our office. He might have just left the office for a time and gone down there, I don't remember.

Well, the next one is the "17th of December 2003, Wednesday, 8.30 a.m. start, end 10 a.m. Chris Morgan and Tony Hickey here." What's your recollection of those events?-- I have no recollection of the date of it, it doesn't stick in my mind. They might well have met at Brian's office or they might not have.

Well, do you remember Chris Morgan and Tony Hickey ever coming to your office together?-- No.

And again the fact that you've got the record wouldn't - even if it didn't go ahead you say you may not have made any alteration to it?-- That's right.

Yes. All right. Just put those to one side. I'll tender them in due course, Mr Chairman. Come back to the e-mails and the next one, Wednesday the 14th of January 2004 from Brian Ray, and this is to the Sunland Group. Who is that person, at the Sunland Group?-- Well, I suppose it's Soheil Abedian's PA.

Right. Do you remember a person by that name there?-- No.

You would have typed this?-- Yes.

"Subject GCCC Election Campaign. Following our recent conversation re donation to the Gold Coast City Council election campaign would you mind now forwarding a cheque for \$10,000 to Hickey Lawyers trust account. Many thanks. Brian." All right. Well, that was sent off, was that's correct?-- Yes.

And are you aware that Mr Abedian's company did make a donation?-- I don't think they did at the time. I think that they were one company that we had to follow up.

Do you remember them later making-----?-- I think so. I think so.

Later in 2004 making a donation?-- Yes, I think that they did.

All right. Go to the next one please. Tuesday 3rd of February. Just tell us about this please. First of all there's a message to you from Niree Christison. Have you got that one?-- This is-----

1

4.25 p.m.-- Yeah, this is to me from Chris Morgan and again he would have sent it to me because he had my e-mail in his address book.

Right. Well, did you take it up with Mr Ray by sending it off?-- Probably but I don't see a copy here.

Well-----?-- I would have.

10

Just have a look at the top of that page; is there a reference to sending it to Brian Ray?-- No.

Yes. Do you have any recollection of what is referred to in this email?-- Well, I remember thinking who's Ngaire Christensen at the time.

Do you remember a meeting being called on the 9th of February at Quadrant?-- I don't think that there was although I can't be sure.

20

Well, do you remember taking any further action in relation to this email?-- No.

Next one - just before we go on, you see in relation to your note that you made concerning Chris Morgan, if you go to that other bundle of your notes. Chris Morgan, Tuesday at 3/2/2004, 11.30 a.m. to 12 p.m.

CHAIRMAN: You're referring to the extracts in the diary?

30

MR MULHOLLAND: Yes, the extracts, sorry.

CHAIRMAN: Mmm-hmm.

MR MULHOLLAND: Yes, the other - are you able to tell us anything about that?-- No.

What does that - what does that indicate?-- Generally it would indicate that there was a meeting in Brian's office with Chris Morgan at 11.30, the 3rd of February.

40

Right. So that's what you would expect to happen unless it was cancelled?-- Yes.

Yes. Well, I'm - could you go to the emails now? Thursday, the 5th of February 2004; you see, first of all on this page, have you got an email from yourself of the 28th of January? Do you have that?-- Can you - no.

50

CHAIRMAN: It's the original message, the bottom of the two?-- Yes.

MR MULHOLLAND: "Dear Kev", who is Kev?-- I imagine it would be Kevin@proxall.com.au. I don't know his surname.

Right. And what do they do?-- I don't know.

"Sorry to do this to you but we are in full swing with our campaign behind David Powers and Sue Robbins to get a coherent group of councillors into the Gold Coast and now desperately need the cheque for \$10,000. If you wouldn't mind forwarding it to HL", that's Hickey Lawyers, is it, trust account-----?-- Yes.

1

Yes. Giving details. "Of course, if you've had a change of heart, please let me know. Kind regards, Brian." Did you know from working in the office by this time there was, in full swing, a campaign that Mr Ray was involved in behind David Powers and Sue Robbins?-- I imagine so.

10

And that that campaign involved getting what Mr Ray termed, a coherent group of councillors elected to the council?-- I don't know about his philosophy of it because I wasn't involved in that side of it but the day-to-day gathering of funds, yeah, that was my part of it.

Well, he dictated to you this email in which that's what's said; is that right?-- That's right.

20

So you would have known at that time that there was such a campaign?-- Yes, I did.

And did you know how many councillors were involved in this campaign that Mr Ray was involved in?-- No.

But did you realise that there were more than just David Powers and Sue Robbins involved?-- I did.

30

Any names - had any names being mentioned to you by Mr Ray?-- Probably but it wasn't something that I had the running of so I didn't take a whole lot of notice.

All right. Now the email in return, just have a look at that, please? In it Mr Ray says, among other things, "We're getting close to the date now and need your help. I think the outcome will allow us to be able to negotiate sensibly with a number of the councillors to get a majority view prior to going to Court or council"; is that right?-- That's what it says.

40

Yes. Go to the next e-mail; "Russell McCart of Meridian"; did you know Mr McCart?-- I do.

5th of February 2004, what position did Mr McCart operate there?-- I think he was CEO of Meridian.

Again, GCCC elections and is this also pursuing an amount of \$10,000 which Mr Ray hoped to get from Mr McCart?-- Yes.

50

He speaks of, in this email, dictated to you, "Two drivers behind the camp are Sue Robbins and David Power respectively chairman of the north and south planning groups. Now I think it's very well worthwhile you guys being involved"; is that right ?-- If it says that, yes.

Yes. Now the next email concerns a Mr Devine and, again, regarding a \$10,000 contribution. Did you know Mr Devine?-- No.

1

You would have dictated that, however, on Mr - at the behest of Mr Ray?-- Yes.

And it provides a branch number and also an account number at Hickey Lawyers; is that right?-- Yes.

10

Next email, the 12th of February 2004. Now, if you go to the foot of the page you'll see an email to Brian Ray from Chris Morgan of the 11th of February 2004 at 6.13 p.m. "Further to our conversation earlier in the week can you confirm the extent of funding available as per my cash flow spreadsheet projection. I need to know now what I can commit to. I'm presently dodging requests from the team regarding what is available." Now, remember receiving that?-- No.

Well, do you remember dictating the reply?

20

CHAIRMAN: You mean taking the dictation of the reply.

MR MULHOLLAND: Yes. Do you remember taking the dictation?-- Not specifically.

Well, what's that email at the top, what can you tell us about that?-- It appears it's from Brian Ray to Brian Ray.

Well, so, what does that mean to you, what's happened here?-- I imagine it would have been forwarded on at some other time.

30

To who?-- I don't know. I suppose back to Chris at some time.

Well, it's - you see that it's, "See Chris Morgan's message below. He's been fielding calls from candidates getting hot, and so on. Does that help you to - as to whether it went back to Chris Morgan, it doesn't look as though it went back to Mr Morgan, does it?-- Well, perhaps the only thing I can think of is that I was sitting at Brian's computer and sent him a message from one that came in.

40

Right. And so you did this of your own accord, he's been fielding calls from candidates getting hot?-- Had Chris called me I would have put it in his terminology.

Right. So that wording "getting hot" would be words-----?-- It's not something I'd use.

It'd be something that was conveyed in the message?-- Probably.

50

Yes. Go to the next one please. Now, do you see that on the 12th - that is, the same day - the 12th of February first of all at 11.52 a.m. there is a Brian Ray to Chris Morgan; do you see that?-- I've got one at 9.54.

Yes. At 9.54; do you have an email at 11.52 a.m.-- Next one I have. 1

CHAIRMAN: That's the next day, the 13th.

MR MULHOLLAND: I'm sorry, on the 12th; do you have an email at 3.58 on the 12th?-- I do.

Right. And if you - is this - this has been dictated to you by Mr Ray and sent to Chris Morgan?-- Yes. 10

"I spoke to David Power this afternoon, he's chasing \$60,000 in contributions. Tony and I are also on the job." Is that again a reference to Tony Hickey?-- I imagine.

Yes. And do you see below it that a message has come from Chris Morgan to Brian Ray, 9.54 a.m.?-- Yes.

That's the one you were referring to a moment ago, 9.54 a.m., representatives of various campaign committees are urgently chasing confirmation of funds to confirm planning and I must get respond - it says - response to them today and then sets out various amounts in relation to candidates. Do you see that?-- I do. 20

So you would have been aware at that stage that these are the candidates who were being assisted?-- Well, reading that, yes, but I didn't necessarily read some of this in detail.

All right. And then after that there is the later email on the 12th, is that right? Do you see that, 12th of February, 3.58 p.m.?-- Yes. 30

Right, and then on the 13th - sorry, later in the day on the 12th at 4.39 p.m. there's an email from Chris Morgan to Brian Ray on the same subject; is that correct - being the GCCC campaign funding?-- Yes.

So you'd remember certainly that there was quite a deal of contact going on in this period between Mr Ray and Mr Morgan from Quadrant?-- Yes. 40

All connected with this campaign involving the election of certain people to the Gold Coast City Council?-- Yes.

Yes. Well then, there's another email on the 13th. I won't take you any further in relation to that, but that's another one which was dictated to you by Mr Ray?-- At 11.52?

At 11.52 a.m., yes?-- Yes, he would have dictated it. 50

Now, there he says, "I also spoke to David Power who has promised to ring today and to confirm where he is with his prospective \$80,000 worth of commitments." Do you remember Mr Power contacting Mr Ray in this period by telephone?-- Not specifically, no.

He did, however, make contact by telephone?-- I should imagine, yes. He says he did.

1

On 24th - before we go to that, if you just turn to the - your diary entry for 17th February, "David Power and Tony Hickey here, 4.00 p.m. to 5.00 p.m." Again, does that suggest that David Power and Tony Hickey were at the Ray offices for that period of time?-- It does but it might not have happened.

Go to the next email, please. Before you do, just go to that final diary entry, "Subject Chris Morgan and Lionel Barden. Thursday, 22nd April 2004." Do you see that?-- I do.

10

Now, just in relation to that, I realise that it's a couple of months later, do you remember in the period up to the City Council election on 27th March any contact with Mr Barden?-- No.

Between Mr Ray and Mr Barden?-- No.

20

Did Mr Barden ever come to Mr Ray's office?-- I don't believe he did.

And do you have any recollection of Mr Ray ever going to see Mr Barden anywhere?-- No.

Do you have any recollection in this period of Mr Ray mentioning Mr Barden by name?-- No.

That's in the period up to the election, I mean?-- No.

30

You've never met him?-- No.

To your knowledge, did Mr Ray meet Mr Barden?-- No.

Yes. That might be a convenient time to tender those diary entries.

CHAIRMAN: Yes, they'll be, I think it's Exhibit 91.

40

ADMITTED AND MARKED "EXHIBIT 91"

MR MULHOLLAND: Go to the next email, 24th February, Brian Ray to Sue Davies. Just read that to yourself, and it says, "Dear Con." Now, is Con Constantine Nikiforides?-- Yes.

50

And he was the CEO of Niecon?-- Yes.

That's Blue Sky Capital, isn't it?-- I don't know.

All right. Well, is he a person that Mr Ray did have a bit of contact with?-- Yes.

In connection with what; is that a question of finance, or-----?-- No. I imagine it would be in relation to getting the \$10,000 contribution.

1

Right. Now, this is about a month out from the election and Mr Ray writes, "Dear Con, we were going to have a meeting of all of the participants in the Council election fund so that you could meet the candidates and discuss the progress of the promotions. I wondered whether it might be a good idea to push towards having that on 10th March and while everyone is there introduce Bernard in the last hour to let him have a chat about the Gold Coast book and see if we can get some interest in donations. Let me know if you think this is a good idea and I will implement it with your consent." Now, it's sent from him to you. Did you send that on to Mr Nikiforides?-- I would have.

10

In these terms?-- Yes.

That we see here?-- Yes.

20

So do you remember - by the way who's Bernard referred to there?-- Bernard Salt.

Bernard?-- Bernard Salt.

Salt. Yes. And who was he?-- He's a person who comments on the state of the nation.

Right?-- In particular wrote a book about property development.

30

And is that the reference to the Gold Coast book?-- Yes.

Can you remember - now that you've looked at that email - that there was an intention to have a meeting of donors and candidates?-- Yes.

And is that the group of candidates that Mr Ray was organising funds for?-- I can't be sure but I don't think the meeting happened.

40

No. But the intention was to have such a meeting?-- I believe so.

And so far as you know was that a meeting that would involve those candidates including Sue Robbins and Mr Power?-- I don't know because the meeting didn't happen.

Do you know of any other group of candidates at the 27th of March election that Mr Ray was supporting?-- No.

50

Go to the next email. Same day, 3.12 p.m. Again, this is from you to Mr Ray, "Chris Morgan advises" - is this following a telephone call, is it, that you are sending a message to Mr Ray?-- I imagine.

"Advises candidates and Councillors think this presentation is most unwise because they will be compromised. They're suggesting a kit be sent out and that contact is made direct between candidates and contributors." Now, you mentioned something about the meeting not going ahead. Seeing this, does that bring it back to you that there was some problem that was at the other end - that is, from Quadrant's end - which had arisen from the candidates?-- Yes.

1

And Mr Morgan spoke to you on the telephone about it?-- I imagine he did, yes.

10

Do you remember anything else about that telephone conversation apart from what is in this email?-- No.

That Gold Coast - do you see there the Gold Coast candidates function at Quadrant, start Tuesday 2nd of March 2004 end Tuesday 2nd of March 2004 at 7.30 p.m. What does that relate to?-- I imagine that's when they proposed to have a function at Quadrant.

20

And who had sent that?-- I don't know.

The same day - that is, the 2nd of March - if you go to the next email from Mr Ray to Bill Moss who we've seen mentioned in the earlier email, "Dear Bill," - you dictated this to Mr Moss - or sorry, it was - you had it dictated to you by Mr Ray, is that right, typed it out?-- Yes.

"Dear Bill, following our meeting today I promised to confirm details of the arrangements major developers are putting together in an attempt to get a coherent Council for the Gold Coast especially with the disparate nature of members of the Council over the last three years or so which has caused difficulty in getting a predictable outcome from the elected body," and so on, referring to various developers mentioned there. Now, in it, Mr Ray asks if one of the Macquarie Enterprises would contribute \$10,000 to join which would certainly benefit - that is, the Gold Coast area - which will certainly benefit from a better structured local authority. Do you see that later in the email?-- I do.

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Now, does that confirm to you that Mr Ray's position at this time was that a group of developers wanted to get a predictable outcome from the elected body and by doing so hoped to have elected a certain group of candidates?-- That wasn't in the realm of what I did for Brian. What I did was call or write to contributors and ask them to deliver the funds.

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Anyway, what you are typing up here comes directly from Mr Ray?-- It does.

Now, can I ask you to have a look at this, please? This is the missing e-mail, Mr Chairman. Perhaps it could be added to the exhibit. Wednesday, the 3rd of March 2004, 2.47 p.m. from Brian Ray to Matthew Banks at Macquarie Bank and, again, this

is in a similar vein to the previous e-mail. Is that correct?-- It is.

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Now, both of these people were at Macquarie; is that right?-- Yes.

What position did Mr Banks occupy?-- I don't know.

All right. Well, this again, it's in the same terms or similar terms at any rate to the previous e-mail?-- Yes.

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Now, go to the e-mail of the 5th of March. Do you have that there, 9.28 a.m.?-- Yes, I do.

From Donna Gates. What was this about?-- It's phone numbers of contributors.

Yes, well, who is Donna Gates though?-- David Power's PA.

Right. And it comes from Gold Coast Queensland Government au - that's the net address there. Where was Mr Power's office at this time, do you know?-- He had an office within the Council. I don't know where his electoral office-----

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Within the Gold Coast City Council?-- Yes.

And you had spoken, I suppose, on the telephone with Donna Gates from time to time?-- Yes.

Yes. So was there any telephone call that accompanied this or was it just an e-mail?-- I can't remember.

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This - so what did you do with it?-- I can't remember that either.

Well, if you go to the next e-mail of the 5th of March, 10.05 a.m., "Hi Rosalie". So what are you doing with the information that's been provided to you by Mr Power?-- Well, it's going from me to Niecon Developments. I don't know who Rosalie is. I suppose she's somebody's PA. And it gives the phone numbers to her that were received in the e-mail from Donna in David Power's office.

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Right. Now, you say you don't know who she is. If you go up to the top, you'll see to Niecon Developments so she seems to be associated with Niecon Developments; is that right?-- Yes.

So can you tell us why you are sending this on having received it from David Power? Someone must have told you to do that?-- I imagine. I don't know why at the moment.

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Well, would - it must have been, one assumes, on the direction of Mr Ray?-- Yes.

You wouldn't have just done that off your own bat?-- No.

So he's told you to send it on to Niecon Developments; is that right?-- I imagine he would have, yes.

And having this guest list, what is this a guest list for?-- I can't remember.

Well, does this fit in with the intention to hold some kind of function?-- If it's around the same date as the other, I could only assume so.

Well, it's a little later than the earlier attempt but is it in relation to the same matter? Was it intended to have a get together?

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MR WEBB: Well, the witness has said she doesn't know.

MR MULHOLLAND: Well, just hold on for a moment, Mr Webb.

MR WEBB: Well, that's-----

MR MULHOLLAND: If you just go down to the - down in the e-mail, halfway down, you see, "Chris Morgan of Quadrant will also attend and of course the two councillors, Sue Robbins and David Power. We will invite the guests by e-mail because time is now so short." And you-----

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CHAIRMAN: Mr Mulholland, the witness did ask you if that was about the same date as the other meeting. If we go back say to the one of the 24th of February-----

MR MULHOLLAND: Yes.

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CHAIRMAN: -----it's talking about aiming for the meeting to push towards having that on the 10th of March which is five days after this e-mail.

WITNESS: I'm sorry, I have no recollection.

MR MULHOLLAND: Well, just have a look - it's signed by you, "Regards Sue," do you see that?-- I do.

You sent it and referring to Bernard Salt?-- Yes.

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You see, what is being pointed out to you is that if one can connect it back to the earlier emails?-- Well, I'm not sure that this would have happened either.

Yes. But this seems to be the function that was being referred to in the earlier e-mail?-- It could have been.

CHAIRMAN: And if we go to the next page, it talks about re Bernard Salt, 10th of March so it seems to tie in with that same date.

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MR MULHOLLAND: Do you see that?-- I do.

All right. So all of that seems to be - those emails, I won't go through them, they all seem to be related and, in fact, one of them speaks about Bernard Salt being only available at a certain time. Do you see that on the next page?-- Yes.

So it appeared to reach an advanced stage of planning, this function and then was called off; would that be correct?-- Yes, I think that was the case.

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All right. And the next one, if you go to an email from you to Lionel at Innovation Showcase on the 5th of March; do you see, "Dear Lionel, Chris Morgan requests that you also invite" - have you got that email, 1.11 p.m.?-- I have.

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Who was the Lionel?-- Lionel Bowden, I imagine, Bowden - Barden.

Right. So this is contact by email with Mr Bowden?-- Yes.

Do you mean Barden, do you?-- I do.

Yes. Now this states, "Chris Morgan requests that you also invite" and refers to a Lisa Macrossan, Investor Group; you see that?-- I do.

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And, further, another email of 12.29 p.m. that you sent, again, to Lionel. It says, "Lionel Barden" again; is that right?-- It does.

And this is a function to occur at Lakelands Golf Club on Wednesday, the 10th of March from 3 to 4 p.m. and there's actually a guest list that appears below; all those people?-- Yes.

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Did you make contact with those people, do you remember, by telephone?-- I don't think I would have by telephone, had I contacted them.

Yes. Monday, the 8th of March 2004, 1.57 p.m. - sorry, before going to that, you'll see other emails of the 5th of March on the next page and the following page, do you see that?-- I do.

And then on the 8th of March, again, "Dear Lionel, I've confirmed this is the correct email address" and giving an address of the Ingals Group, do you see that?-- Yes.

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Why was this function called off?-- I don't know.

10th of March, you see that, again, a guest list at the top of the page, 10th of March 9.17 a.m. to David Power; you see that, you sent him a-----?-- Yes, I do.

-----apparently a copy of the guest list?-- Mmm-hmm.

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And you did that on the direction of Mr Ray?-- I would have.

Yes. Now on that same date, the 10th of March, did you receive a message from Mr Ray; do you see that?-- Yes.

Candidate expenditure spreadsheet summaries?-- Yes.

And you'll see below an email that had been sent to Mr Ray from Chris Morgan; see that?-- I do.

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Enclosing those candidate expenditure spreadsheet summaries referring to various amounts budgeted in relation to various candidates; is that so?-- Yes.

Now - and also accompanied - if you go behind the email - by those spreadsheets. What did you do with those spreadsheets - or the spreadsheet summaries?-- I've got no idea at the moment.

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Mr Ray had sent that email to you at 4.21 p.m. to you - that is, forwarding the candidate expenditure spreadsheet summaries and the importance of the - you see the importance there is high and the - if you notice that the email that Mr Ray had received required immediate action. Do you remember taking any action following receipt of that from Mr Ray - forwarded to you by Mr Ray - after he had received it from Mr Morgan?-- No, I don't remember anything specifically.

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It is noted in the email from Chris Morgan that, "I've copied you independently on the attached which has been emailed this email to David/Sue, copy to Lionel." Do you see that? That's in the one of the - of 6.37 p.m. on the 9th-----?-- Oh yes, yes. Yes.

And in relation to that it also refers to this function the following day again, "I'm following up with your Sue on the Bernard Salt function tomorrow and will catch up with you shortly." You don't recall anything more about that?-- No.

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Or what you did with this - or these summaries?-- No, I don't recall it at all.

Yes. Would that be a convenient time?

CHAIRMAN: What time tomorrow, Mr Mulholland?

MR MULHOLLAND: Same time, Mr Chairman, quarter to 10.

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CHAIRMAN: Quarter to 10.

THE HEARING ADJOURNED AT 4.36 P.M. TILL 9.45 A.M.
THE FOLLOWING DAY

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WITNESS LIST

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GREGORY JAMES BETTS, CONTINUING.....	490
WITNESS EXCUSED.....	553
TOM DANIEL RAY, ON AFFIRMATION, EXAMINED:.....	554
WITNESS EXCUSED.....	559
SUSAN LOUISE DAVIES, ON AFFIRMATION, EXAMINED:.....	554

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EXHIBITS

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ADMITTED AND MARKED "EXHIBIT 78".....	511
ADMITTED AND MARKED "EXHIBIT 79".....	517
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