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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION YANCEY

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 1 JULY, 2015

AT 10.03AM

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This transcript has been prepared in accordance with conventions used in the Supreme Court.

THE COMMISSIONER: Yes. Yes, Mr Brady.

MR BRADY: Yes, I call Martin Gordon.

THE COMMISSIONER: Yes, Mr Chee.

MR CHEE: Ah, Commissioner, in the absence of Mr Silver, I seek your authorisation to appear for the Department and Mr Honeywell.

10 THE COMMISSIONER: Yes, that leave's granted. Thank you, Mr Chee.

MR CHEE: Thank you.

THE COMMISSIONER: Now, Mr Gordon, you're not represented here today?

MR GORDON: No, I'm not.

20 THE COMMISSIONER: You've probably heard me say this numerous times but I need to ensure that you appreciate the choice you have in relation to an order under section 38 of the Act. Because you are obliged to answer all questions truthfully and you do not have the option to refuse to answer even if those answers might incriminate you in some way, you would otherwise be able to object to each and every question and by objecting in that way you would be protected from the use of your answers in future proceedings. But just by way of relieving you of that obligation on each and every occasion I can make an order under section 38 which operates as a blanket objection so that all of your answers cannot be used
30 in the future. Do you wish to take advantage of an order?

MR GORDON: Yes, I do.

THE COMMISSIONER: All right. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the course of the witness's evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given
40 or document or thing produced.

PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY THIS WITNESS DURING THE COURSE OF THE WITNESS'S EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN

**GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO
NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT
OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR
THING PRODUCED.**

THE COMMISSIONER: Do you wish to be sworn or affirmed, Mr
Gordon?

10 MR GORDON: Sworn.

THE COMMISSIONER: Can we have the witness sworn, thank you.

THE COMMISSIONER: Yes, Mr Brady.

MR BRADY: Yes, thank you, Commissioner. Would you please tell the Commission your full name?---Ah, Martin James Gordon.

Mr Gordon, what is your occupation?---I'm a licensed builder.

10

And are you presently working in the private sector?---In the private sector, yes.

Running your own building company?---Running my own business.

And you employ a number of people?---A couple of people, yes.

Before going to the private sector as a builder what did you do?---I was a development manager with the Attorney General's Department.

20

In which particular branch?---In the Asset Management Branch.

And was there a particular division within that that you were working for?--
-Ah, Capital Works.

When did you start working for them?---Ah, it was roundabout September, 2010.

And how long did you work at Capital Works?---I left in November, 2014.

30

Right. Before joining them in 2010, did you have some experience in the building trade?---I've got about 27 years' experience in the building industry. I started out as an apprentice.

All right. An apprentice what?---Carpenter and joiner.

All right. Moving on to then be a builder?---Project management, builder and I'm currently a builder today.

40

And what are your qualifications?---Development and – ah, project, Diploma of Project Management, ah, Applied Science in Building Certificate. I've got a Certificate 4 in Building, I've got management and lead auditor.

Who was your direct boss in Capital Works?---Anthony Andjic.

And was he your direct boss the entire time you were there?---yes.

What was your role in Capital Works?---Ah, essentially to manage projects from the concept through to delivery, to the final stage.

What projects?---Ah, well there's a number. I sort of ended up doing a lot of the larger scale projects so Waverley Court, Liverpool Courthouse.

Were they generally courthouses that you were doing?---Yes.

Who would allocate those courthouses to you?---Mr Andjic.

10

When you got allocated a courthouse can you just give a brief idea of how the procedure would work, what would you do?---Okay. So in a nutshell the Department had some condition orders done around about 2007, we would obtain that document, visit the site, compare what was current standard to what was listed in 2007, compile a scope of works. We would generally meet with Courts and Tribunal Services senior management and discuss what our, what our go forward plan, check that that would meet the or it would fit with the budget and then begin the process of engagement of the relevant people to do the work, whether it's design, construction or project manage.

20

When you say begin the process of engaging those people what would be the first step that you would do?---The first step we'd just check that the budget met, the, the scope of works would meet the budget so you would start with a project plan and you'd have the project plan approved.

Right. Who would you have it approved by?---That would be Mr Andjic.

Right. Did Mr Andjic on occasions take on his own projects?---Yes.

30

Who would he need to have it approved by if he had a project plan?---I would say that his director.

When you got your project plan approved what would you do?---So you would then look at the engagement, depending on the size and scope of the project but if I sort of look at the ones I did we would go and seek, we'd fill out a procurement method selection form of how we're going to procure the services.

40

And we've seen a copy of a method selection form - - -?---Yes.

- - - on the screens previously?---Yeah.

That was the form that you would do?---Correct. Generally we had a single contact at, at the Department of Services.

Finance?---Yeah, Finance and Services, so we would contact that individual and generally give them a scope of what we were after, to whether it was a

project manage or a construction and they would send us a procurement list, a prequalified list of contractors.

Right. Did you understand why there was a prequalified list?---Yes.

10 And why was that?---They've gone through certain checks and balances in terms of stability within the, with their organisation, financially, do they have their, all their work health and safety, the quality management systems, they've all been pre-checked and that's why they're on the prequalified panel.

I think you indicated depending on whether it was project management or construction would there be different approaches to - - -?---It's the same process for, regardless of which one you're going for.

In relation to project managing under \$50,000 what would you do, would you still go through that process?---We'd still generally go through that process.

20 For construction over \$30,000 would you go through that process?---Yeah, we'd generally still go through that process.

And what about under 30,000?---If you had a contractor from the prequalified list that was obviously doing work already you could quite easily negotiate with that company to either extend the contract and move onto that project.

Would you - - -?---But generally you would try to keep it separate.

30 All right. Would you use companies from the prequalified list only? ---Depends if – sometimes in Regional New South Wales we have had difficulties and they have told us that we would need to go and seek alternative contractors.

How often did that happen, do you - - -?---It's fairly rare. It's fairly rare.

Would you attempt to go to a prequalified list first before then going out and finding someone else?---Yes.

40 When you had to find other contractors off the prequalified list what would you do?---You'd panel those contractors so if it was in a region where you would find four or five different contractors and then you're investigate into what their qualifications was, how long they've been in business, what projects they've done and actually go and have a look at some of those projects.

All right You wouldn't necessarily need to do that to the same extent with the prequalified list?---Not at all.

All right. How would you go about finding contractors if they're not on the prequalified list and you had that regional area?---You'd probably – more likely I'd go to the Master Builders Association and look for registered qualified builders within that region.

Right. Would you ever just go to the Yellow Pages and have a look at the ads?---I haven't done so, no.

- 10 What do you think about that for an approach to engage someone as a project manager and/or builder under the Government?---I've never done it. I don't think I would so it's, it's an approach.

Okay. So let's go back to the prequalified list. You'd go and you'd seek from Finance a prequalified list. They'd no doubt send it to you?---Yes.

- 20 And what would you then do?---You look through the, you look through the list and generally look at if there is a contractor within the region that you're going to service. Obviously if they're local the cost is going to be obviously more competitive for you. So you would panel a group of contractors close within that region if possible.

When you say panel a group of contractors what do you mean by that?---So you would look through the list and if there was five people within Orange and your project is in Bathurst you would probably select the five or the three depending on the number you needed within that region because of obviously transport costs and those sorts of things.

- 30 All right. And when you say select, select to do what?---You would – generally we would make most of our selections with Finance and Services so we would tick the names that we thought were compatible. We would send those names back to Services New South Wales. They would then give us some information. Sometimes we would meet face to face with them and talk about how we were going to select a panel and they would have other information that we weren't privy to. So they had a lot of their financial information, they had a lot of their scoring, previous works, obviously the amount of work that they had on at the time. So they would be able to give us that information, whether they were suitable.

- 40 Scoring, what do you mean by that?---So contractors generally will be scored throughout their service for the Government and that would then give them a ranking on the system to where they sit on that spreadsheet when you, when you get the spreadsheet from – when you get the actual procurement list they're all ranked and you'll see who sits at the top of the list based on their ranking.

Once you sorted out who you were going to go to - - -?---Yes.

- - - how would you go about doing the tender process then?---So in the past we would prepare the tender documents, so the suite of documents that have to go out in terms of, if I say project management it's probably easier for me.

That would be great. Thank you?---We would prepare the brief which is the project plan which sets out what we're actually asking for them to do for the duration of the project and panel those members for a pre-tender meeting.

10 The pre-tender meeting would be what?---It can be held – the pre-tender meeting can be held at the Parramatta office or it can be held out on site depending on, on the proximity of it and that pre-tender meeting is to set out what our parameters are, answer any questions in relation to the job. It also gives the panel members an opportunity to visit the site, look at what they're trying to bid for and helps with their submission so you get a better understanding.

20 Do you then run that pre-tender meeting?---The initial pre-tender meetings were run by us in my role and then the pre-tender meetings are then handed over. Once you engage a project manager they would then manage the construction phase if that was a separate engagement.

No doubt it'd help to have some background in project management and construction to conduct those pre-tender meetings?---I believe so, yes.

30 When the various companies then tender what happens?---Well, they will submit their tender, there was a Tender Opening Committee who would open the tenders and they would then submit you with the file that, see, if it was a two-part process there'd be a sealed envelope for privacy and a sealed envelope for non-price.

What's the purpose of the sealed envelope in relation to the price?---In a 60/40 split that we operated under we would assess the non-price component before you assess the price component.

40 Why do you do it in that way?---Generally the non-price – a lot of things aren't just driven by price, they're driven about some of the complexities of some of these locations and the non-price should flush that out, that's what you're really after.

Okay. And you know in fact off the top of your head that it's a 60/40 split? ---It was 60/40 split when I was there, yeah.

Is that a 60 price - - -?---60 non-price.

Non-price?---40 per cent price.

Right. Who ran the Tender Opening Committee?---Oh, it was, it was managed by Procurement within our Department and it could be various people within that group would often do it.

The person who, the people who are then on the Tender Evaluation Committee, would they be the same from the Tender Opening Committee?
---No.

10 Why is that?---Well, there's no, there's no separation of powers, there is, there's – if they open both envelopes and then they sit on the panel they already know what's in both envelopes so I've, I've never seen that happen.

The Tender Evaluation Committee, who puts that together?---The, that would have been my role to do that as a development manager.

20 And who would you get?---People that have obviously some industry knowledge, generally you would definitely have an independent from outside your department that would have an understanding of reading documents and interpreting what, what they're reading but very much an independent that has no vested interest in the, in the project.

After the Tender Evaluation Committee do you then do a tender evaluation report?---Yes.

Who does that?---If it's for construction and you've already engaged a project manager they would prepare that.

30 Would the project manager if it's for – sorry. If it's for construction and you've already engaged an external project manager would they sit on the Tender Evaluation Committee?---Yes.

During the course of the Tender Evaluation Committee to see the tenders are discussed does it become obvious whether people know something about construction?---It does, you, you would know if they didn't know what they were looking at.

40 How, how would you know that?---A lot of builders, they're talk in a lot of methodology, a lot of processes and how they're going to put the nuts and bolts together and if you don't know what, how a place goes together or how building is managed you would, you wouldn't know what you were reading and you would know that.

The time that it usually takes between the Tender Evaluation Committee and doing a final tender evaluation report, are you able to say how long that would be?---Oh, looks, it's, it's generally been around about a week to – it can stretch out depending on the panel members because the draft report has to be sent to all the panel members but generally it should take about a week, a week before the report's ready to go out.

Right. And what are you doing in that week in preparing the tender evaluation report?---You, you assess, well, we've already scored it, we've already got all the notes from our, our discussions.

So that's the non-price criteria you've already scored?---Yes. So we score it, we write our own notes and we put those notes into the report.

10 Do you make some inquiries in relation to the jobs that they had done?
---Well, they're prequalified so you would, you would, you would have looked over their jobs prior to even sending them to the tender panel, you would know that they have done work previously.

And you're describing that as the prequalified company?---Yes.

The prequalified companies need to put in the works that they'd done to get prequalified?---Correct.

20 And one assumes then that the people who are running that prequalified list have actually assessed whether or not those works have been done?---Yes.

So you don't need to then assess the prequalified candidates for the works they've done, you've already seen that that's what they've actually done?
---Yeah. And, and knowing the industry you sort of know who's done what projects, especially in the larger scale, you know that certain companies have done certain projects.

30 If the company wasn't pre-qualified what would you do in terms of assessing their jobs?---Ah, you would, you would go and visit their sites and I have done that.

So when you've actually had a pre-qualified, a non-prequalified tender you've actually gone and had a look at what they said they've done?---Correct.

To ensure they've obviously done it?---Yes.

40 All right. If, for example, you saw a company with a tender saying that -- who were non pre-qualified saying that they'd done a \$4.5 million job for Aldi, what would do about that?---I would check whether they've done \$4.5 million job for Aldi.

Right. Would that be something that might raise a - - -?---Ah, in terms of dollar value that doesn't concern me but I'm sort of aware of what the Aldi buildings look like. They're pretty stylish. I know a couple of -- I've seen a couple of companies that have done them and I would just look at it and investigate it.

Once you have done the tender evaluation report what do you do with it?---
Ah, depending on the delegation it would either go to Anthony or it would
have to go to the director or at the time it was the director general, I think it
was, yeah. It's now the secretary. So depending on the delegations where it
would need to feed to.

All right. Can you ever just sign off on your own tender evaluation report?--
-- -No.

10 Why is that?---The Tender, the Tender Committee would sign off on the
report but I can't approve that procurement.

Sorry. I'm using the wrong terminology there?---Sorry.

No, fair enough. So you could sign off on the report and the Tender
Evaluation Committee would but then someone else would have to
approve?---Approve it.

20 Why would someone else have to approve?---Because they would have to
approve the expenditure and the commitment of funds to that project.

All right. Once you've don't that, no doubt engaged the company?---Yes.

If it's a project management company that you've engaged what do you
expect from them?---Ah, well I expect them to manage the project from end
to end as a support to myself. Conduct regular site meetings and they can
vary from fortnightly to weekly to monthly depending on the complexity of
the job. Most of mine would probably have been fortnightly site meetings
with a monthly PCG meeting.

30 What's a PCG meeting?---Project Control Group Meeting. It's where you
would finalise the true status of the project at the end of the month. The
fortnightly meetings were more of a, a status update with the builder in
terms of any minor glitches in the project that we need to iron out instead of
waiting for the month, you'd deal with them up front.

40 All right. You've heard, I was putting to Mr Chacra what a PCG report was
and he was unable to say what that was. In terms of someone who is a
project manager, how did that strike you?---Ah, it's a standard document so
-- -

There's obviously a difference between how involved you are in a project if
you've actually got an external project manager and if you're doing the
project management yourself?---Yes.

What do you expect from a project manager and external project manager in
terms of checking that the work is being done properly?---So I would expect
them to – once our bills come in each month they would assess the account,

um, they would issue me with a payment certificate in terms of the figures are true and accurate, the percentages are right. I was obviously a pretty hands on sort of person so I would actually double check that I thought those figures were correct as well. And if it was a larger claim then I would expect if we had a larger project they would send that to the QS for their review in terms of the cost.

What's a QS?---A quantity surveyor.

- 10 You've heard evidence as you've sitting there, Mr Andjic saying he just basically took these bills or invoices at face value, what would be your approach to that?---I couldn't do it.

Why is that?---Well I sort of took a lot of hands on role in the project and I wouldn't pay for something that wasn't built.

Would you, if you were getting an external project manager ensure that they were separate from the construction company that was doing the build?--- Absolutely.

20

Why?---Again, you'd have no separation of powers. It doesn't confirm to our procurement guidelines. It just gets messy.

And what are some of other practical difficulties with - - -?---Well, it would be very hard for an internal company – internal project manager to discipline their own internal employees. It just wouldn't work.

30

Now, no doubt over the four or so years you were working with Mr Andjic you got to know him reasonably well?---Yes.

When you first started there what did you – what would you have said about his adherence to policies and procedures?---Oh, I thought he was, I thought he was really professional. He was strict. His adherence to guidelines and standards were impeccable.

And did you get to know what his policies and procedures were in relation to payment and insuring that the work had actually been done?---Yes. He, he, he sort of drilled that home fairly regularly.

40

Did that, as you saw Mr Andjic and his adherence to the policies and procedures and those sorts of guidelines, did that seem to change?---Yes.

When did that seem to change?---I, I think it changed around the time that his marriage broke down. There was, there was a change in his personality as such because I sort of knew him – I sort of treated him as a friend while we were working together.

All right. And when was that that you noticed - - -?---Oh, sort of the latter part of 2013, early 2013 or late '12, around that period.

All right. And what did you notice about it, that is, the change in him?--- Just a lackadaisical approach to his role, to any supervision within the Department. He, he changed.

The director Kerry Marshall who was there until January, 2013 - - -?---Yes.

10 - - - what was he like?---Outstanding.

In what way?---Great person to work for. Again, a stickler for process. Very approachable. If you had a difficulty on a project you could talk to him about it and you'd come up with a very clear practical solution to it.

All right. He obviously left in January, 2013?---Yes, he did.

20 Did you notice any changes in Mr Andjic after that?---There was a – well, I remember Jamie Maslen took over and there was obviously no friendship there between the two of them and it sort of started to, to change from thereon.

When you say there was no friendship between the two of them, why do you say that?---Oh, they were at loggerheads with each other. I guess it's probably a bit of a, a battle over that position.

You're obviously friends with Mr Andjic?---Yes.

30 I think you've indicated that. You heard the evidence that he gave about that he would send emails to other friends of his saying things like you're in my heart, things of that nature, and when pressed about who he might have sent things like that to in terms of male friends he nominated you. What do you say about that?---I didn't get any of those messages but we were friends.

All right. Did that come as a surprise to you that he was saying that you were someone that he might write an email to saying something along the lines of you're in my heart?---I was shocked, yes.

40 It wasn't the nature of your relationship?---No.

Did you go away on weekends together?---We, we, we went away for work together, yeah.

Right. So when you say away for work together what was that?---Oh, we would often go to the same project together because early in the days Anthony used to attend PCG meetings and stuff like that. So we would attend a site together and we'd share a hotel.

All right?---Two rooms.

All right?---I'll just clarify.

So not, not - - -?---Just got to clarify that.

10 Did you ever go away just as friends?---I think we went to the Hunter Valley as a group to, to a band or something in the Hunter Valley once. I can remember that.

Again, no doubt not sharing a - - -?---No.

- - - single room with him?---Absolutely not.

20 All right. Okay. Sorry, can I just go back a bit. It's something I just forgot to raise with you. If you were going to sign off on construction that had been done, that is, if you don't have an external project manager - - -?
---Ah hmm.

- - - and you wanted to sign off on the work that had been done by a construction company what would you do?---Well, I would sign off on their invoice and pass it onto Anthony for his approval.

Before signing off on it would you take any steps to ensure - - -?---I'd inspect the job. Generally it would always come at the back of a monthly meeting and then they would put in a progress claim and I'd review the progress claim based on my last inspection.

30 Now in terms of paying the bills or the tax invoices that were coming in, how would you go about doing that?---Well, for me personally sometimes I spend a bit of time travelling so I would have others in the office be able to sign off on it and, but I would, I would send them an email saying this is approved for payment and I would give them something in writing to say that I've inspected it and it's fine to pay and I'd have someone help me process it from, from Parramatta.

40 Right, and you're talking about someone else signing off saying the work's done instead of you signing off saying the work's done?---Yes.

You would in those circumstances have a chain of email or paperwork to show that you've actually said the work has been done?---Yes.

Would you ever just go to someone with a payment voucher and say sign this?---I don't recall I've ever done that.

Right. What was the difference between a purchase order and a payment voucher?---A purchase order was committed funds for a committed project

and you'd gone through a series of steps to write it up. I generally knew a voucher to be a minor amount to speed up the process of getting something done but not necessarily jumping outside your guidelines, so it was for a small amount, cut some of the red tape and get things moving.

Right. And when you say small amount, just give us an idea bearing in mind we all have different - - -?---Oh, generally about under \$10,000.

10 So a payment voucher for \$80,000-odd wouldn't be something that you would normally use?---No.

If there was going to a variation in the contract - - -?---Ah hmm.

- - - price that is if the construction company is varying the contract what would you have to do?---Well, you'd first seek a copy of - well, they'd have to submit a variation to you in a structured format of what the variation is for, you would review that versus the scope of works of what the actual job is to see either whether it's in the documents or whether it's omitted from the documents and if it was omitted from the documents you would then
20 generally need to seek approval from your, your director or the next person up the line because obviously the project's already had to go up the line and you're changing the actual value of the project.

Right. Would you do all of that if the variation was say \$1,000?---Yes.

Right. If the variation is \$100,000 no doubt that speaks volumes whether you should be doing that?---Absolutely.

30 You wouldn't use a payment voucher just to make that variation?---I don't think we would be allowed to.

All right. Now in 2013 were you spending much time with Mr Andjic?
---That was the - no. Mr Andjic was very much on his own most of that time.

Did you notice any interaction between him and Fatima Hammoud?---Yes.

40 What did you notice?---Oh, they, they spent a lot more time together, they were, they were very close friends, I knew that.

Did you hear anything else other than very close friends?---I heard a lot of rumour and innuendo about their personal life.

You didn't engage in that?---Oh, I confronted Anthony and asked him.

When did you do that?---Oh, over the, over the last year probably several times I've actually asked him.

At the time back in 2013 did you confront him and ask him?---Yes.

And how often did you do that in 2013?---Oh, I couldn't give you exact numbers but it was on and off I would ask him whether they were in a relationship or not.

10 Why would you do that?---Because there was a, he was a friend and there was a significant change in his personality and, you know, I thought if he was – he just changed his life in terms of his marriage but he was just a different person, a totally different person and I couldn't attribute that to anything else.

And why did you want to determine whether or not that was the cause?
---Because he was, he wasn't a bad guy to work with at the end of the day, he was a decent guy.

20 And what did you see happening in terms of him being a bad guy to work with?---He just became a lot more unreliable than he used to be, he became factionalised from the group of guys that we all worked with and I thought maybe, you know, I could just sort of point him and give him a tip in the right direction if he was changing and he was changing.

Yes, thank you very much. Just wait there if you would, thank you, Mr Gordon.

THE COMMISSIONER: Mr Gordon, can I just ask you a moment ago you were talking about the need to engage a quantity surveyor on large projects?---Yes.

30 On the smaller projects did anyone in your group undertake that role, the quantity surveyor role?---No.

No. So you essentially looked at the invoice and determined that it represented fair value for the work that had been carried out?---Yes.

And that was after you'd done a physical inspection of the job?---Yeah, the project was generally broken up into stages.

40 Yep?---And ah, you would, from your bill, from the bill you would have a program of works and you could gauge the program of works versus the milestone dollars being claimed.

Right. And so you'd recognise when for example the project got to a certain stage and there was an overspend that you couldn't justify in terms of where the project was up to?---You should be able to pick that up, yeah.

Right. Yes, does anyone have any questions of Mr Gordon? No.

MR BRADY: Can I just ask some questions - - -

THE COMMISSIONER: Yes.

MR BRADY: - - - on the back of what the Commissioner has asked? When you get a tender document in, that is a tender from a particular company, and you've talked about the breaking down of the project - - -? ---Yes.

10 - - - would you expect to see how that's broken down in the tender document?---Yes.

You've seen I think on screen one of Triton's which showed absolutely nothing broken down for the \$203,000?---Yeah.

20 What would you think about that in terms of a tender document?---Oh, it's insufficient. You can't, you can't assess real value of the breakup of the trades. So if it became a very close tender in terms of dollars how could you know if the bricklaying was a little bit higher than the plastering versus something else, or have the documents been misread and you've got an area that looks a bit inflated how could you dissect that. You can't do it.

Similarly you've seen some of the bills that Triton Group sent through?---Yes.

And you've seen those on the screen. Can I particularly take you to perhaps 1505? That's a bill in relation to Cessnock Courthouse. Do you see that?---Yes.

30 On 29 July, 2013?---Yes.

Before that Triton had put in bills for 64,000 and 26,000. If you get a bill just in that way for \$133,000 would you just sign off on that?---Send it back.

And say what?---Um, break it up, break up your invoice of what you're claiming.

40 Why would you do that?---Um, there's been history in the Department I suppose of overpaying on a project and you would need to know these components are completed because if, if the builder themselves did go broke you have to finish the project so you need to make sure you've got enough money in the kitty to be able to finish it.

Yeah, would you want to see what they charged for each of the - - -? ---Absolutely. Especially the variation.

Yes, thank you, Mr Gordon.

THE COMMISSIONER: Nothing further? Thank you, Mr Gordon. You may step down. You're excused.

THE WITNESS EXCUSED

[10.38am]

10 THE COMMISSIONER: Yes Mr Brady.

MR BRADY: Yes, I call Mr Ingram.

THE COMMISSIONER: Just take a seat, Mr Ingram. You're not represented today?

MR INGRAM: That's correct.

20 THE COMMISSIONER: You've heard no doubt what I explained to Mr Gordon? You appreciate that if I make an order under section 38 it protects you from the use of your answers against you in civil and criminal proceedings but it doesn't protect you if it should be found you've given false or misleading evidence to the Commission?

MR INGRAM: Yes.

THE COMMISSIONER: Do you want to take advantage of an order under section 38?

30 MR INGRAM: Yes.

THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the course of the witness's evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

40 **PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY THIS WITNESS DURING THE COURSE OF THE WITNESS'S EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT**

**OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR
THING PRODUCED.**

THE COMMISSIONER: Mr Ingram, do you wish to be sworn or affirmed?

MR INGRAM: Sworn.

THE COMMISSIONER: Yes, can we have him sworn, thanks.

10

THE COMMISSIONER: Yes, Mr Brady.

MR BRADY: Yes, thank you. Would you please tell the Commission your full name?---Robert Edward Ingram.

10 Mr Ingram, what is your occupation?---I'm a self-employed contractor.

Doing what?---In the building industry.

Right. And how long have you been a self-employed contractor in the building industry?---Ah, since November this time.

Before that what were you doing?---I worked for the Attorney General's.

20 In any particular department within the Attorney General's?---Yes. I worked with, ah, just in the, in the court systems.

All right. Mr Ingram, sorry, I might just get you to keep your voice up a little bit for us, if you can. Sorry, within the court system. So within Asset Management Branch?---That's correct.

And in a particular division within the Asset Management Branch?---Yes. It wasn't, yeah, I was working with Anthony and Martin in the court system.

30 Again, I just need you to keep your voice up a little bit, if you wouldn't mind. So was that within Capital Works?---Yes, it was.

Was that also called on occasions Major Works?---Yes, it was.

All right. What was your role in Capital Works?---Project officer.

And what did that mean?---Ah, I went out and I more or less just did the project management of most of the court systems.

All right?---Jobs we did.

40 When you say jobs you did, renovations you were doing for the courthouses?---That's correct.

How long did you work with Capital Works?---Ah, nearly three years.

And before working with Capital Works, what did you do?---I had my own business in landscaping and maintenance division.

Sorry?---Landscaping and maintenance.

And how long were you doing that for?---Six years.

Did you have qualifications as a project manager?---Not as such but in the building industry, yes, I did.

All right. What sort of – when you say - - -?---I worked, I worked for Local Government for nearly 20-something years.

10 Right. Doing what?---Ah, I was an overseer and a manager in Local Government, running projects.

What sort of projects?---Ah, roadworks, ah, housing like the building, stuff like that.

Okay. You've heard Mr Gordon give some evidence about the procedure when you would get a project?---Yes.

20 Did you have anything to add to what he was saying about the procedure that would be followed?---No. No, that's fine.

Did you agree with the things that he was saying about the procedure to be followed?---A 100 per cent, yeah.

Okay. All right. Now Mr Ingram, who was your direct boss?---Anthony Andjic.

30 Was he your direct boss the entire time you were at Capital Works?---Yes, he was.

At some stage did Mr Andjic approach you about signing off on some work?---Yes, he did.

What happened?---I think the document you're talking about, I wasn't very happy about signing it.

All right. Well can I just take you to it if I can, 1146. Is that a requisition form?---Yes, it is.

40 For some 48-odd thousand dollars?---That's correct.

And you've signed that as the requisitioning officer?---That's correct.

Saying effectively that the goods and services are necessary. Did you have a discussion with Mr Andjic about signing that?---Yeah. I wasn't happy about it. I didn't know anything about this project.

All right. Can I just go through some of those things then if I can. First, the idea of the signature under requisitioning officer, what's the purpose of that?---That means that I'm asking for this to be done because it's my project.

Right. So normally the person who signs as requisitioning officer would be the person in charge of the project?---That's correct.

You weren't in charge of that?---No.

10

Did you know or did you understand that Mr Andjic was in charge of that particular one?---Ah, yes.

All right. Had you heard of SAFF Projects before being given this?---No. Not at all.

So you didn't know them at all?---No.

20

You've been asked – sorry, you've signed that, why have you signed it?--- Because he asked me to sign it. He more or less told me to sign it.

All right. When you say he more or less told me to sign it, we need to get obviously what happened if we can, who's he?---Ah, Anthony.

What did he do?---Okay. He came to my desk and he put it on the table and he said "Just sign this". And I looked at it and I said "Why am I signing this"? And he said "Well, just sign the fucking thing".

30

I'm sorry, he said what?---Well he just, he said "Just sign the fucking thing".

All right. There's no difficulties in swearing if you're using it - - -?---Okay.

- - - in the, in the quotes. So please don't be embarrassed?---Right.

40

When he said "Just sign the fucking thing" what did you say?---I said "Well, if I've got to go to you to get this signed why don't you go to where you've got to go to get it signed"? And he said "You know I can't sign this on my own work" he said "Just sign the fucking thing". And I said to him "All right. I'm signing this but I'm not doing any more".

All right. When you say you know I've got to go to you to get these things signed why don't you need to go to where you have to go to get them signed - - -?---Yeah.

- - - what did you mean by that?---Well, he's, he was my boss. If anything's got to be signed off he's got to sign it off above me so he should have gone to someone above him.

All right. How did he respond to you saying that to him?---He virtually got the shits. He really, yeah.

All right. And when he said again, I think you've just said, "Just sign the fucking thing", what did you do?---I signed it. I – with objection I signed it but that was it.

10 When you say that was it, what do you mean that was it?---I just signed it and he took it away.

All right. Did he come back to you at any stage after that to say sign other things like this?---No, not that I recall.

You've given that evidence in – obviously in a normal tone of voice. Was it a normal tone of voice that was being used?---For, for him?

Yes?---No, not really.

20 What do you mean by not really?---Yeah, I think he was, I think he was pretty cranky.

Right. What led you to the conclusion he was pretty cranky?---Well, he – I, I don't think he would ever have said before just sign the fucking thing.

After you've signed it and he'd gone what were you thinking?---Well, I actually thought maybe I shouldn't have done it but it was too late, he'd already told me to do it so I did it.

30 All right. I think you indicated he didn't come back to you with any further ones to sign?---No, nothing.

Did you feel like you had made your position fairly clear to him?---I think so.

Why do you, why do you think that?---Well, I just said to him I'm not signing any more and that was it.

40 Was there anyone else around while this was happening?---Quite a few people. I can't name names but I think a lot of people heard.

All right. Okay. When you're thinking to yourself perhaps I shouldn't have signed it, why were you thinking that?---I think the value of it just didn't register for me like, you know, for this, not this one but I – something just didn't feel right.

All right. Now, you'd been working with Mr Andjic for some three years before that?---Yes.

And no doubt had seen what he was like within work?---Yeah.

And what was he like, you know, when you first started working for him through until perhaps the end of 2012?---Really nice bloke. Very professional. A stickler for everything, you know, right down to the last cross the T's and dot the I's.

10 All right. Did this strike you as being an unusual step for him?---It was common practice that we, we did this but, yeah, it was just something I just didn't feel comfortable.

All right. When you say common practice, common practice on occasions to sign off on - - -?---Vouchers and stuff.

Vouchers. Was that for the sorts of \$50,000-odd?---No.

The way he approached you and talked to you was that something you'd experienced in the three years before?---No.

20 Did you notice a change in him in 2013?---I think everyone did.

What was it?---He, he – like his head wasn't in the game. You know, he just, he was always out just, I can't really explain it.

Okay. Yes. I have nothing further. Thank you, Commissioner.

THE COMMISSIONER: Any questions of Mr Ingram? Yes, Mr Oates.

30 MR OATES: If you please, Commissioner. Mr Ingram, my name is Oates. I represent Mr Andjic. When you were first asked to recall the conversation you've just recited about signing the voucher?---When I was in, in this room back in, I think it was April.

Did you keep any record or a note of the conversation you had with - - -?
---No.

40 I think the tenor of what you have said to the Commission today is you thought that what Mr Andjic was asking you to do was in some way wrong?---I wouldn't say – I, I thought it was wrong.

Yes. You'd been working at the Department for how long by then?---Two and a half years.

Yes. Who was Mr Andjic's superior?---I think Mr Honeywell. No, no. Kerry Marshall.

Yes, you knew Mr Marshall?---Yes I did.

Did you tell Mr Marshall about this?---No I didn't.

Did you make any formal complaint?---No I didn't.

Is that because at the time you didn't think much of it?---No, he was my, he was my manager and I did what he told me to.

Nothing further, Commissioner.

10 THE COMMISSIONER: Thank you. Any other questions of Mr Ingram? No. Thank you, Mr Ingram.

MR BRADY: Oh, can I just – one matter arising if - - -

THE COMMISSIONER: Yes.

MR BRADY: - - - your Honour pleases. At the time that you signed this – I wonder if we might bring up 1146. See the date set out there, 7 March, 2013?---Yes.

20

Do you know when it was that Mr Marshall left the Asset Management Branch?---Oh, I don't recall the exact date, no.

All right. Do you know today whether or not it was Mr Marshall or Mr Maslen who was actually the director at the time that you signed this?--- Could have been, could have been Mr Maslen, yeah.

Did you have a good relationship with Mr Marshall?---Yes.

30 All right?---It was only short but yes.

All right. Okay. Right, nothing further thank you very much.

THE COMMISSIONER: Yes, thank you, Mr Ingram. You may step down. You're excused.

THE WITNESS EXCUSED

[10.51AM]

40

MR BRADY: I call Mr Murphy.

THE COMMISSIONER: Ms Hughes, have you explained to Mr Murphy the effect of a section 38 order?

MS HUGHES: I have, Commissioner, and he'd like a declaration. I also indicate he would rather take an oath.

THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the course of the witness's evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

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20

THE COMMISSIONER: Can we have the witness sworn please.

THE COMMISSIONER: Yes, Mr Brady.

MR BRADY: Commissioner, would you excuse me just one moment?
What is your full name?---Neil Murphy.

10 Mr Murphy, what is your occupation?---I'm a development officer with the
Attorney-General's Department in their Asset Management Services.

All right?---In Major Works section.

And Mr Murphy, did you otherwise have another job at some stage?---Yes.

And what was that?---When I first, when I first joined the Attorney-
General's Department I was a sheriffs officer.

20 And being a sheriffs officer were you working in the courts?---I was.

And on occasions did you have the, did you see the Commissioner in her
former role as a Supreme Court Justice?---Possibly in the District Court I
may have Because I would have had to respond to alarms, could have been
in the court like the special constable is at the rear of this court, and also I
worked in the control room, sheriff's control room which monitored alarms
24/7.

30 Right. But you didn't have any personal engagement with the
Commissioner in her role as either Supreme Court Justice or District Court
Judge?---I may have. I just can't remember.

THE COMMISSIONER: I don't - - -

MR BRADY: I assume, Commissioner - - -

THE COMMISSIONER: I don't particularly remember you, Mr Murphy?--
-Understand.

40 I'm sorry?---Understand. No, I didn't expect you to but I just thought I'd,
you know - - -

MR BRADY: And Mr Murphy's quite properly raised that?--- - - - better
put that on the record.

Now Mr Murphy, your role at the Asset Management Branch I think, did
you indicate which division within the Asset Management Branch?---
Capital Works.

Right. And when did you start - - -?---At the moment.

When did you start that?---I started in the Capital Works section around about 2010.

Before working at Capital Works what did you do?---I was in the same branch, Asset Management Branch but in the Facility Maintenance section. I started there full-time in 2007.

- 10 Did you have any qualifications as a project manager before moving across into Capital Works?---In 2010 I obtained a Diploma of Project Management through the Department. And that was through the University of New England.

Now who was your direct boss at Capital Works?---Ah, Mr Andjic.

How long did you work for him?---Ah, since I moved to Capital Works in 2010.

- 20 All right. And what was your role in Capital Works?---I was (not transcribable) officer because the same as Mr Ingram and we were project managing some of the smaller projects within the Department.

Now again you've had the opportunity of listening to Mr Gordon in relation the procedure that's undertaken to go about project managing one of the courthouses?---Yes.

- 30 Did you have anything to add to what Mr Gordon was saying about the procedure and the way you go about - - -?---No. That's the procedure we should be following.

Mr Murphy, at some stage did Mr Andjic approach you about getting a signature on some orders?---Yes.

What I might do is I might just take you if I can to a couple of those. Can I go to 936. What's that document?---It's a payment voucher.

- 40 And what's a payment voucher?---It's a way of paying an invoice that we receive for invoices that are sometimes small in nature where a purchase order hasn't been issued for the works.

When you say sometimes small in nature, what sort of figure do you mean by sometimes small in nature?---Well previous to this I had, I had seen and signed vouchers in the maintenance section for in excess of 30, \$40,000 sometimes.

Okay. What was the usual process in Capital Works?---Ah, same thing. In Capital Works if there was no one around for the authorisation you would go to one of the other officers and get them to sign the document for you.

In terms of the amounts that you had previously seen before these, what amounts of payment vouchers had you seen signed off on?---In Capital Works?

Yes?---Ah, 20, \$30,000.

10

All right. Now that one dated 25th of the 6th, 2013, signed by you, there you're certifying that the work has been performed?---That's correct.

Did you have anything to do with that particular project?---I doubt that very much. That's, I think it was Cessnock, location 201.

Can I suggest to you in fact that is, sorry. That one in fact is for Camden?
---Okay.

20

Would that be something - - -?---That could be right, yeah.

All right?---Because the location code is high, low, sorry, not high, I thought it would be around about the, the C's.

In any event if you had nothing to do with that why do you then sign that as certifying that the work had been done?---Mr Andjic walked up to me and said "We've got to get this processed, the work's been done. Can you sign this"? And him being my manager I thought well, yeah, it's, yeah, common practice for that to happen so I signed it.

30

Did you question him about why you were signing it?---No, I didn't.

Did you question him about why he wasn't signing it if it was his project?---No, I didn't.

Why not?---Well as I said it was a common practice if people needed a signature to get it processed and the day is towards the end of the month where we needed to get it done, ah, we would just sign off for the other people.

40

Did you ultimately end up signing off on a number of other payment vouchers for - - -?---Yes, I have.

- - - Mr Andjic?---Yes.

How many do you think you signed off on?---I originally thought there would only be about ah, four to six possibly but it's proven that in the evidence I've heard that there was obviously more.

In what circumstances did you sign off on others?---Same type of circumstances. Come up to me “We need to get this processed and get it paid. The work’s done can you sign it”?

Did he indicate that to you?---Yes.

10 All right. At some stage did you start to get concerned about the number you were signing off?---Ah, I can’t recall being concerned because as I said it was a standard practice and I didn’t really realise the number I’d signed off on.

Did you start to get concerned about the amount that you were signing off on?---Ah, sometimes I did.

Can I take you to another couple if I can?---Yeah.

Can I go to 1700. Is that another one you’ve signed off on?---Yes.

20 And that’s for some \$31,000-odd?---That’s correct.

Did that cause you concern signing off on something that you’re saying that the work has been done for \$31,000?---Once again, not particularly because I had vouchers with that value prior.

30 All right. What did you say to Mr Andjic when he asked you to sign off on that one?---I can’t recall but I, I don’t think I said, would have said anything. I would have just signed it. He was my manager. He was asking me. I had no reason to not trust him that when he says to me that the work has been done I, I signed it.

Okay. Now, did you notice that the 25th of the 6th, 2013 and you’ve signed that one was the same as the previous one, that is, 936, 25th of the 6th, 2013?---The same, yes.

So he’s actually come to you on the day and put two in front of you?
---That’s correct.

40 Did that start to cause you a little bit of concern?---No. Because usually some – most times towards the end of the month you would get all your invoices and process them all on the same day. That may have been the day that they needed within our Finance group to, to process it.

So the fact that he’s bringing that to you just before the end of the financial year was something that you used to say look, this probably has some urgency about it?---Yes.

All right. And assisted you in coming to the conclusion there was no difficulties in signing it?---Correct.

All right. Can I take you to another one and that is 1731. Now, again, that's something that you signed saying the work had been done?---That's correct.

And that again is on 25 June, 2013?---Correct.

10 So he's come to you basically with three payment vouchers on the one day?
---Yes.

And got you to sign off saying that that one's okay too?---Correct.

Again, does the same thing apply to that, that you assumed that because it was 25 June, 2013 there was some urgency associated with it?---Yes, I did.

And you assumed that Mr Andjic because he was your boss was telling you the truth?---Correct.

20 And he was telling you to sign off on it?---That's correct.

And you said - - -?---He told me the work had been done.

And he told you the work had been done?---That's correct.

Did you ask him and say what work had been done or did he just say the work's been done, sign it?---No, he virtually said that, yeah, we need to process these. The work's been done, can you sign this.

30 When you'd signed three of them did you think to yourself I should in fact just check why he's not getting someone else to do this?---No, not really. As I said, it was common practice at that stage that we signed off on other invoices to expedite - - -

It wasn't necessarily common practice though was it to sign off on three in a row in the same day ultimately adding up to about \$80,000-odd was it?---It could have been. Sometimes I, I - at the end of the month I would sometimes process six, six or more invoices on the same day.

40 Getting someone else to sign off on the work that you'd done though?---Oh, no, not, not doing that.

But again, was it because Mr Andjic was your boss and you just accepted what he said?---That's correct.

Because can I take you over then to 1764. Now, that's for \$84,000 - - -?
---Correct.

- - - on 25 June, 2013. That no doubt was something that was out of the ballpark of other things you'd seen - - -?---Yes.

- - - for payment vouchers. Did that one start to cause you a little bit of concern signing off on?---I did wonder about it but I don't recall asking any questions of it. Once again, timeframe. I knew he had to get those invoices sorted.

10 All right. Because this again is on 25 June?---Exactly.

And no doubt again he told you there was some urgency with getting it done?---Yes. For payment before the financial year.

Right. And then finally, can I take you to – sorry, I said finally. It's not finally. Can I take you to 2012. It's \$10,543?---Correct.

And again on 25 June, 2013?---Yes.

20 And again you're signing off on work that Mr Andjic was supervising?---
Correct.

On the basis that he told you the work had been done?---That's correct.

And that there was an urgency associated with the payment?---That's exactly right.

Do you remember what order you signed all of these in?---No, I can't recall.

30 Did he just give them to you in a bundle?---Possibly, yes. Probably would
have come up with all of them and said we need to get these projects, can
you sign them.

So just gave you each of them as a bundle saying - - -?---Yep.

- - - these are works that I've been supervising?---Yep. The works been
done. Sign them off so I can get them processed.

40 Saying I want to get them processed before the end of the financial year no
doubt?---Yes.

No doubt as you're signing off and seeing some of the figures started to
cause you some concern that you were signing off on these amounts?---
Correct.

But you didn't say anything about it?---I didn't say anything, no.

And why is that?---Well once again it was, he was my manager, he was my
boss. I thought well if he's saying the works been done, as I said there's no

reason not to trust him um, I just trusted him. In hindsight that was obviously a mistake.

Sorry, you understand?---In hindsight that was obviously a mistake.

I think you don't have any doubt that you accept that you - - -?---No.

- - - shouldn't have done these?---Yes, I accept that, yes.

10 Yeah. And on reflection you wouldn't do that again?---Haven't done it again, no.

Right. Can I then take you, and this time it is finally, to 2625. And again that's for \$46,842?---Correct.

And again you're signing off for the work being done?---That's correct.

And again you didn't have any idea what the work was?---No.

20 Some of the other ones actually had the names of various project?---The court, the project, yeah.

Did you bother to look, to assess whether or not it was attached to a particular project or did you just sign it?---Ah, sometimes I did when they, when some of them did, did have it there. Sometimes I could look at the location. Sometimes I'd know the location. For the previous one you just showed me, the Tamworth one I knew there was a safe room that was occurring at Tamworth so I knew that that work had a variation on that one. Okay, you know, he's told me the work's been done so I thought there must
30 have been a variation. And that's um, with our new finance system you can't change the value of a purchase order any longer so all variations are usually paid by voucher.

The one there for 46,842 is just an invoice for consultancy services?---Correct.

Did you notice that there was no courthouse attached to that?---Oh, I can't say if I did at the time.

40 Again it was a matter of you signing because you got told to sign?---Yes. And the timeframe, being the end of financial year.

Did you hear a conversation between Mr Ingram and Mr Andjic about signing things when it was Mr Andjic's project?---No specifically. That conversation, I did hear that conversation where Mr Andjic went to Mr Ingram and asked him to sign something and he said virtually, similar to what he's discussed there, "How come I've got to sign this and you don't need to go to your manager but I do. I'm not going to sign it." I was in the

process of walking around to Mr Andjic's desk to talk to him about something else and he put it in front of me and said, "Please sign that." Right, once again I can't recall which one it was um, but previously when I was asked that question I did forget to clarify one thing, when I looked at the invoice the invoice was from Public Works so I thought well Public Works won't be invoicing, any issues so I, I signed it.

Okay?---With all, with all of these I would, I would check the, the amount was the correct amount from the invoice onto the voucher.

10

Sorry, with each of these you would check that the invoice and the voucher reflected each other?---Yes. The amount.

Right. But apart from checking that the invoice and the voucher reflected each other in terms of the amount you didn't make any inquiries in relation to - - -?---No other inquiries, no.

Other than accepting Mr Andjic's word that the work had been done?--- That's correct.

20

Now, at some stage did you take on the project for Gunnedah Courthouse?-- -I did.

When did you take that on?---Can't recall but I think it was in the financial year 2013/2014.

All right?---I think.

30

Are you able to say whether it was in the 2014 or 2013 calendar year that you first took it on?---Possibly 2014.

What was needed to be done with the Gunnedah Courthouse?--- Predominantly BCA which is Building Code of Australia and DDA, Disability Discrimination Act compliance. Um, and there was already, when I got the project there was already a WHS notification put in where a solicitor had tripped over some torn carpet so before we even went to the DDA and everything we had to get that carpet replaced. And when I went to inspect it we determined that the carpet throughout the whole court should have been replaced because it was that old it was all fading and deteriorating everywhere.

40

All right. You've used a couple of acronyms in there. Can we start with WHS?---Workplace Health and Safety. It used to be Occupational Health and Safety Act.

All right. And so there was a claim made by a solicitor how tripped over some carpet?---Yes. Correct.

All right. And then you talked about DDA?---Disability Discrimination Act.

All right. And that's ensuring that the courthouses have appropriate disability access?---Accessibility, yes.

All right. Had any work appeared to have been done on the Gunnedah Courthouse by the time you came along to - - -?---Nothing.

10 - - - do the project management?---Nothing that I could see that was new.

All right. Was there any paperwork or anything associated with Gunnedah before you came along?---Not that I received.

20 Did works ultimately take place on Gunnedah?---Ah, we, we did the carpet. When I received the project there was \$100,000 in the budget allocated to Gunnedah. It was about 30 or \$32,000 worth of carpet, to replace the carpet throughout the courthouse. And after that there was one stage where the rest of the Court Upgrade Program was being bundled together and provided and given to Public Works to manage and, that was Tamworth and Gunnedah were two in that, that area that I was told to hand over to Public Works so they could package about four to six I think it was, so that we got a better value for money for Public Works.

30 When you took over the Gunnedah project no doubt you go and check to see what's been done on it by the Department?---Correct. Yes, correct. Same as Mr Martin Gordon said is that we'd go out, check with the Registrars, discuss with the courts and tribunals of what's required and what they want and they prioritise whatever work, if there's not enough um, budget allocated for the required work.

You know doubt have seen while you've been in court that there was a bill rendered, or a tax invoice rendered by SAFF for their project management of Gunnedah?---That's correct.

In the sum of \$36,245?---Correct.

40 Did you find anything within the Department that would reflect preparation of contract documents for the Gunnedah Courthouse in the sum of \$36,245?---No. When I, when I got the project there was no documents or anything that was given to me that had been prepared by anybody. I was told to go out and being a smaller, smaller amount of money it was an agreement at that stage that anything under approximately \$200,000 we would project manage internally.

Right?---So I was going to be the project management on that job preparing all those documents.

Apart from New South Wales Public Works taking it over because they were taking over a number of these did you see anything about Gunnedah in particular that would have required a project manager outside the Department?---No.

And did you see anything that would have required a project manager who charged \$36,000 without a single bit of, piece of construction being done?---No.

10 When you went out to inspect Gunnedah, obviously you had been given that project?---Correct.

Who gave you the project?---Oh, Mr Andjic.

Did Mr Andjic say to you well look, some works have been done on this by a project manager, can I give you the documents?---No he didn't.

20 Did he say anything about whether or not anything had been done previously?---No, no previous work.

Well when you say no previous work, that was my bad question. What did he say to you about going out to Gunnedah and to have a look at it?---Oh well, I had Tamworth at the same time so I flew into Tamworth um, picked up a hire car, went to Tamworth Court on the day I flew in there, went to Gunnedah Court the next day and then came back to Tamworth. Um, he just said we've got to go out and scope up what needs to be done. It's under the Court Upgrade Program, and I knew the Court Upgrade Program was dealing with BCA and DDA compliance. So I went to look for, for that type of description of work that needed to be done.

30 And no doubt you did then scope it up?---Oh yes, came back and made some notes and had a bit of a scope. And once again after that we would discuss with, usually with the Senior Registrar first and then go to the Director or Assistant Director of Courts and Tribunals.

All right. Excuse me just one moment, please. Just excuse me a moment, Mr Murphy. In early 2013 to the middle of 2013 what was your position within Capital Works?---Development Officer.

40 Had you applied for a higher position?---I had.

What was that position that you applied for?---It was a project, Project Development Manager I think it was, or something along those lines. A higher grade. I've got Grade 7/8. It was a Grade 9/10.

All right?---So it was for experience and promotion.

And was that then putting you almost in the same position as Mr Gordon for example?---Ah, no. Mr Gordon was a level of an 11/12 or just above.

Right. So just below Mr Gordon?---Just, just below. Between what I was and Mr Gordon.

All right. You made the application?---I did.

10 What did you have to do to do the application?---Oh um, answer selection criteria that was advertised in the position. I think there was five or six criteria that needed to be answered. That's usually about, you know, the number on an application. Um, and put in my resume and I had to submit it by a certain date, and got an email back saying yes, that I had, date of receipt of my application and will be processed in due course.

By the stage you were making that application you'd been I Capital Works for some three or so years?---Capital Works, in '13. Um, yes, in Capital Works for probably three years.

20 You'd also been working for the Asset Management Branch in another capacity?---Yes, since approximately 2007.

And before 2007 what had you done?---Ah, I worked in the Asset Management Branch on two separate occasions as temporary employment but my substantive position was a sheriffs officer. I left the Sheriff's Office in 2006/2007 in, full-time when I won a position in Asset Management.

30 And you'd obtained your Diploma in project management in 2010?---That's correct.

You got an interview for the job?---Yes I did.

And you went to the interview?---I did.

40 Are you aware who else got interviews for the job?---I knew Fatima Hammoud had got an interview because being on the same floor while I'd been discuss what was happening she said she had applied for the job and when we got interviews she said, "Oh, did you get an interview?" I said, "Yes I did." And she said that she had got an interview as well.

You obviously knew Fatima Hammoud?---Yes, correct.

Did you know what her role was within Asset Management?---She was a procurement officer that predominantly looked after tenders and procurement on Smartbuy I think it was, yes.

Sorry, on Smartbuy?---Smartbuy which is a Government supply where you order stationary and any in-goods and other, other goods.

Did you know she was doing some work for Capital Works?---Yes, I heard that she was doing some part-time work during, one day or two days a week.

Had you spoken to her about the work that she was doing with Capital Works?---Not about the work but um, I did have some discussions – I can't remember when – but um, in discussion she would ask for, how do you this type of thing and sometimes I would provide a, a document that had been
10 used for that type of purpose before, like a template and just for her to look at or, you know, to change. Because it was a standard document.

When you've had discussions with her in, and about Capital Works were you able to form an opinion about her ability as a project manager?---Ah, yes.

And what was it?---Well, it wasn't just form the opinion. We had discussions and we were asking – this is before the interview – just in
20 general conversation about her qualifications and what she was doing and she said she was doing this because she didn't have any qualifications. She wanted to get a bit of experience in that type of field.

Right. After the interview did you get feedback about where you stood in terms of the recruitment process?---Nothing. No feedback.

Did you hear anything further about the recruitment process?---Nothing until I got an email from the HR division, I think it was Ian Fleming, sent out an email, ah, saying that the position was not going to go ahead it had been stopped, the recruitment had been stopped.
30

Before you got that did you have any concerns about the recruitment process?---Ah, yes, I did.

What were they?---Well after, after I got the invitation to have the interview I then realised that Mr Andjic was the convenor and I had put him down as a referee. So I had to put an amended application in to change him from a referee, pardon me, to somebody else that was not on the panel. So I changed it and I rang the previous director, Kerry Marshall and he said
40 "Yes, he would be my referee".

All right. Did you have any other concerns about the recruitment process?--
-Ah, yes. As I said there was rumours and innuendo and once again, from what I'd witnessed and see on the floor that Mr Andjic and Ms Hammoud were in a relationship.

When you say what you'd witnessed on the floor, what did you witness on the floor that led you to the conclusion they were in a relationship?

MR OATES: Commissioner, I object to the continuation of this. Can this really assist the Commission, this gentleman telling us about rumours and innuendo on the floor?

THE COMMISSIONER: Well he, he hasn't been asked about rumours and innuendo, he's been asked about what he's witnessed on the floor, what he saw. I'll allow it.

10 MR BRADY: I actually specifically asked what did you witness - - -

THE COMMISSIONER: Yes. Yes.

MR BRADY: - - - rather than going into the rumours and innuendo.

MR OATES: Perhaps I was a bit late, it was the previous question I was talking about that it really can't assist the Commission in my, in my respectful submission, this type of material.

20 THE COMMISSIONER: Well it's a matter of weight I would've thought. I mean your client's denied that there was any relationship. I'll see what Mr Murphy has to say. Mr Murphy, can you put out of your mind what you might've heard by way of rumours and innuendo and just speak from your direct knowledge of what you saw or heard in relation to the interactions between Mr Andjic and Ms Hammoud?---Yes.

30 MR BRADY: What did you witness that led to the conclusion they were in a relationship?---They would often arrive at work together. They would often, numerous occasions have lunch. They'd go out and have lunch together. Ah, they would leave within five minutes of each other. Yeah. And always Mr Andjic was, ah, sometimes over with Ms Hammoud at her desk and they were talking and I don't know what they were talking about but he was over there a bit discussing, I don't know what they were discussing. But, yeah, they could've been discussing work, I'm not sure. But, ah, these were the things I've seen with their interaction.

40 When you say over there a bit, are you able to say how often?---Ah, I wouldn't be able to say exactly but, yeah. Probably at least once a day, possibly more. It was a fair bit. And other people on the floor had noticed that as well.

When you were talking about, sorry, I was asking you whether or not you had any concerns about the recruitment process and you raised this, what concern about what you'd seen did you have?---Well I had concern 'cause I said Ms Hammoud had told me she had an interview and I was wondering that when I got to the interview whether she was before or after me, I wasn't sure with her interview, ah, I was wondering if Mr Andjic was still there because he was a convenor and whether or not he had actually declared the,

the knowledge in regard what I perceived as their relationship and whether or not that was going to influence the process.

Had you come to a resolution in your own mind about what would happen if Ms Hammoud got the job?---Yes, I did.

And what was that?---I'd also heard from a rival person who works within the section that - - -

10 MR OATES: Commissioner, I rise again. How can this evidence about heard from another person in the section and what he would've heard has certainly happened. How can that assist the Commission?

THE COMMISSIONER: Well we're not bound by the Evidence Act. It might be hearsay but I mean, I have to allow the evidence to determine whether or not it's going to, it's going to take us anywhere.

MR OATES: I know, I know the Evidence Act doesn't apply,
20 Commissioner but it's a matter of fairness in my respectful submission that the gentleman's obviously giving evidence the best he can. I don't criticise him. But really it can't be given any weight and therefore we can move on.

THE COMMISSIONER: Well that's a matter for submissions though, Mr Oates. That's the matter for the submissions.

MR OATES: Yes. Yes, I appreciate that. But it's my submission with respect to my objection that it can't be given any weight and therefore we would move on.

30 THE COMMISSIONER: Well I'll allow it and we'll see where it takes us. Yes, go on, Mr Brady.

MR OATES: As the Commissioner pleases.

MR BRADY: So you'd heard from someone?---Someone else said that within, within the section that Fatima's referees had been contacted, pardon me, so at that stage I contacted my two referees that I'd put down and neither of them had been contacted.

40 Who did you hear from, who did you hear from within the Department that Fatima's referees had been contacted?---Ah, Wendy Sheridan.

Sorry?---Wendy Sheridan who worked in, she worked with procurement and her manager was Fatima's manager.

Yes, thank you very much. Just wait there if you would, Mr Murphy.

THE COMMISSIONER: Any questions of Mr Murphy?

MR CHALMERS: I don't believe so but could I just have a moment?

THE COMMISSIONER: Yes, go on, Mr Chalmers. Any questions Mr Oates?

MR OATES: Thank you, Commissioner. Mr Murphy, my name's Oates, I appear for Mr Andjic?---Yes.

10 You've had an interesting career change, sir, from the Sheriff's office to project management?---That's correct.

You have an interesting project management prior to making that change?---Yes, I've been in the building industry since my apprentice carpenter.

Yes, when did you do your apprenticeship?---I started my apprenticeship in 1978.

20 And you worked as a carpenter up until 2006?---I worked in a building company as an apprentice through to the leading hand, site foreman and site manager on multi-storey buildings and in 1991 when that company closed shop I started working for myself till 2002 as a private builder.

Yes?---Got my own builder's licence.

When did you start at the Sheriff's office, sir?---Pardon?

When did you start at the Sheriff's office?---18 March, 2002.

30 Until 2006, was it?---About 2006, 2007.

And you started to do some temporary work then for Capital Works, was it?---That's correct. I think about - - -

So you were moving between - - -?--- - - - four, four months temporary appointment as a senior project officer in the accommodation unit. At that stage there was an accommodation unit looking after projects and accommodation requirements and leasing.

40 Yes?---And I did another three or four months just before I became permanent, ah, in the facilities maintenance area as a project officer looking after maintenance and small renovations on courts.

Thank you. You said you were at some stage concerned about the selection process that was occurring when you applied for the job for which Ms Hammoud also applied?---That's correct.

Do I take it that you didn't make a complaint to anybody about that?---No. I didn't at that stage.

I'm not being critical of you, sir?---No. It's not.

I'm merely asking you what the position was?---Yeah. No, I didn't at that stage.

Yeah, yeah. You had a good relationship with your superiors and the - - -?--
-That's correct. Can I just add one thing in regard to that complaint? May I do that?

10

Certainly, sir?---Yeah. I hadn't made a complaint only under the reason because there was nothing official come from HR or any, any director with Asset Management saying that Ms Hammoud had got the position.

I understand that. I took from what you said that you had some concerns during the process?---That's correct.

20

You didn't raise those concerns while the process was occurring?---No. Because there was nothing – at that stage there was nothing official that Ms Hammoud – that I – nothing official that I was aware of that Ms Hammoud had got the position. If I got an email or an email from the then director, Mr Maslen, or from HR saying Ms Hammoud had won the position I had already come to the decision in my mind I was going to go and make a complaint about the process. But because I didn't have anything official in writing that she had won the position I couldn't do that until it was made official.

30

You didn't hear did you that she'd won the position?---Not until I got a summons from this Commission.

Yes. You indicated earlier that you signed documents as requested by Mr Andjic?---That's correct.

Payment orders and vouchers?---That's correct.

You'd also said on several occasions that was common practice within Capital Works?---With Asset Management not just Capital Works.

40

Thank you. And you'd been in Asset Management part-time since 2006?---
Yes.

Until you became a project manager in 2010?---That's correct.

Until you became a project manager in 2010?---That's correct.

It was a full-time job then?---No, actually a full-time job in 2007.

I beg your pardon. Were you working as a project manager from 2007 to 2010?---That's correct.

Yes. And it was common practice from the time you started that others would sign those vouchers?---Yes, that's correct.

Yes. Was it common practice up until recently?---That's correct.

10 How long ago did it change?---Possibly six to eight, maybe 10 months ago.

Ah hmm?---The new director gave the direction that any vouchers or any, any, any payments must be signed off by your manager. You can't, you can't do it yourself.

Yes. Who was that gave that direction?---Mr Steve Honeywell.

When were you first spoken to about these events, sir?---Oh, earlier this year.

20 By officers of the Commission?---That's correct. By Mr Thomas.

Is that the first time you've turned your mind to these matters since they occurred?---Yes.

Without being trite I assume you don't have any notes of these conversations you had with Mr Andjic concerning signing vouchers?---No.

Nothing further, Commissioner.

30 THE COMMISSIONER: Thank you. Mr Chalmers, do you have any questions?

MR CHALMERS: Just very shortly thank you, Commissioner.

Yes, I act for Fatima Hammoud. My name is Chalmers. Were you - did you think that when Wendy Sheridan gave you information in relation to the referees were you surprised that she was giving you that confidential information?---I didn't realise it was confidential.

40 All right. Were you surprised that she knew about those things?---No, because as I said, her manager was Fatima's manager.

And who was that?---Martin Kuskis.

Right. And why do you think she was telling you that?---I'm not sure. Just in general conversation that Martin, you know, that one of Fatima's referees had been contacted.

Wendy Sheridan didn't like Fatima Hammoud did she?---I'm not sure.
You'd have to ask her that.

Well, you're aware of that, you're aware that she was trying to support you weren't you?---No, I didn't know she was trying to support me.

Well, why would she give you that information about referees?---I'm not sure. It's just general conversation.

- 10 Because it's pretty specific general conversation isn't it. She's telling you about a interview for a job and she's disclosing information to you that you normally wouldn't know?---No, I've heard that before, that the referees have been contacted. On – not on my position but other positions when there's people been going for them.

THE COMMISSIONER: Mr Murphy, can I just clarify something. Is – when you say that, that Ms – sorry, what was her name again? I'm sorry?
---Ms Wendy Sheridan.

- 20 Ms Sheridan's manager was Fatima's manager, was that because Fatima's manager was one of her referees, was that the sense of the conversation?
---No. May have just been talking – Wendy may have asked me how, how, how did your interview go, what were you doing.

Right?---And all this type of thing. But at that stage both – Martin Kuskis was the manager or assistant director of Procurement and Wendy and Fatima worked in Procurement.

- 30 But I was just wondering whether or not what you were meaning to convey was that Ms Sheridan knew that Fatima's referees had been contacted because one of them was, was Mr Kuskis?---Yes, that's correct.

So that's, that's how Ms Sheridan came by the information?---Yes, that's correct.

Right. Yes?---Obviously in conversation with Mr Kuskis they - - -

- 40 Right?--- - - - you know, he may have said oh, I've been contacted in regard to the, the advertised position.

Anything further, Mr Chalmers?

MR CHALMERS: No, Commissioner.

THE COMMISSIONER: Any other questions of Mr Murphy?

MS HUGHES: Just one.

THE COMMISSIONER: Yes, Ms Hughes.

MS HUGHES: Is it your understanding, Mr Murphy, that referees are only contacted when a candidate is a successful applicant for a job?---My understanding, yes. When, when, when you have an interview the panel usually – at the end of all the interviews they’ll convene and they’ll, they’ll work out the, what’s classified as the preferred candidate or the appropriate candidate. At that stage the appropriate candidate, their referees are contacted to clarify their history and their work and all that type of thing and then after they’re contacted they usually put out an offer to that candidate to say you have won the position and they only contact the, the preferred candidate’s referees nobody else’s.

And your referees hadn’t been contacted?---No. I contacted both mine after I found that information and they said that they hadn’t been contacted.

Nothing further, Commissioner.

MR CHALMERS: Sorry, sorry, Commissioner, there was one just one more questions I had with leave.

THE COMMISSIONER: Yes, go on, Mr Chalmers, and then we’ll hear from Mr Chee.

MR CHALMERS: You gave a conversation that you recall with my client, that’s Fatima Hammoud - - -?---Yes.

- - - in relation to her going for the interview. I’m not putting it to you but I’m asking you just from your memory because I’m trying to understand the conversation, are you saying that she said words to the effect of anything like, “I’m going to the interview for experience”?---No, she never said that at all.

She didn’t say that. Okay. So, all right. Nothing further.

THE COMMISSIONER: Mr Chee.

MR CHEE: Mr Murphy, one point if I may. You’ve just given evidence about the contacting of referees for recommended applicants?---Yes.

Could I suggest to you that in fact recommended applicants and any applicants who are to be placed on the eligibility list would have their referees contacted?---That’s correct.

Thank you?---But – can I just say one thing on there?

Yes?---During the interview – normally when you have an interview you are notified that there will be an eligibility list created. We weren't notified for these interviews that there was an eligibility list going to be created.

Right. Thank you.

THE COMMISSIONER: Anything arising?

10 MR BRADY: What's an eligibility list?---What happens is the preferred candidate, they, if they offer you – the preferred candidate the position and you're unable to take up that position they go down onto the next preferred applicant as eligible to do that, that role.

Okay. And you didn't hear anything about whether or not that list was created at all?---No. Well, normally as I said, because I have been on recruitment selection panels previously and if there is an eligibility list going to be prepared we – you need to tell the, the applicants that there is a, what's classified as an e-list going to be prepared.

20 Would you excuse me just one moment, Mr Murphy. Thank you very much, Mr Murphy.

THE COMMISSIONER: Thank you, Mr Murphy. You may step down? ---Thank you.

You're excused. We might take a short morning tea adjournment and resume at 10 to 12.00. Thank you.

30 MR BRADY: Thank you, Commissioner.

THE WITNESS EXCUSED [11.37am]

SHORT ADJOURNMENT [11.37am]

THE COMMISSIONER: Yes, Mr Brady.

40 MR BRADY: Thank you, Commissioner. I call Lydia Klement.

MR HARRIS: Commissioner, my name is Harris for Ms Klement.

THE COMMISSIONER: Yes, Mr Harris.

MR HARRIS: Please have a seat. Commissioner, can I indicate Ms Klement will give her evidence under oath pursuant to being sworn and she will be seeking a section 38 declaration, if you please.

THE COMMISSIONER: And you've explained that to her, Mr Harris?

MR HARRIS: I have.

THE COMMISSIONER: Thank you.

MR HARRIS: Thank you.

- 10 THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the course of the witness's evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

Can we have the witness sworn, please.

20

THE COMMISSIONER: Yes.

MR BRADY: Yes, thank you, Commissioner. Would you please tell the Commission your full name?---Lydia Teresa Klement.

10 Would you spell Lydia for us?---L-y-d-i-a.

Theresa?---T-e-r-e-s-a.

And Klement?---K-l-e-m-e-n-t.

Thank you. Ms Klement, what is your occupation?---I'm the, sorry, Executive Assistant to the Executive Director of Asset Management for the Department of Justice.

20 Who is the executive director?---Steve Honeywell.

How long have you held the position of the executive assistant to the director of Asset Management?---Since 2003.

Who did you first work for?---Um, Mr Bill Brown who was the director at the time.

Then who?---Then there was Mr Simon Furness - - -

30 And then?--- - - - who was the director at the time. Then there was Kerry Marshall.

How long were you working for Mr Marshall?---Ah, the entire time he was the director which was probably from 2005 to the beginning of 2013.

Then from 2013 who did you work for?---Ah, there was the relieving, Jamie Maslen was relieving. So that was for about six months. And then Steve Honeywell came in.

40 No doubt through the period of time you've been working in Asset Management you've become fairly familiar with how things work?---Yes.

All right. And there are a number of divisions within Asset Management?--
-Yes.

Capital Works being one?---Yes.

What else is there?---Fleet, Facility Management. There was Procurement which has broken away in the last year or so. Asset Planning.

Now, back in – I want to take you back to 2012/2013 if I can. Did you know how was in charge of Capital Works at that stage?---That was Anthony Andjic.

And how long had you known Mr Andjic?---Since he started. I think that was possibly about five years. I'm not positive.

10 Now, at some stage did Mr Honeywell when he started with you ask you to look for some files?---Yes.

When was that?---Around September I think. September/October.

What did he ask you to do?---It was to locate files. We were, there was going to be an audit of the files, or a review of the files so I was requested to look for files.

20 What files were you requested to look for?---Oh, you know, I had a list so I searched for them and what I found, I was able to find and, you know, there were, we realised that there were certain files that had never been created.

Do you know what files weren't created?---There were a number of them. I can name a few. I can't remember all of them. There's Cessnock um - - -

When you say Cessnock - - -?---For the Court Upgrade Program. Or the court upgrade. Cessnock, Camden/Picton um, Tamworth I think, Hornsby as well at that stage.

30 What would normally happen when a project had been given to a project officer within Capital Works in terms of a file being created?---Well, it's up to each project manager to create their own files as soon as they get given the project.

What happens with that file?---So, the file comes up, is created in Records Department and comes up to that project manager and that is for their, filing of all their um, paperwork of all sorts, you know, tenders, et cetera.

40 When you say created in the Records Department what do you mean by that?---We have a system where you, it's automated. You put in a request for a file naming the file, it goes downstairs to the Records Department, they create it, they put it on the system, and they send you back a manila folder with the file description, et cetera, on it, and a number.

What's kept in the records?---In the records just the location of the file, when it was created, who currently has ownership of it.

You came to find that a number of files had just never been created?---That's correct, yes.

All right. I want to take you if I can to 2013, the beginning of 2013. Mr Marshall resigned in January, 2013?---He left on the 25th.

Right. And Mr Maslen then took over as an Acting Director?---That's correct, yes.

Did you notice any change in Mr Andjic's behaviour after that period of time?---Yes, very much so.

10

What change did you notice?---Anthony was very hard to contact, he was less in the office.

Can I just start with the hard to contact. Up until that stage you'd obviously been liaising on occasions with Mr Andjic?---Yes.

When would you need to speak to him or contact him?---If I needed any information on the current status of a courthouse upgrade or something like that I would always go to Anthony and find the information from him.

20

When would you need information on the status of a courthouse upgrade?---If for instance the, we have a departmental spokesman, he needed to do a media or information for the Attorney or, at those times he would always contact me and then I would get the information from, if it was a Major Works issue from Anthony and pass it along to the departmental spokesman.

Would you basically be doing that at the direction of your director?---Yes.

30

Did everyone within Asset Management know that you were the executive assistant of the director?---Yes. Yes.

And if you were asking for something it was effectively coming from the director?---That's correct.

You don't have any doubt that everyone knew that?---No.

40

All right. So in the past, so before the beginning of 2013 when Kerry Marshall was the director, if you went to Mr Andjic and asked him for something what would happen?---He would produce what I requested.

And did you do that on a number of occasions?---All, always.

Was there any ever difficulty before the beginning of 2013 in obtaining - - - ?---I can't say that I ever had difficulty before that time.

All right. So what then changed in 2013, I think you said he was becoming more difficult to contact?---More difficult to contact in that I found I

couldn't reach him on the phone. His job being that he had to be out of the office it was always, you know, had to be contactable on the mobile but I found it very difficult to contact him and he would ring me back but you could never actually reach him at the time.

What else did you notice about changes?---He spent a lot more time when he was in the office in the Procurement area.

10 Just describe the office layout, it's all on one floor?---It's all in part of one floor and his office was in a corner of the area and Procurement was in the middle of the floor.

All right. When you say his office, did he actually have an office?---Not office, sorry. Area.

Right. Because it was open plan?---Yes.

20 Right. You noticed him spending more time in Procurement?---In the Procurement area. He'd be sitting there, you know, whispering, talking, working on the computer there.

When you say sitting there whispering, talking, working on the computer, who was he, who was he with?---Fatima.

How much did you notice that?---Quite a lot.

Are you able to give us an indication?---I can't give you an indication of - - -

30 Are we talking every day?---It was just very noticeable. I can't tell you the amount of times. I can just say it was noticeable.

In addition to having some difficulty in contacting him, did you notice any other difficulties in terms of getting information from him?---I, I mean apart from the contacting him, you know, I can't think of anything specifically. I know that at one stage I needed to get some information and I found his desk cleared and I had to try and contact him to find the information out because I couldn't find anything to get the information from.

40 All right. Can I come back to that if I can?---Sure.

Before that time that you found his desk cleared, if you wanted information from him what would he generally say to you?---He would usually say – if he wasn't there he would say oh, look on my, on the corner of my desk at this particular folder and he said anything is there – everything is there. So I used to look in there to get the latest information on a submission or things of that sort. They would be in that folder.

When you say that folder, what folder?---It was just a blue folder that – a loose manila folder that he had on the edge of his desk.

Would it matter what project you were asking about?---It all seemed to be in there. He said everything – any project information is in there.

Did you talk to him about why they weren't in proper files?---I'm afraid not.

10 Is there any reason why?---I suppose – I really don't know. I assumed it – I must say I assumed it was paperwork that he hadn't had time to file.

You would normally expect no doubt that documents relating to a particular project would be on the project file?---That's exactly right.

When he'd direct you to this blue manila folder how big would it be, how many pages and pages and things - - -?---Oh look, about that fat. I don't know how much that would be.

So - - -

20

THE COMMISSIONER: So you're indicating about 10 inches thick?
---Mmm, I would say so.

I shouldn't say inches should I. What's that in centimetres.

MR BRADY: I was going to say 10 inches as well.

THE COMMISSIONER: Yes.

30 MR OATES: I'm okay with inches, Commissioner.

THE COMMISSIONER: Right.

MR BRADY: I've been reliably instructed 25 centimetres.

THE COMMISSIONER: All right.

40 MR BRADY: All right. And what, you'd just have to sift through and - - - ?---I'd just sift through, looking through and, and finding – as I say it was all random papers that were oh, submissions that were signed for certain projects but everything was just a mixture. It wasn't anything specifically.

Now, you mentioned that one stage you went to try and find some information and you just fund his desk completely clear. When was that?
---It was around September, 2013.

What were the circumstances in you going and having a look?---I received a request from the Departmental spokesperson wanting to know the latest on a

particular courthouse upgrade and I went – I tried to ring him and couldn't get him so I rang – I went to his desk and had a look at that folder and the desk was cleared. There was no folder. There weren't files. Normally it was a bit of a jumble but there was nothing on his desk.

Did you raise anything with Mr Andjic about that?---I rang him again and when he rang me back he said, "Go to, go to the file on my desk." And I said, "Your desk is cleared." And he said, "Oh, gosh, somebody must have taken it." I said, "Look, I don't know. Where can I find the information?"
10 That was my focus and he told me to ask Fatima.

Right?---So I asked Fatima. I got off the phone of course, asked Fatima and she said, "Oh, I gave him back all the files." And I took her to the desk and I showed her where and she said, "Oh, that's weird. I don't know. Somebody must have taken them."

Right. So what did you do from there?---I rang Anthony again and he said, "Look, I can tell you the latest on that courthouse upgrade at the top of my head." And he listed oh, things like 12,000 for cement, you know, literally
20 all the upgrade works that had been done and - - -

Can I, can I stop you there?---Yeah.

When you say literally all the upgrade works, he was actually able to – he said off the top of his head say a certain amount for each particular item?
---Yes. Yes.

How many items was he apparently doing off the top of his head?---About five or six and a price for each because we always have to supply a price
30 when we do a media or, or these requests. We have to put a price of everything in there.

All right. Previously when you dealt with him in the past was he able to just quote those things off the top of his head in relation to various projects?---I didn't ever get into a situation where he didn't have something in front of him to be able to give me, you know, a piece of paper with stuff on it so this was the first time that he'd ever sort of said look, I can tell you everything on the top of my head.

40 So he gave you those five or six line items -?---Mmm.

- - - together with the amounts for each of those apparently off the top of his head?---Mmm.

And you obviously took those down?---Yes.

What happened from there?---Then the first thing I had to do was I sent an email with this information to Steve Honeywell and Jamie Maslen because

it was like a – it was in between Jamie finishing and Steve starting and I put in there – in the email saying I can't verify this but this is what I've been told because I couldn't find the files or something of that sort.

10 Did you raise with Mr Andjic again where they were?---I – he was actually on sick leave. I forgot that. He was on sick leave at the time and so he came back about two weeks later or a week later, something of that sort, I can't remember, and he – we asked him, you know, about the files and that's when we sent an email around to the staff asking if anybody had seen them or knew the location of the files and the result was that nobody had seen them at all, came back with, you know, a negative response.

All right. When you say the files, it was more than just simply the blue file?---It was more than the blue folder. It was actually – he said it was physical files.

You created – you made a statement in this matter to Mr Thomas - - -?
---Yes.

20 - - - the investigator?---Yes.

Did you have some things in front of you that helped you set out what files it was that you'd been asking for?---The files that I – that were listed there were what Anthony said were missing from his desk if that's what you mean.

And those were Camden/Picton?---Mmm.

30 Cessnock?---Yes.

Hornsby?---Yes.

King Street?---That's right.

The fire life safety files?---Mmm.

What's the fire life safety files?---They're the upgrade for those sorts of – I'm not really conversant with that stuff.

40 All right?---I'm sorry.

That's all right. The jury taskforce files?---Yes. That was a committee that he was part of.

The Downing Centre files?---Mmm.

And of course the blue manila folder?---Mmm.

That was the blue manila folder that you were always directed to in terms of any documents that you'd wanted?---That's correct, yes.

Right. You sent an email around to people asking whether anyone had seen these files?---Yes.

Did you come to the conclusion that some of them were actually never opened?---At the end of the day, yes, but at that stage, no. I wasn't aware at that stage.

10

All right. What did you do to then try and chase these files?---So, ah, I say, I sent the email around and waited for responses and then when Anthony came back I think he – I can't remember the timing. I know he said that he was going to search for the files in the city. So it was a Thursday, I remember because he said "On Friday, tomorrow, I'll be in the city in the morning looking for the files".

Okay?---And he came back about - on Friday he came in about 11.00 something like that, and said "I found the files at Darlinghurst Courthouse".

20

Right?---I didn't see them, I didn't look for them, I stayed at my desk where he, where he told me so I'm not – I can't say that they arrived. I just know that that's what he said.

These are files you'd been chasing?---Mmm.

When he said "I found the files at Darlinghurst Courthouse" what did you do from there?---I just assumed that they were back and they were being worked on and on his desk.

30

When you were looking for these files initially was it the purpose of a review of the files?---That was around the same time, yes.

Right. What then happened in terms of the review of the files?---Well, we were getting the files together just to, you know, see the, ah, or have them reviewed. I was only the, I suppose collector of the files. So we collected as many as we could find. I had an assistant then I believe, Esther and so she and I were collecting the files and you know, putting them away to be reviewed.

40

Did you find all the files that you were looking for?---No. Not at all. There were quite a number that we couldn't find. I even spent, I think, a day in the records department on their computer just locating if there were files and we found some files hadn't even been or did not exist on the computer system. So we assumed they hadn't been created.

Did you then do a list of the various file projects that you couldn't find that - -?---Yes.

And were these projects that were associated with Mr Andjic?---As far as I'm aware, yes.

And ultimately you did a list of some 45 different projects for which you couldn't find the file or the file had just never been created?---Yes, that's right.

10 After you did this review and came to the conclusion that some 45 files that either never created or just weren't able to be found, what did you do?---I just reported it to Steve Honeywell and you know, that's all I could do.

Right. There was nothing more you could do?---No.

Did you ever hear any more from Mr Andjic about where these files may have been?---Not at all.

20 Did you hear that some other files had been found somewhere else?---Ah, at -- I can't remember the timing I have to say, I'm sorry. But there came a time when Anthony -- this was after Anthony was suspended, that someone came in and they said they found some files in car, in a pool car.

Right. Did you find out what files that - - ?---I didn't see those.

Okay. All right. Now were you able to see the interaction between Mr Andjic and Ms Hammoud over that period of time after Mr Marshall left?---Yes.

30 Was there a change that you noticed in relationship to the interaction?---I felt there was a great change.

40 What did you see that led you to that conclusion?---The things I did see were that Anthony and Fatima would sit together at Fatima's desk. You know, chatting, working on the computer when his area was, you know, quite a distance away. I did at one stage ask him why they were whispering and sitting together a lot which was unusual and he said "That Fatima had advised that she was bored with procurement and wanted to become a project manager or learn how it worked and he was there teaching her how". You know project management was working.

Right. Did you notice anything else that led you to the conclusion that it had changed?---Yes. I would see them go out to lunch together, ah, arrive, leave.

When you say arrive and leave, you mean together?---Arrive in the morning together and leave together as I say, you know, probably -- they were together quite a lot.

Did you notice anything about the absences?---To me because, you know, maybe it's an assumption or whatever, it seemed to me that their absences coincided quite a lot, you know.

Apart from raising with Mr Andjic why he was at Ms Hammoud's desk all the time did you speak to him about - - -

MR CHALMERS: Sorry, Commissioner. All the time, that's not the evidence.

10

MR BRADY: What was it regular, was it?

THE COMMISSIONER: I'm sorry?

MR BRADY: Was it regular? I said - I think I said seeing Mr Andjic at Ms Hammoud's desk all the time. I thought you used something like that but it might've been regularly or in any event often I think it was - - -?---Often anyway.

20

Often I think it was. Okay. Now I've forgotten what I was going to ask. Just give me a moment if you would. Apart from raising with him that you'd seen him at Ms Hammoud's desk often did you speak to him about whether or not you thought he was in a relationship with Ms Hammoud?---No. I don't think I ever asked him at all. I just, you know saw them together often and assumed that they - something was going on but I just never did voice it.

Thank you, Commissioner.

30

THE COMMISSIONER: Ms Klement can I just clarify something, it's probably obviously from what you've already said but when the, the project manager wanted to open a file the project manager nominated the name of the file but it was the records department that actually allocated then number?---Yes.

Is that right?---That's correct.

And the number and name of the file was that entered electronically in records?---Yes.

40

But was there, apart from the name and the number of the file being entered electronically were there any other parts of the file like documents that were scanned or entered electronically into the system?---No.

No. So apart from the name and the number of the file they were all hard copy records, were they?---That's correct, yes.

And when a, when a project was completed was the hard copy file put somewhere in particular?---I would imagine it would go back down to records in their compactus' there.

But as long as the project was on foot it would – the hard copy file would remain with the project manager?---They would remain on the desk, yes.

Right. Does anyone have any question of Ms Klement? No?

10 MR CHALMERS: Sorry, Commissioner.

THE COMMISSIONER: Mr Chalmers, do you have any questions of Ms Klement?

MR CHALMERS: Yes, I do, Commissioner.

THE COMMISSIONER: Yes.

20 MR CHALMERS: I apologise.

THE COMMISSIONER: That's all right.

MR CHALMERS: The cavalry's coming late. I act for Fatima Hammoud. Could I suggest to you that it was back in May, 2013, well before September, 2013 that Fatima told you that she gave him, being Anthony Andjic back all the files?---No. I'm sorry, I can't agree with that.

30 See I put it to you that you've got two events confused. You've got an event confused where she's stopped working for Anthony in Asset Management and she advised you that she'd given him back all the files and you've confused that with an event in September?---I'm afraid I can't agree with that at all.

Okay?---It was at the request of the departmental spokesperson in September, that I got asked for that information which is when I found the desk cleared and which is when Anthony told me to go to Fatima to ask her about it and that is when she told me that she had returned all the files.

40 MR CHALMERS: All right. And I'm suggesting to you you've got two events confused and you say that's not so, is that right?---That's right.

All right. Nothing further.

THE COMMISSIONER: Nothing else. Thank you, Ms Klement. You may step down. You're excused.

THE WITNESS EXCUSED

[12.20pm]

MR BRADY: Yes, I call Steve Honeywell.

MR CHEE: Commissioner, I've explained the operation of section 38. He seeks a declaration under section 38.

THE COMMISSIONER: Thank you, Mr Chee.

MR CHEE: And he will take an oath.

10 THE COMMISSIONER: Thank you. Take a seat, Mr Honeywell. Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the course of the witness's evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

20 **PURSUANT TO SECTION 38 OF THE INDEPENDENT
COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT
ALL ANSWERS GIVEN BY THIS WITNESS AND ALL
DOCUMENTS AND THINGS PRODUCED BY THIS WITNESS
DURING THE COURSE OF THE WITNESS'S EVIDENCE AT THIS
PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN
GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO
NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT
OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR
THING PRODUCED.**

30

THE COMMISSIONER: Can we have Mr Honeywell sworn, please.

MR BRADY: Sorry, Commissioner. Thank you.

THE COMMISSIONER: That's all right.

MR BRADY: Please tell the Commission your full name?---Steve Honeywell.

10

And what is your occupation?---Executive Director, Asset Management Services.

How long have you been in the position as Executive Director of Asset Management Services?---About 18 to 20 months I think it is.

When did you first start?---31 July, 2013.

20

All right. Before that what were you doing?---I was the executive director of the Social Housing Infrastructure Program.

Okay?---Working for Public Works.

When you took over the executive director position within AMS, and did you make a decision to review certain procedures within the AMS?---Soon after starting I was keen on having a construction procurement review undertaken to look at the adherence to policies and procedures, yes.

30

All right. Did you also decide to have a more, a review of files that had been made?---As part of the process of undertaking the review certain projects were identified and for those projects to be reviewed we needed to have files so there was a review if you like of, or request for files.

40

Why did you make the decision to have a review?---I suppose I'd been in the organisation for a few weeks and was generally getting around asking questions about how certain things had been, been operating and I was a little concerned at some of the things that had been told to me. I thought that a fuller and better understanding of what was really going on was, was warranted.

What were some of the things that were told to you that led you to that decision?---Those works not having appropriate contracts in place, that there was particularly good contract management, contract administration, certain things that I would have expected to have been focussed on weren't being focussed on.

When you decided to do a review of some of the files, to do an overall review did you arrange for your executive assistant to obtain those files?---I did.

And what happened?---You've just heard her evidence that we kind find certain files. Certain files became missing.

10 What did you do?---Well I asked Lydia to do a more broadcast, to ask all staff if they could check their desk and see if we had, any of those files could be found and those files didn't, weren't, didn't turn up. As Lydia has stated I was making inquiry and they were just not available.

So what did you do in those circumstances?---In those – I spoke to Anthony. I think he was away at the time. He might have been on, on sick leave. And when he returned I asked him to explain why the files might be missing or to alternatively put in a formal advice as to what might have happened to those files given that they were missing.

20 All right?---So I met with him on a number of occasions and the story about their presence and their location changed a couple of times until we got, I got a formal sort of document stating that, I think that they were, the files weren't missing, that the documents that we had were, were there. I think that's what had happened.

30 Okay. Can I just go back a step? You said you got a couple of versions of where they were. What were those versions?---Well, that, that they were missing was I suppose the first thing. Then he said, "I've found some of them in Darlington," that seemed rather strange. Then I think there might have been a version that, "I'd found, found them at my unit." And then I think – because the story changed so often I'm struggling to put it into some sequence but that they, they were gone again. And then I was asked now, "Is this serious?" "Yes, it's serious. That's why we needed document what's really happened to these files." And then we got to a point where we got a commentary on what Anthony said had happened to the files.

40 And ultimately where did the position end up?---That we didn't have files for a number of things. We were able to piece together pieces of, of documentation for some of the projects that we were wanting to have reviewed, others that the documents either didn't exist, weren't created, or may have been destroyed or lost.

How did you go about piecing together some of the documents in relation to some of these files?---One or two of the files that were part of, subject to the review that Public Works were doing, the construction procurement review, they'd actually seen some of the files prior to that point in time so they were able to copy some pieces of information from those files that they thought were relevant. So we had some of that information.

So that was Public Works being involved effectively as a project manager having the - - -?---No. Public Works were actually undertaking the construction procurement review, sorry.

Sorry. But when they were undertaking the construction procurement - - -?--Procurement review.

10 - - - review they had their own files?---No. They'd actually seen parts, seen some of those, some components of some of those files, or seen some of those files as part of the review so they'd actually taken some copies of some interesting or anomalous issues that they'd found as part of the procurement review.

Right?---And so we still had those copies of parts of files.

20 So apart from being able to piece some of it together did you ultimately end up finding any of these files that - - -?---Ah sorry, yes we did. I think one turned up in the boot of a, a fleet vehicle maybe six months later. Somebody returned that to, to Fleet. And I can't, can't remember what project file it was but it was rather bizarre that it had turned up in the boot of a fleet car but that's where it turned up.

30 Now, as a result of these files that have gone missing did you then do a review in relation to the works that had supposed to have been done on a number of the courthouses?---I suppose as a result of what we'd discovered, as a result of that yes, we did some more work on some of the projects. The SAFF/Triton issue became somewhat interesting if you like and we were having a bit more of a look into what those projects might have been, what might have been done, what work was done, the engagement process and so on and so on, yes.

When you say we were having a bit of a look what did you do in relation to the various projects that SAFF and Triton had supposedly undertaken?---So what did I personally do?

Yeah?---As far as reviewing what might have happened?

40 Yes?---I got a copy of the payments that had gone out in that, that 12 month period to understand what projects may have had expenditure on those particular projects and then I started to get copies of invoices and accounts that might have been paid that, we were looking to see whether any contracts had been put in place for those sorts of projects, and then tried to piece through I suppose some timelines, who was involved, and what might of, what might have actually occurred in some of those projects. There'd been a little bit of dialogue, somebody had gone to one of the sites to actually do an evaluation of what might have occurred – that was the Cessnock project, what, what work might have actually occurred on, on that particular project. With some of the projects there was, some of the project

files, were paid for project management, you know, what, what had been done for that sort of work. That was very hard to understand what had been done. You heard something earlier about Gunnedah, you know, nothing existed for, for Gunnedah so it became very suspicious that any work had occurred on that particular project.

Did you then take it upon yourself to assess that work had been done on some of these courthouses against the accounts that had been rendered and paid?---As part of the continuum of that process, yes, I did.

10

Did you do that in relation to Triton's accounts for Camden and Picton?
---Yes.

What did you do?---I suppose I had a look at information that was available, there'd been a site meeting that had occurred, there was a tender evaluation that had occurred. We spoke, oh sorry, I didn't speak but somebody else had spoken, Public Works had spoken to the site manager and asked him what sort of involvement Triton as the project manager had in the project and that was very limited, it was limited almost to the initial, sorry, the
20 initial site meeting and the tender evaluation so with that knowledge assessed roughly what I thought that time value might have been worth so that's how I'd gone about the Camden and Picton assessment.

What experience and qualifications did you have in order to be able to assess this time value against what had been done?---My experience, I suppose I've been in the construction industry for 32 years, I've held senior management roles within various agencies delivering huge infrastructure projects over a long period of time. I ran a construction company for a Government agency and been a project manager, a senior project manager
30 for many, many years.

What are your qualifications as well - - -?---Oh, qualifications?

No, as well as the experience that you have?---Oh, I've got a trade qualification, I'm a carpenter and joiner by trade, got a Building Clerk of Works Certificate, I've got a degree in Construction Management and I've got a Master's in Business Administration.

Okay, the degree in Construction Management, where was that from?

40

---From UTS, University of Technology Sydney.

And your Master's?---From Macquarie University.

All right. So taking that experience and qualifications you made an assessment about what the work was done and how much it was actually worth, Camden and Picton, did you find out that Triton had actually been paid some \$65,000-odd?---In that order I think, yes.

All right. And your assessment of the work that they'd actually done?---I can't remember the assessment, there's so many projects now, it might be in the order of \$5,000 or something like that.

Did you ultimately end up making a summary - - -?---Yes, I did.

- - - of what you thought the work was done as opposed to each of the amounts that were paid?---Yes.

10 And that summary is then attached to your statement?---Yes.

Have you had the opportunity of reading over your statements recently?
---I've read, read my statement recently but I didn't have the attachments.

What I might do is I might just get up if I can 3214. What I might do is just before I go to each of these just so we can short-circuit, you also did the same thing for Cowra?---Yes.

20 The same thing for Gunnedah?---I did varying levels of assessment depending upon the information that was available yes, but a similar sort of process.

Okay. Can I just go then to this document which is the financial summary of what's been paid and the likely value?---Yes.

Is this something that you have created?---It is, yes.

30 All right. Can I go to the Cessnock, you see the project management services at the top there?---Yes.

There was payments on that occasion to SAFF?---Cessnock, yes, sorry.

So you became aware that SAFF had project managed a number of courthouse upgrades?---Yes, I have.

You became aware that Triton project managed Camden and Picton but otherwise did then construction works for others as well?---Yes.

40 And you were assessing whether or not, oh, the amount of work done by SAFF against what they were paid?---Yes.

And the amount of work done by Triton against what they were paid?
---Yes.

In relation to SAFF Projects the assessment in relation to Cessnock was that the likely value of work that they actually did was about \$1,500?---Yes.

How did you come to that conclusion?---Again, looking at the information that had been available, the tender assessment process and the, whether there actually had been a site inspection or not was a little bit dubious.

All right. You've done the same then for Hornsby?---Yes.

10 Can I just go down then to East Maitland, you had project management services there, a payment that was made and you've assessed that likely value as being zero. How did you come to that assessment?---Because I couldn't find any material on that project and the project was being managed by the same firm so I didn't think that there'd been an value add as a result of the project management services.

When you say managed by the same firm that was East Maitland, the project manager was SAFF and the construction company was Triton? ---Triton, yeah.

20 And did you become aware that the person who was describing themselves as a senior project manager in fact had no qualifications or experience as a senior project manager for SAFF?---No, I, I had no idea who the project manager was until this week or till last week.

All right. In any event you were quite aware that the same person who owned Triton owned SAFF?---I was.

And allocated zero to them because they basically were just doing the one job?---Correct.

30 Cowra, they were paid some \$39,000 and you've assessed the likely value of that as zero. How did you come to the conclusion of zero for that? ---Again I couldn't find any evidence of any work having, having been undertaken, \$39,000 is a lot of money for a project, the project I think only had a value of or a budget at this time of \$200,000.

40 Assuming that in fact what seems to be the case is that there was a site meeting and that a risk register appears to have been prepared, how much would you think that would change the value from zero?---Oh, I suppose on the basis that the work was carried out as a, from a professional project manager and there was actually work undertaken then it, it might change to \$1,500, \$2,000 maybe in that order but certainly not - - -

And that's of course if the person who was doing it was actually an experienced and qualified project manager?---That's right, because depending upon the experience you'd have a scale as to how much you might pay that individual for their work.

Hearing that the person who actually undertook a site inspection and perhaps did the risk register had absolutely no experience as a project manager nor any qualifications what would that do in terms of the value?
---Not, not a lot of value would have been added to, to that particular process.

Would \$190 an hour for a senior project manager be a reasonable rate?
---For a senior project manager, yeah.

10 And you emphasised it because it's - - -?---I have.

- - - obviously on transcript, you've emphasised the word senior, what do you mean when you emphasise senior?---Well, senior normally would imply somebody with maybe 10 or 15 years' experience, not somebody more junior if you like so you've been around for a while, you understand what's required, you know the game and you can apply that experience and do things far more efficiently and effectively than a junior project manager could.

20 Right. Gunnedah, SAFF was paid some \$36,245 and you've assessed that as zero. Did you actually find out whether they'd done anything?---Again I couldn't find that anything had been, been done on that particular project.

Can I go down then to the Cessnock for Triton, building works there, they were paid \$301,725 and you've assessed the value of the work they actually did as \$47,355, an overpayment of about \$250,000-odd. How did you come to that assessment for likely value?---Richard Hemsworth had visited the site and had undertaken some photographic evidence and prepared an assessment of the likely value of work completed.

30 Did he do that at your direction?---Yes, he did.

Richard Hemsworth has some experience in this?---He does, yes. He was actually the director of Capital Works at the time, interim director.

And you obviously had the opportunity of looking at his report?---I did.

Reviewing the photographs that he's taken?---Yes.

40 You obviously could review the scope of works against what had actually been undertaken?---Yes.

Did you also find out that in fact the gate that was supposedly included within the scope of works had been paid for separately by the Department?
---I had, yes.

And that's in fact what occurred, it got paid for separately by the Department?---It was, yes.

There was nothing to indicate that that gate had been excluded from the scope of works otherwise?---No, there'd been a clarification through an addendum I think to say that it was included and who a supplier might be for it.

And having reviewed Mr Hemsworth's assessment did you come to the conclusion with your experience that that was fairly accurate?---I was pretty comfortable with his assessment, yes.

10

All right. East Maitland, there was building works, the payment was about \$117,000 and you came to an assessment of \$117,000. How did you come to that assessment?---On the basis that I didn't have any other information that there'd been work done on the site. I had no, well hadn't gone to the site, didn't have any photographic evidence so I just said well, it's quite likely that that was the value we got. For no other reason I put the value that was paid.

20

All right, so in fact you're not, by saying likely value of \$117,000 actually positively affirming that they actually did \$117,000 work, you just don't have anything to show that they didn't?---Exactly right.

All right. And that is perhaps the approach that you were taking was to approach it cautiously in undervaluing?---It certainly was because I was just trying to get a picture of what the, the size of the issue might be was the intended purpose of the document.

30

Right. So a perfect example perhaps of you erring on the side of being generous to the amount of work that Triton and SAFF had done?---Yes.

The Camden/Picton one that got paid 65,190 and you assessed that as being \$5,000 worth?---Yes.

Now, that \$5,000 was as a result of what you were talking to us about earlier?---Yeah.

40

About how you went and - - -?---It is. About having seen the information, a site meeting might have occurred, a tender evaluation had occurred, some, some interaction.

Again, the \$5,000 that you've allocated there is that something that you saw as being a fairly generous allocation?---It is, yes.

What I might do now is take you down then to Spring Street in Sydney. You have there \$84,000 as being the payment made to Triton. Did you subsequently after that discover they in fact had been paid a further \$31,000-odd for a variation?---I did, yes.

Supposed variation in relation to Spring Street?---Yes.

Did you then make an assessment of how much the work was actually worth?---I did.

How did you go about making that assessment?---I went to, to the site and met with somebody that had had some peripheral, or had some involvement with the, with the project and the works at the time. I had an old plan with me at the time. We were able to sketch up the modifications that had
10 occurred, looked at what might or might not have happened and took that back. I actually assessed it at about \$10,000, again being conservative. I actually had somebody in the office, without showing them where it was said, “What do you think this might be worth,” – because we’re undertaking relocation of offices, we’re moving about 1,500 staff at the moment so we’re doing quite a lot of office relocation work so I said to one of the guys, “What do you think that’s worth?” And they said about 6,500. But I said, conservatively again, there might have been things that we missed, call it
10.

20 Can I just take you to 3215. Is that then a report in relation to the Spring Street?---Yes, that’s the scale of works that I’ve, yeah.

And you’ve set out in that the scope of works and the fact that you’ve been down and assessed it?---Yep. Yes.

And as a result of assessing it is it fair to say that you’re comfortable with the fact that the costs should have been less than \$10,000?---I think so but there might have been things I, I didn’t see but, yeah, 10,000 as I said would have been very a conservative price.
30

When you say very conservative you mean generous on the work?---Generous. Yes, sorry. Generous.

And you then came to understand that they were paid in fact about \$115,000-odd for that particular job?---Correct.

The, can I go back to 3214. Now, the Tamworth job you’ve understood that Triton built a safe room?---Correct.

40 And they were paid \$91,572 to do a room?---Correct.

You’ve then assessed that likely value at \$44,592. How did you come to that assessment?---I, I suppose I weighed up the tenders that I’d seen come in. I couldn’t understand why there was a premium paid for the work that we paid so I looked at that, looked at potentially there being a few variations and I came up with that, that particular number, again trying to be conservative.

Because from a lay perspective even 44,000 seems like a lot for a room. How did it come to \$44,000 to do a room?---I can't, can't explain that again. Because I said I was trying to be conservative at the time I was trying to size what the, the likely issue was for the purpose of having a more detailed and understanding of what might have been going on.

Anyway, at 91,000 you thought seemed a little excessive?---No, that doesn't cut the mustard, yeah.

- 10 All right. Now, in addition to those – and I've taken you to the ones we've been really dealing with in this hearing – but you also did the same thing for the other works that both SAFF and Triton had done?---Yes.

The works for Triton include Dunedoo, Peak Hill, Rylstone, Nyngan, Lake Cargelligo, Penrith, and Tamworth. Sorry, set aside Tamworth. We've already done that. The way you went about assessing each of those was that sending someone to the sites to have a look at the work that was done?---No it wasn't.

- 20 How did you do those?---What I had done on those was there seemed to be quite a pattern of issuing some work and then varying it by almost 100 per cent so I thought that if there had been some work done it was likely for the first order rather than the second so I put the likely value down to the, the first order rather than the, the total.

So Lake Cargelligo for example that's got \$109,000-odd and you've said the likely value is \$109,000. Could you actually say that they did \$109,000 worth of work?---No I couldn't. Again - - -

- 30 You just couldn't say they didn't?---Exactly right.

All right. With SAFF did you become aware that they had a charged a consultancy fee for an unallocated project?---I was aware of the justice agency building, 160 Marsden. I was unaware of what that was until, until this week. I was unable to find any information about it, whether it was work on the precinct or something else I couldn't, couldn't establish that.

Now, when you took over the role did you talk to Mr Maslen?---I did.

- 40 Did you get a briefing from Mr Maslen?---I did.

Did Mr Maslen raise with you some issues that he had had?---He did.

What issues did he raise with you?---Ah, he raised a number of issues. We spent quite a bit of time – he was talking about, I think there was the recruitment issue at the time um - - -

Just can I stop you there. When you say the recruitment issue at the time what did Mr Maslen raise with you about that?---That he had some issues with a recruitment process that had been undertaken prior to my arrival. He explained to me broadly what had gone on and said, "I will deal with that," or, "It's been dealt with. You don't need to necessarily worry about it at this time."

10 Did he, when he said broadly did he indicate what it was that caused him the concern?---Yeah, he felt that it was inappropriate the way that the process had been undertaken with the relationship with Fatima and Anthony.

And he actually expressly stated those two?---He did, yes.

All right. What did you say about that?---I said that, well he also further explained that he'd been in consultation with HR on, on the matter and that he would see that matter out and let me know how it went.

20 Now, did you ever raise with Mr Andjic the issue about the relationship between him and Ms Hammoud?---I did.

In what circumstances?---I had regular one on one meetings with all my direct reports and it was in one of those meetings and I think it was late in 2013, there'd been quite a lot of noise if you like about there being a relationship so I put it to him quite bluntly, you know, "Is there or isn't there a relationship, Anthony?" And he effectively said to me, "No, there's not. I'm sick and tired," or something or other, "about this. There's nothing." And I said, "Well if you say that there's nothing I'll take your word for that but there is a lot of noise around it." And he said, "No, there's definitely not, I can tell you there's no, no relationship."

30 When you say late 2013 are you able to narrow that down a bit for us?---I have in my mind around October/November but exactly the date I don't know. I think I made a note of somewhere but I don't recall that at this stage.

Well just in terms of how long you'd been at the Department, you arrived I think on 31 July, 2013. Assuming it wasn't within the first couple of weeks that you raised this?---No it wasn't. That would have been a few months into the, into the role.

40 And at that stage Mr Andjic is denying having a relationship with Ms Hammoud?---Yes.

Did he say something like I'm sick of people lying about that?---Could have been something like that, yes.

Did he say something like it's not fair I'm being criticised in that way. I have no relationship with her?---Yes. He was very defensive about being,

being accused of having a relationship with, with Fatima. In fact I think it was in February the following year that I had to sit down with him and he was concerned about people accusing him about being in a relationship, people were following him, all sorts of things were happening so he was, he was a bit - - -

So that was in February, 2014?---'14, yeah.

10 When you say you had to sit him down, are you still – were you having a discussion about whether he was in a relationship with Fatima in 2014?
---No, I wasn't. He'd asked for a meeting with me to discuss some issues that he felt were grievances of his that he wanted to express with me and he had somebody join him for that meeting.

And what were – who joined him?---I can't remember the name of the, the lady but I'm not sure whether she had legal training or not but she certainly seemed to speak that way.

20 And what was - - -?---She was - - -
- - - raised by Mr - - -?---She was to be his support person.

What was raised by Mr Andjic?---Oh, he, he raised the issues of being, you know, people accusing him of being in a relationship with Fatima and that he wasn't. That he felt - - -

Sorry, can I just stop you. People accused him of being in a relationship with Fatima and?---That he was not having a relationship with Fatima.

30 This is in February, 2014?---Yeah. That he was being following inappropriately. That he felt that he had evidence of some form that he was going to make a formal complaint of harassment about people following him and the like and I said well, ultimately if, if there is enough evidence and then you should be putting that forward.

40 How was he, how was he approaching this when he was saying that I'm not in a relationship with Fatima and people going on about it, was he calm about it, was he strident about it, what was his approach to you?---He was, he was quite stressed. That's why he asked for the support person, and he actually read out a, a script if you like on the issues that he wanted to, to say to me.

And that included that he – in the script that he wasn't in a relationship with Fatima Hammoud?---Correct.

Excuse me just one moment, Commissioner. Yes, I have nothing further. Thank you, Commissioner.

THE COMMISSIONER: Mr Honeywell, could I just ask you, you were talking about the value you placed on the project management services that were said to have been provided by SAFF Projects - - -?---Yes, Commissioner.

- - - on the basis that a senior project manager was capable of carrying out that work?---Yes.

10 Would that valuation that you came up with, would it change if you factored in the, the fact that one of the directors in, in Asset Management – one of the assistant directors in Asset Management, him or herself actually provided most of the information that went into the documents that were produced by the project manager?---Yes. I say that because what's the point of having the project manager if you're telling the project manager what to do.

So if that had occurred then, then there'd be a relative devaluation of, of those amounts that you've referred to?---Yes.

20 And I don't know if you were here but you – do you – are you familiar with the evidence that Mr Andjic gave that on many, if not all, occasions Ms Fay Rouze was doing what he called grunt work in the, in the way of a PA or something to that effect?---Yes, I was.

And, and that would of course not conform with any valuation of what a project manager should do?---No. The work that seemed to be described was not that of a - - -

30 Project manager?--- - - - senior project manager nor, or a project manager.

Does anyone have any questions of Mr Honeywell? No. Mr Chee, do you have anything?

MR CHEE: No, Commissioner.

THE COMMISSIONER: No. Thank you, Mr Honeywell. You may step down. You're excused?---Thank you.

40 MR OATES: Commissioner, I'm loathe to speak to you in the back of the room but I'm just talking to my client about something which fell from the lips of this witness so - - -

THE COMMISSIONER: Yes.

MR OATES: - - - if I could preserve my position with respect to cross-examination of Mr Honeywell.

THE COMMISSIONER: Yes. Is there any, is there any prospect, Mr Oates, that you could do that quickly or do you want to just to reserve your position if we, if we need to recall Mr Honeywell?

MR OATES: I'd like to be able to do it now so Mr Honeywell can get away.

THE COMMISSIONER: All right, yes. Mr Honeywell, I'm sorry, can you just take a seat and we'll allow Mr Oates to take some further instructions.

10

MR OATES: It won't be long.

THE COMMISSIONER: All right. Just while we're waiting, Mr Honeywell, could I just ask you one other question. There's been some reference in the evidence to some changes within Asset Management since your review of policies and procedures, has there been any change to the record keeping practices, that is, the creation and movement of files?---Yes I suppose is the short, short answer to that. I suppose we've done a lot of things within Asset Management services to address some of the issues.

20

We've got director of Capital Works doesn't do projects. We've got people that are assisting with the training of various individuals making sure that we have better governance and compliance. We've got a governance committee that reviews projects at certain stages so that we can ensure the right policies and procedures are being – are put in place or being adhered to. That forum is also a way for junior officers to hear from senior officers, get some – or get some feedback on how they can improve the processes and, and do their, do their work in a more efficient or, or more appropriate way.

30

All right. And that governance committee wasn't something that was in place before?---No, no. I set that up.

Right. Thank you?---And I actually chair that committee.

MR OATES: Thank you, Commissioner.

Mr Honeywell, my name is Oates. I represent Mr Andjic. You gave some evidence today about a meeting with my client in February, 2014 and in the context of that meeting you raised some grievances. Is that correct?---Yes.

40

THE COMMISSIONER: I think he said he raised some grievances.

MR OATES: My client did?

THE COMMISSIONER: Yes.

MR OATES: Yes, that's what I meant, I'm sorry.

THE COMMISSIONER: Yes.

MR OATES: Poorly expressed, Commissioner. My client raised some grievances?---Yes.

And he had a support person with him?---Yes.

Yes. And you indicated that he told you that he wasn't in a relationship with Ms Hammoud?---Yes.

10

Did you keep any notes of this conversation, sir?---I believe I do have.

Yes. Do you know where they are?---Probably back at the, the office.

Have you told anybody but the Commission about this conversation prior to giving evidence today?---No.

This meeting was, apart from other things about the selection process wherein Ms Hammoud had applied for a job in Capital Works, correct?---

20

No.

That was raised during the meeting?---No.

And in the context of that I suggest my client was attempting to convey to you as of February, '14 when he had the conversation with you but during the selection process during that time he was not in a relationship with Ms Hammoud?---That's not my understanding of the recollection.

30

No, I appreciate it's not your understanding, I appreciate that's why you gave the evidence prior. But you'll allow for the possibility that that's what was said in the absence of any notes from yourself about this matter?---I don't believe that was the point or the discussion at the time.

I appreciate you don't, you don't necessarily believe that but you allow for the possibility that that's what was – that's what the conversation was about?---I don't think so. Because the issue about the recruitment had been dealt with almost before I'd arrived. It wasn't really addressing that particular issue.

40

No. I'm not suggesting the issue hadn't been dealt with, but this was a, a new matter, wasn't it? My client had come to you to raise grievances?---Yes.

Excuse me a second please, sir. Do you recall, sir, that the context of one of the grievances raised by my client was that he was being followed or in some inappropriately way, inappropriate way observed?---Yes.

Do you recall in the context of that complaint that he said to you, without using the specific words, that at the time that the recruitment process for the job for which Ms Hammoud applied was proceeding, he had been accused at that time of being in a relationship with Ms Hammoud?---No. My recollection was it was about a current situation that was going on because it was causing Anthony the distress or the issue that he was experiencing at that time.

10 And he also said to you that at the time that he was involved in the recruitment process that there was some observation of him and or there was CCTV footage being reviewed in the context of attempting to establish whether there was or wasn't a relationship between himself and Ms Hammoud?---There was reference to CCTV but I don't recall it being back in reference to the recruitment issue. It seemed to be a broader issue an ongoing issue rather than it being an issue that had occurred some six or nine months earlier.

20 Just bear with me again, one second, please, sir. Yes, I understand what you say about that prior. I beg your pardon, I understand your, your evidence is that he was complaining about a current situation but in addition to complaining about the current situation that he was followed or inappropriately observed, he gave you some background dating back to the recruitment process when this behaviour or this conduct commenced or was ongoing as well?---That's not my recollection.

All right. Thank you, sir. Nothing else, Commissioner.

THE COMMISSIONER: Thank you, Mr Oates. Nothing arising?

30 MR BRADY: Just to raise this Mr Honeywell. You indicated you may have notes of that conversation. How do you make notes when you're having those sorts of things?---In my time at the Department because various things seemed to go missing, I started making electronic notes only so I could make notes generally on my computer.

All right. Could you have a search for them and see if you could find those?---I'll do my best.

40 And similarly the conversation then took place at the end of 2013, when you asked him about whether or not he was in a relationship?---Yes.

Do you know whether you took notes for that or were you just going on the basis that you may have?---I think I might've but I'll have a look and let you know, Mr Brady, if that's okay?

Thank you very much, Mr Honeywell. Nothing else. Thank you, Commissioner.

THE COMMISSIONER: Thank you, Mr Honeywell?---Thank you.

You may step down, you're excused.

THE WITNESS EXCUSED

[1.04pm]

10 THE COMMISSIONER: We'll adjourn and resume at 10.00am tomorrow.
Thank you.

AT 1.04 THE MATTER WAS ADJOURNED ACCORDINGLY

[1.04PM]