

TUNICPUB00436  
08/04/2015

TUNIC  
pp 00436-00494

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION TUNIC

Reference: Operation E13/1800

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 8 APRIL, 2015

AT 9.24AM

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THE COMMISSIONER: Yes. Yes, Mr Naylor.

**<DARREN WILLIAM BULLOCK, on former affirmation [9.42am]**

MR NAYLOR: Resuming the evidence of Mr Bullock, Commissioner.  
Mr Bullock, you mentioned yesterday – I just want to pick up a few things  
from yesterday and clarify them if I may before I move on. You mentioned  
10 yesterday that an investment property was sold and I think the address that  
you had mentioned was 7 Walsh or Welsh Place?---Welsh.

Is that right?---Welsh.

Welsh Place. Which suburb please?---Ah, Narellan.

And when was the property sold?---Um, not, not that – just a little bit prior  
to us getting divorced.

20 So that didn't feature in the property settlement at all?---No. That money  
was already um, divided up between me ex-wife and myself prior to that  
settlement.

The, the proceeds of that sale wouldn't then feature in the spreadsheet that  
you have prepared that we were looking at yesterday, Darren Bullock  
Financial Status, in relation to any divorce or property settlement?---No,  
that's correct.

30 The second – I put to you yesterday some questions about the amount of  
cash that had been transferred after the Lotto win into what I described as  
the cash reserve kept at home and the proposition I put to you yesterday was  
– which was based on your evidence on 12 December was that about  
\$95,000 in cash had been transferred into the reserves kept at home. You  
disagreed with that and said that the figure was probably over 100,000, less  
than 130,000. Do you agree with that summary of the evidence that - - -?  
---I agree with that.

All right. Do you still have financial file number 1 there with you, sir?  
---No, I don't.

40 Go to tab 5 please. There's a spreadsheet there. We were looking at the  
spreadsheet entitled "Cash Withdrawals Post Lottery Win"?---Correct.

And the, I'd drawn your attention yesterday to the second column which was  
headed cash withdrawals?---Yeah.

Do you see that?---I do.

Can see there's a total at the bottom \$90,300?---I see that.

Is that any reason to think that's incorrect?---No, I can only base it on your figures there?

All right?---There's too many figures for me to justify, I guess.

10 So when you said yesterday you thought the figure was more than 100,000 but less than 130,000, what was the basis for that proposition?---No, that, that was, um, based on, from when I gave my initial evidence and me going back through my own personal bank records that I retain. Um, I had a look at it again last night, um, the figure that I worked out and the figure I've got is around 105,000 based on my calculations.

All right. And just so you, I don't want you to be misled in any way, sir, the cash withdrawal summary there and the list of amounts and the total of 90,300, those are figures which are drawn from the bank statements which appear behind the spreadsheet, make that assumption for me?---Sorry, they're, they're drawn behind the spreadsheet?

20

So there are a whole lot of bank statements behind - - -?---Ah, yeah.

- - - that spreadsheet?---Yeah.

All I'm saying to you is that the figures which appear in the spreadsheet have been collected from the information of the bank statements?---Is that from Julie and my combined accounts or just mine?

30 Well, they're all, they're all your bank statements on - - -?---Okay.

- - - your account?---Okay.

I just want you to make that assumption?---Yeah. I just, it doesn't say whether it's the combined accounts or just mine that's all.

40 Okay. The third thing I just wanted to clarify from yesterday, sir, is, I'd asked you some questions about a cash amount of \$50,000 that you obtained as a, as a result of, or as part of the property settlement, that's right?---Correct.

And do you still have that spreadsheet that you had prepared in front of you?---No, I don't.

It's Exhibit T23?---Yeah.

And yesterday, sir, I'd asked you this question, why is there no mention of the \$50,000 in cash having been received as part of the property settlement?

And your answer yesterday was because that's in the, that's in the 127,615 amount?---Correct.

All right. And what are we to make, sir, of the entry which a few lines above in this spreadsheet for 5 February, 2003, personal savings, St George and cash, \$30,000 kept from ex-wife investment property. What does that mean?---That's exactly what it means.

10 All right. So you're saying, are you, that you had, as at the 5 February, 2003, an amount in cash and in your bank account totalling \$30,000?---  
Yeah, it's money that I, once I knew the divorce was coming through that I'd put, I literally skimmed some away myself.

In addition to the \$50,000 in cash - - -?---Correct.

- - - that you've just given some evidence about?---Correct.

20 Sir, in your St George bank account, just prior to the Lotto win, was about \$3,000, yes?---Yeah, correct.

So what you're suggesting by this entry is that you had another \$27,000 in cash?---Correct.

All right. But you hadn't disclosed that to your ex-wife as part of the property settlement?---Correct.

30 I want to move on, sir, from the questions about the cash reserve for the moment and go back to the chronology. So we're in 2008, August 2008, you and your wife went on a holiday to Japan?---Ah, that's correct.

Sound right?---Sounds right, yes.

You paid cash for that holiday?---I don't know whether it was all cash or not, I can't remember.

Could the witness be shown Exhibit T1, volume 6, page 2808. Have you got page 2808?---Yeah, I have, I have.

40 All right. And that page and the following page and indeed the next page would appear to be an invoice in respect of a trip to Japan for two passengers, that's you and your wife, correct?---That's correct.

And the invoice would seem to indicate that a cash amount was paid for the various items which are listed on that invoice?---It seems to indicate that, yes.

All right. Do you disagree with the proposition that you paid cash for that, those trips?---No, the only thing, the only other thing I can add to it, I know the airfares were on Julie's Frequent Flyers.

Yeah, but - - -?---That's the two of us.

My, my - - -?---Which isn't on this list.

10 No, my question wasn't about the airfares, it was only about the items which are on this invoice and for the items listed on this invoice you paid cash didn't you?---I don't recall.

All right. In September 2008 you purchased a jet ski and a trailer?---Um, yes.

That's listed is it not on your spreadsheet?---It is.

20 Darren Bullock financial status, and according to that spreadsheet it was mostly funded by a loan from the Macarthur Credit Union, is that right? ---That's correct.

31 March, 2009 you traded in the Hyundai and you purchased a Mazda CX9, that's right?---Yes, that's right, yeah.

And the purchase price including delivery charges and on-road costs was \$59,000?---Correct.

And you got \$21,000 for the trade-in on the Hyundai?---Correct.

30 And the balance, the \$38,000, you paid for with your own funds?---That's correct.

And you obtained those funds from the cash you kept at home?---There was a car loan on that as well I think with the Macarthur Credit Union, I can't be sure.

No loan mentioned in your document, your financial status document, page 2?---It's got a Macarthur Credit Union cheque there so I - - -

40 Are you suggesting now that that's a loan?---I don't, don't remember.

You don't know?---I don't know.

All right?---No, I don't know.

Why would you suggest the possibility that it's a loan if you just don't know?---I don't - just because it's Macarthur Credit Union, that's where we borrow money from.

THE COMMISSIONER: But wouldn't the, wouldn't the loan account demonstrate that?---Yeah, if – yeah, like you need to look in the loan account.

Well, you said that the jet ski and the trailer was funded by a loan?---Yes.

Are you saying that not only was that funded by a loan but also the balance of the purchase price on the Mazda?---I'm, I'm not sure, Commissioner.

10

MR NAYLOR: If at the time of preparing this financial status document you thought there was a loan in respect of the purchase of the Mazda in March 2009 you would have put it on this document wouldn't you?---Yeah, I would have, yeah, but I, I, I – yeah, I don't, don't remember.

Okay. Pardon me, Commissioner. You disagree with the proposition that whatever moneys might not have been obtained from finance you dipped into the cash that you kept at home in order to purchase the CX9?---No, I don't agree with that, I think some of that would have been our personal savings as well from our wages.

20

And that would have come from the bank account would it?---That would have.

All right.

THE COMMISSIONER: Sorry, I just want to be clear, do you disagree with the proposition that the balance of the purchase price on the Mazda was paid from your cash reserves?---I, I, I can't tell you the split, Commissioner, it was probably paid some of that and some from our um, own personal wages that go into Julie and my accounts but I wouldn't know the split, I can't, it's impossible for me to tell you what the split is.

30

Well, when you say some of it was paid from your wages that had gone into your personal accounts, one would expect to see a withdrawal from those accounts at about the same time as you purchased the Mazda?---Well, that, that must be the withdrawal then of 10,000 then because it's a Macarthur cheque so it's come out of that bank account which I presume that cheque number would be um, our combined account would be my guess but it could be mine. I don't know. You'd have to look up where the cheque was drawn from.

40

MR NAYLOR: Do you deny the possibility that you used cash kept at home to help fund purchase of the Mazda?---I don't deny the possibility but I can't give you the breakup.

Three months later you purchased another Mazda, an RX8. That's right? ---That's right.

Purchase price was \$55,495?---Correct.

And you partially funded the purchase of that with the sale of the hot rod. Is that right?---That's right.

And the sale price of the hot rod was \$38,200?---Um, no, it was a little bit more than that because the guy did pay me a bit in cash. I think the sale price of the hot rod was um, it was, I think it was 42,000 I think.

10

Why didn't you write 42,000 on your financial status report instead of 38,200?---Because that's the cheque and it was a small amount. It wasn't -- I didn't think it was going to make any difference in the whole scheme of things, a couple of thousand dollars - - -

Were - - -?--- for that.

Were you deliberately trying to mislead the Commission when you prepared this document?---No, sir.

20

Are you making up now the fact that you obtained an additional almost \$4,000 from Mr Potter when he purchased the hot rod from you?---No, I'm not.

All right. The balance of the purchase price of just over \$17,000 was purchased using a combination of cash which was the deposit I think \$8,900. That's right?---Yes.

Bank cheques totalling \$45,000?---Sorry, bank cheques?

30

Bank cheques?---Is that with Mr Potter's cheque added in there?

Have you got volume 6 of Exhibit T1 there, sir?---Um - - -

That's the large file with the same file that has the Flight Centre - - -?  
---Yeah.

- - - invoice in it?---Yeah.

40 Go to page 2869. Sorry, 2870. They appear to be receipts do they not?  
---They do, yes.

The first receipt on the page is the receipt for the deposit, cash amount of \$8,900?---Yes.

The second receipt is for \$45,000?---Yes, which is a combination of the money from the Newcastle Permanent and the St George account.

All right. Well, they're two bank cheques aren't they?---Yeah, they are.

Right. And the previous page are receipts for use of the credit card to fund part of the purchase?---That's correct.

Total of just over \$1,500?---Yes.

10 The \$45,000, sir, was that sourced from the cash you kept at home?---No. The \$45,000 is the, the sale of the hot rod which I got um, Shaun Potter who bought the hot rod, to save him putting the money in my account I got him to make a cheque out direct to McGrath's at Liverpool so I didn't have to put it in and then take it back out. It was just a simpler way of doing it. It made sense to me at the time.

Your evidence just today was that he paid \$42,000. How do you explain the discrepancy, the \$3,000 discrepancy?---Because he gave me a deposit on the car initially to hold it and that was a cash deposit and that was the balance.

20 I'm sorry, I don't understand. Why, why would, why would Mr Potter pay \$45,000 all up for a car that you say today you sold - - -?---He, he didn't pay - - -

- - - to him for \$42,000?---Sir, he didn't pay 45. I never said that.

THE COMMISSIONER: Well, sorry. Mr Bullock, you said a moment ago that Mr Potter gave you the deposit for the car. Is that what you're saying? ---He gave - yeah, the car I was selling he left a holding deposit on the car when he came down and inspected it first time.

30 Are you talking about the hot rod are you?---The hot rod, yeah, I'm talking about the hot rod.

All right. Well, he left a holding deposit?---Yes.

What was that amount?---That was the odd, three-odd thousand, it sold for, I think forty-two five, or it could be 42 but it's around that amount, like - - -

40 But the 3,000 deposit would have come off the 42,000 sale price would it not?---Correct. And that's, that's the balance of that, that's that cheque that's written there from Newcastle Building Society.

MR NAYLOR: Yeah, but I still don't understand I'm sorry, sir. If Mr Potter had paid you \$3,000 as a deposit and then a balance of 38,200 he then paid a total of 42,300 and what I'm trying to understand is how you funded the balance of the \$45,000 which is indicated in the receipt?---Out of the St George account, out of the savings account.



Not from your cash reserve at home?---No. That's why a cheque's been drawn.

Sir, I want to move on to the home extension in 2010 that Mr Kendall built for you?---Yes.

Mr Kendall originally quoted you 182,000 plus GST for the construction of a pool bungalow at your home. You agree with that proposition?---I agree with that, yes.

10

You accepted that quote?---I did.

And you subsequently I think on 30 August, 2010 entered into a contract with him for him to construct the pool bungalow, that's right isn't it?  
---That's correct.

And the purchase price was the agreed amount, 182,000 plus GST?---Yes.

20

And you paid a deposit in cash of \$9,950 when the contract was signed?  
---No, I didn't.

Did you pay a deposit at all, sir?---I paid a deposit, yes, it was with a St George cheque of \$5,000 and \$4,000 cash.

30

Sorry, how do you say the deposit was made up?---It was made up of a St George cheque of \$5,000 which I have the cheque butt here and where it's been cashed out of my account by Mr Kendall and I know Mr Kendall his evidence the other day said he never received any cheques off me but he actually received two cheques off me.

And they were just for the deposit were they?---That's right. The other cheque was part way through the construction, it was more towards the end.

Oh, hang on a minute. I thought you just said that you gave him two cheques for the deposit?---No, I said, what I said was, I said I gave him a St George cheque of \$5,000 and \$4,000 cash.

40

Right. \$4,000 in cash?---Yeah, making up the nine. I, I do have them here if you want to look at them.

I'd rather, sir, if you just focussed on my questions and didn't refer to any documents that you might yourself have in the witness box. Pardon me, Commissioner.

THE WITNESS: Commissioner.

THE COMMISSIONER: Yes?---Can I ask why I'm not allowed to defend myself with my own documents if I've got the hard proof?

Well, because they're not exhibits, Mr Bullock, and the problem is we don't know what you're looking at when you answer these questions so the best policy at the moment is just to answer the questions as best you can and at some point we will try and cross-reference your answers with the documents that are in our possession and that are in evidence as opposed to some that aren't?---Okay, thank you.

10 We can only make findings based on what's in evidence. Do you understand?---Yeah, I understand that but I just don't understand the difference between your evidence and my evidence, that's all.

No, it's the documents that we have in evidence that we're relying upon. Whatever documents you have prepared that you are looking at are not actually in evidence in the Commission's inquiry at the moment?---Okay.

Go on, Mr Naylor.

20 MR NAYLOR: Sir, do you have financial file number 1 there?---I do.

And can I ask you to turn to tab 8. I can indicate, Commissioner, that the documents I propose to ask some questions about are repeated actually in Exhibit T1, volume 6.

THE COMMISSIONER: Thank you.

30 MR NAYLOR: Which are the invoices in relation to the home extension. For other peoples benefit, Exhibit T1, volume 6, 2760 and following. Sir, the first document behind tab 6 is a spreadsheet. Don't worry about that for the time being. The document behind that you'll see is the quotation?---Yes.

And then there are copies of the plans?---Yes.

And then the next page is an invoice for a progress payment dated 14 September, 2010, got that?---Not yet. Yeah, I've got that now.

Is that your handwriting on the bottom of that page?---Yes, it is.

40 And what you say today is that the amount received of \$9,000 indicated there under the contract sum was paid was St George cheque of \$5,000 and cash of 4,000. Is that right?---That's correct. The St George cheque number was number 20.

Okay. Work commenced on the construction of the pool bungalow about the first week of September?---Um, I, I don't know for sure. But if that's roughly when it was it would probably would've been, yeah. Don't know the exact date.

Have you got volume 6 there still, sir? That's the same volume with the - - -  
?---It's the big one?

- - - airline receipts and, go to page 2795?---Yeah, I've got that.

Copy of an email that you sent to Mr Cole-Clark on the 9 September - - -?  
---Yeah.

10 - - - 2010. Confirming it seems the previous discussion about the  
engagement of Willbuilt Homes to do the work?---That's correct.

Do you know how long before you sent this email you'd had that discussion  
with Mr Cole-Clark?---Ah, it was, um, several weeks prior to that. I'd, um,  
my recollection is it was at one of the, um, district meetings or that, that  
we'd had. And I told Greg that that's what I was doing. I'd received the  
quotes and we had a bit of a discussion and, um, he'd told me to, it was  
based on what I'd told him. It was all okay to proceed with using one of the  
Board's contractors and, um, to do that and, um, yeah, lead on from there.

20 Why did you send the email?---Because, um, Greg had given me a verbal  
and I'd spoken to him once or twice again about it to clarify and once it got  
down to Will about the start, Greg still hadn't sent me anything so I sent  
him an email basically so I had something in writing off him to, other than  
him and I as just talking.

Well why did you talk to him in the first place about the fact that you  
wanted Willbuilt to do your home extension?---Well it was a discussion  
about that I'd gone out with four contractors and I'd received different prices  
and that, um, the person who was the cheapest was one of the Board's  
30 contractors and I wanted it to be known that, or okayed by Greg, if I could  
use him and if I couldn't, well I wouldn't have used him. I would have used  
one of the contractors that wasn't on the Board's select tender list.

Why did you want it to be okayed by him?---Why did I want it to be okayed  
by him?

Yes?---Because that was the right thing to do. There could've been a  
possible conflict of interest there, I guess, or something.

40 I see?---And, yeah.

So you were aware of the need were you to disclose possible conflicts of  
interest?---At that - - -

MR CHEE: I object to that question. Previously the issue of conflict of  
interest was raised and the Commission - - -

THE COMMISSIONER: No, no. This, this witness has just raised the question of conflict of interest in explanation for why he sent this email to Mr Cole-Clark.

MR CHEE: Yes, but it's - - -

THE COMMISSIONER: But all Mr Naylor is doing is confirming that he took the action that he took because he perceived that there was a conflict of interest. That's all. Is that right, Mr Bullock?---Basically, yes,  
10 Commissioner.

THE COMMISSIONER: All right.

MR NAYLOR: We go back to this invoice, sir, of 14 September, 2010. You'll see it either at page 2796 of that large bundle or that smaller bundle? ---Ah hmm.

And your, your handwriting appears there "paid \$12,000"?---That's correct.

20 You paid that in cash?---No, I didn't.

How was it paid?---There was um, money paid out of – it was the, I think it was the State Government Employees Credit Union account for \$4,597.17 and the remainder was paid in cash.

What are you looking at, sir - - -?---I'm looking at - - -

- - - in order to quote that figure?---I'm looking at my note here that I made last night.  
30

THE COMMISSIONER: Last night you made the note?---Oh, it's off other paperwork but I've made shorter notes.

MR NAYLOR: Sir, I asked you not to look at paperwork unless I'd indicated that it was okay for you to have resort to the paperwork?---And I - - -

But you've done that now. What was the figure?---\$4,597.17.

40 And that should show up should it, sir, in your St George – sorry - - -?---It's - - -

- - - the SGE Credit Union account?---It's SGE, yeah.

And you withdrew cash did you?---No, it was a cheque.

What was the cheque number do you know?---I don't know without looking it up.

All right. And what about the balance of the \$12,000?---The balance was paid in cash.

So you gave Mr Kendall – hold on, sir. You gave Mr Kendall \$7,402.83? ---No, it's the other way around. Sorry.

THE COMMISSIONER: Oh?---I'm looking at my – sorry. It's the other way around, Commissioner.

10

See this is the problem, Mr Bullock. Don't look at the paperwork unless you can say - - -?---Well, then I can't answer the questions.

Well, you can because you can say that your recollection is that you paid part of it by way of a cheque from the SGE Credit Union and you paid part of it in cash. Are you telling us now that you paid the 7,402 by way of cheque and the 4,597 by way of cash?---I am.

Is that what you're saying?--- That's what I'm saying.

20

So it's the other way around?---It's the other way around. That will be confirmed in the records.

MR NAYLOR: So, and where did you give this – whereabouts were you when you handed over this cash to Mr Kendall?---I don't remember. It would have been at home I'd say.

So you physically handed over that amount that I just mentioned \$7,402 and a few cents?---No, it was the 440, 4,000-odd.

30

I'm sorry. I apologise. The 4,000 – you physically handed him a sum of \$4,597.17?---It would have been, yeah. It was rounding off to, to, to make the payments right.

Well, it doesn't sound - - -

THE COMMISSIONER: But that's not rounding off, Mr Bullock. That's \$4,597.17 that you literally counted out in cash, including the 17 cents?---It might have been 15 cents.

40

Well - - -?---I had to round out the payments. They were the, they were the payments to be made.

But that's your evidence that you actually paid that in cash, including the 15 cents?---I must have.

Why do you say you must have?---Because I'm – like I said before I'm ACD, I have to have it exactly right.

No, when you say you must have, is that a reconstruction of what you think occurred or is that because you actually have a memory of giving Mr Kendall that amount in cash – do you have a memory of giving him that money in cash?---I probably do have a memory of giving him that amount in cash.

10 No, you probably – it's not a probably do have a memory. You either have a memory or you don't have a memory. Did you give him that amount in cash?---I did.

Right.

MR NAYLOR: I don't get it, I'm sorry?---What - - -

Why would you, why would you write a cheque out for \$7,402.83 and use that as part payment and then pay the balance in cash of \$4,597.17?---It's pretty - - -

20 Why would you make the payment in that way?---Because it's pretty simple, that was the discharge amount of the money from the SGE because we refinanced the loan and that was the money that was left in the balance of that account, that's why it's such an odd amount.

What, what loan?---The existing home loan on the house. We refinanced the loan back through Macarthur Credit Union from the SGE Credit Union and that was the balance of the discharge amount and that's why it's such an odd-bod amount.

30 You disagree with Mr Kendall's evidence that he received from you \$12,000 in cash?---100 per cent.

Right. And when you've written on this invoice "Paid \$12,000 17/9/2010" - - -?---That's the total figure.

Right. You didn't think to write it down as the two separate instalments in the way that - - -?---No.

40 - - - you've just described?---No, that's just my track of what I was paying him when I, when I gave him each payment I scribbled stuff on the bottom of here or wrote a little note or whatever so I could keep track of where I was up to.

You're telling lies, aren't you, Mr Bullock?---No, I'm not.

Right. Well, how did you pay for the balance of the \$22,000 of the first invoice?---The balance of the \$22,000 of the first invoice?

You've just described, sir, how you paid the \$12,000 which is reflected in your handwriting. The invoice was for \$22,000. How did you pay the \$10,000?---From the loan through Macarthur Credit Union.

10 And was that paid in cash or in some other way?---It was paid in a direct credit electronic funds transfer into Mr Kendall's account. Macarthur Credit Union is opposite the Mine Subsidence Board office and I used to walk across the road to the girls over there and they actually got me to, I had to instruct them to do it and they did it for me, I didn't do it myself, it was done through the bank staff.

Let's move on to the next invoice, 29 September, 2010. Got that?---Yes.

Is that your handwriting at the bottom of the page, \$25,597.17?---It is.

20 This figure of 17 cents keeps reappearing. What does that handwriting indicate?---That was the payment that came from Macarthur Credit Union once again and the figure is odd-bod again and it's just coincidence that they're both 17 cents but um, the same thing, when, when we borrowed the additional money we, what we did was we topped up our existing home loan, because we had a home loan that was transferred from um, the State Government Employees Credit Union and then we refinanced for the extension through Macarthur Credit Union and when they discharged the amount, and that's the only reason I can think of is they took out the fees and the other things and as you know when you discharge a mortgage they give you the payout figure on the day, it's never like a rounded off figure unless it's a fluke and that just happens to be part of that figure.

30 THE COMMISSIONER: Mr Bullock, can I just, can I just clarify something with you?---Yeah.

This is a different invoice from the previous invoice that we were talking about a moment ago which was in the sum of 22,000?---Correct.

And when you were taken to that previous invoice you said at that stage that the \$7,402.83 was paid by cheque from the SGE Credit Union which was the balance of the account when you refinanced the mortgage?---Correct, that's what I believe.

40 Well, are you telling us that now there is a further balance which arose out of the refinancing of the mortgage in addition to the one - - -?---No.

- - - that you previously gave?---No, no. No, what I'm saying is is when, when, when the, the loan was taken over by Macarthur Credit Union which they took over the SGE loan, we then added on for the extension and when it all come out basically in the wash um, the amount that we, our total figure is an odd, it's not a rounded off figure because of the disbursements due to legal um, you know the - - -

What do you mean when it all came out in the wash? I'm trying to understand how the previous invoice was met by a cheque drawn on the SG Credit Union which you said was the balance, ie, the whole of the money left on the refinancing of the mortgage. Now, that was what you said in relation to the previous invoice. Is that right or is it not right?---That, that was, that was the money left from the previous, yeah, and then we refinanced and made it bigger. It's hard for me to explain but that's what happened.

10

Well obviously. If you refinanced, when you say to make the loan bigger, this was with the Macarthur Credit Union, was it?---That's correct.

So at the stage at which you're needing this invoice, which is on the screen in front of you, dated the 29 September, 2010, you have funds sitting in the Macarthur Credit Union which are available for draw down to meet your payments to Mr Kendall?---That's correct.

20

Well, why would there be any odd cent amount, you would simply have to write a cheque in the sum that was required because you're meeting the renovation costs from the existing loan account? Where does the odd cents come in, Mr Bullock?---That was the amount in the draw down, it was odd amount. That's the truth. I can't, that's it. Go to Macarthur Credit Union, that's the truth. I'm not making any, that's, that's it.

30

So, if I understand you correctly, what you're now saying is that this cheque with the odd amount, the \$25,597.17, did that then exhaust all the funds that were left in the Macarthur Credit Union account that you had refinanced?---No, no. There's still plenty there to make all the other payments along the line.

Well, I come back to my original point. Why did there need to be an odd amount of \$25,597.17 drawn on that account if there were other funds that did not exhaust that account at the date at which you wrote that cheque? That's all I'm asking?---As I've said over and over again, Commissioner, I like things rounded off and that was my way of rounding it off and getting it over and done with up front.

40

What, so you came up with that amount? You came up with the amount \$25,597.17, did you?---That was, that was an amount, yes, that was there in their balance at that time and then I added my other cash, that's what I did. I can't - - -

But Mr Bullock, stop and think, please. You said that that was the amount that was in their balance at the time?---Their balance - - -

Now do you mean, just a minute, do you mean to convey that that was the total sum that was available to you - - -?---No.



- - - from that account? All right. If it wasn't the total sum available to you at that time, from those funds, you must have chosen to write that cheque in that amount. Is that right or is it wrong?---It's partly right, because I didn't write a cheque, the credit union deposited the money into Mr Kendall's account so - - -

Well I'm not getting anywhere, Mr Naylor, I think you'd better go on?---No, sorry.

10

I can't understand it, Mr Bullock. It's a very simple question. Let's just take this as a supposition shall we. Let's just say that you had \$50,000 available to you in the Macarthur Credit Union account which you had asked for, for the renovations. This is the, let's just say, 50,000 - - -?---Mmm, whatever.

- - - all right?---Yeah.

20

Whatever it is. At the point in time when you were meeting this invoice on the 29 September, you say you wrote a cheque, or someone wrote a cheque for \$25,597.17 from those funds?---Yes.

All right. Someone nominated that amount. Was it you or was it someone else?---It would've been me.

Thank you. Yes, Mr Naylor.

30

MR NAYLOR: Sir, if you still have that financial file volume, can you turn over just a few pages, please. You'll see the balance of the invoices, the last of which, and I'll come to those in due course, 18 March, 2011 and then what you should have is the next - - -?---Sorry, I'm lost, Mr Naylor. Which file do you want?

I'm looking at the financial file?---Yeah.

Right?---And what tab?

Just keep going over, there are several invoices there - - -?---Yeah.

40

- - - from Willbuilt?---Yeah.

Same tab, just keep going over and then you'll see an extract from the Macarthur Credit Union account?---Yeah.

In landscape form?---Yes.

Right. Can you see, you should have various transactions there underlined, I think. Can you see there's a transaction there for 1 October, 2010 and it

says transfer to account number 25,597.17?---Um, how far down the page is it?

Well it's the, it's a transaction for 1 October, 2010?---25,597.17, yeah.

Yeah. That suggests to me it's an electronic funds transfer?---Yeah.

It's not a cheque, is it?---I actually said it was an electronic funds transfer from the bank.

10

Righto. Now, the balance, just go back to that invoice?---Ah hmm.

The balance amount, I need to get my calculator out again if you don't mind, \$33,000 was the invoice?---Correct.

You transferred \$25,597.17 electronically and the balance is \$7,402.83 which as I recall is exactly the same amount that you said in your previous evidence that was the cheque that you wrote, one of the, one of the ways in which you paid the deposit, is that right?---That's correct.

20

So why is it that you'd make two separate payments on two separate invoices, both part payments in exactly the same amount?---I don't know, it's just a fluke.

Just a fluke?---I can't explain it.

Well, I want to suggest, sir, that you're mistaken about your evidence or indeed you're giving false evidence about the way in which you paid the deposit, that the 7,402 - - -?---No, I'm not.

30

Let me finish the question, please sir, the \$7,402.83 was part payment in respect of the invoice dated 29 September, 2010 and it was not a part payment in respect of the earlier, I think I said deposit, I didn't mean that, the \$12,000 on the earlier invoice, what do you say to that?---You're wrong.

Right.

THE COMMISSIONER: Well, just before we leave that, Mr Bullock, are you stating emphatically that that's incorrect or are you acknowledging the possibility that you could be mistaken and that the \$7,402.83 was in fact paid by cheque on the invoice of 29 September as opposed to the earlier invoice?---Commissioner, I believe my - I'm correct. To the best of my knowledge I believe I'm correct.

40

All right. But do you admit the possibility that you might be mistaken about that?---I don't think so.

You don't. Right. Thank you.

MR NAYLOR: How did you pay, let's go back to the invoice of 29 September, 2010 and this balance, balance amount of \$7,402.83, how was that paid?---Which invoice are we back to, Mr Naylor?

29 September, 2010?---It was paid in cash.

To, to Mr Kendall?---Yes.

10 Well, Mr Kendall doesn't say it was paid in cash?---What does Mr Kendall say?

No, Mr Kendall denies that it was paid in cash. You say now though it was paid in cash. Is that right, is that your evidence?---My, my evidence of – for that 29/9/10, the 25,000 was from Macarthur Credit Union and the remainder of the 7,402 was paid in cash.

All right. So you disagree with Mr Kendall's evidence?---I do.

20 Let's go a few pages – I'm still on the same volume, tab 8 of the financial volume and I had taken you, sir, to that landscape extract from the Macarthur Credit Union?---Sorry.

So you need to turn over a few pages again. Do you have that?---I do.

Now I just want you to keep turning, three, four, and you'll, you'll arrive at a statement with some green highlighting on it.

30 MR CHEE: Could I just remind the Commission that Mr Bullock is colour blind.

MR NAYLOR: I'm sorry?---There's only one colour of highlighting I presume?

Yes?---Sorry.

40 So what I'm looking at, sir – in fact the previous page, it's a Commonwealth Bank bank statement and it's in the name of Willbuilt Homes, I'm sorry that these pages are not numbered, but – and it - - -?---I've, I've got the first page with colours on it and there's three coloured lines.

Righto. Just go to the previous page, I'll just identify the document?  
---Yeah.

So it's a Commonwealth Bank statement for a cheque account bearing interest in the name of Willbuilt Homes, statement number 65?---Ah hmm.

Commencing 7 September, 2010. If you go over the page with the highlighting on it, you see the second highlight is 30 September, 2010 deposit?---Mmm, yes.

\$7,402.83?---Correct.

What I want to suggest to you, sir, is that you deposited that cash directly into Mr, Mr Kendall's bank account?---I don't know.

10 You don't know?---No, I don't know.

Possible?---Look, it could be possible. I don't remember. I don't think so be I don't remember – Will, Will must have given me his bank account – I don't remember doing it, no. I must have had his bank account details to the credit union so um - - -

So you deny that the money was deposited – you deposited the money directly into Mr Kendall's bank account?---I don't deny it. I just don't remember.

20

All right. So your previous evidence when you said you gave cash to Mr Kendall that's not right?---Well, I thought I always gave him cash bar the, the payments that went through direct from the credit union and the two cheques that I've given him. That's my recollection.

You're just making it up as you go along aren't you?---No, I'm not.

Let's go to the next invoice, sir, 25 – you'll need to go back a few pages, 25 October, 2010. Got that?---I have.

30

What's the significance of – is that your handwriting on the invoice?---Yes.

\$27,000?---Yes, it is.

What's the significance of that figure?---That's the figure from Macarthur Credit Union that was an electronic transfer to Mr Kendall.

I see. So you, you electronically transferred \$27,000 of - - -?---The bank, the bank did.

40

- - - of, of that \$33,000 to Mr Kendall's bank account?---That's correct.

All right?---From the loan.

How did – how was the balance of \$6,000 paid?---Cash.

Gave that to Mr Kendall?---Yes.

Do you know the circumstances in which you gave it to Mr Kendall, where were you?---I'd say it was at my place.

All right. Next invoice 8 November, 2010. Is that your handwriting on the top of the page?---Yes, and it looks like the loan account number or something. It's faded a bit on my copy. It's sort of – oh, it's like the one on the screen, it's sort of half there and half not there.

Yeah. All I can see, sir, is [REDACTED]?---Yeah.

10

All right?---Yeah.

How was this – was this invoice fully paid?---Fully paid through um, the loan account with Macarthur Credit Union.

What, in one, in one sum or - - -?---One sum.

- - - in multiple payments?---One sum.

20 All right. Over the page to the next invoice. Invoice dated 25 November, 2010 for the sum of \$33,000 including GST. Again, your handwriting on the page?---Yes.

And how was this paid?---Um, the same way as the last one, me walking across to the credit union and then transferring the funds into Mr Kendall's account.

All right. The next invoice 9 December, 2010. Your handwriting on the page?---Correct.

30

All right. What's the significance of the two figures in handwriting at the bottom of the page, 17,000 and 3,000?---The 17,000 was paid the same as the other previous ones, me walking across to the credit union and then putting the 17,000 in Mr Kendall's account. The \$3,000 is a St George cheque, cheque number 21, out of my person cheque account to Mr Kendall which as I said, Mr Kendall doesn't seem to remember the cheques but there's another cheque there and um, the remainder would have been made up from a cash payment of \$2,000.

40 Did you pay that \$3,000 – that \$3,000 cheque could that have been a cheque to cash?---Ah, it would have been made out to Willbuilt I would say.

But you're not sure?---It's Willbuilt. That's what I've got on my cheque butts. It's Willbuilt Homes.

Well, when you say I would say that means you're not sure?---I'm sure.

At least that's the way I interpret it?---I'm sure, sorry. I'm sure.

You're quite sure that that cheque for \$3,000 was made out to Willbuilt?  
---Correct.

And Mr Kendall's evidence to the effect that he didn't receive any cheques from you is incorrect is it?---That's incorrect.

All right?---Yeah, Mr Kendall is incorrect.

10 Just go over the – you'll need to go over several pages, sir. I want to go back to the bank statements which appear behind those invoices in the same volume?---They're my bank statements are they?

No. I want to take you to one of Mr Kendall's bank statements?---Ah hmm.

It's a statement beginning 7 December, 2010 and it has some highlighting on it for a payment of – or a credit amount of \$17,000 and it's a transaction of 14 December, 2010?---Yeah, I've got that page.

20 Got that?---Yeah.

So the \$17,000 transaction would appear to be the money that was transferred?---Mmm.

\$17,000 that was transferred for this - - -?---I think - - -

- - - particular invoice?---I think about my name there it's got MAC which would be Macarthur Credit Union. I think that would be their - - -

30 Well, is the answer yes?---Yes.

All right. And below it, immediately below it is a transaction described as a deposit, same date, 14 December, 2010 in the sum of – credit amount of \$5,000. See that?---I see that.

All right. Well, I want to suggest to you that you paid Mr Kendall cash, an amount in cash of \$5,000?---You're wrong. It's my cheque number 21 out of my St George account for \$3,000 and \$2,000 cash.

40 All right. So somehow or other, somehow or other, sir, Mr Kendall was able to deposit that cheque into, into his account. That's – you would make that assumption wouldn't you?---I'd make that, yeah, based on that I've got the cheque butts and I've – yeah, I've got the – where it's come out of my account. I don't know what he's done. I can't comment on what Mr Kendall has done.

Of course not. And, and it wasn't a cheque – you say it wasn't a cheque made out to cash it was made out to Willbuilt Homes?---Willbuilt Homes, yeah.

Okay?---I don't think I've ever made a cheque out to cash.

THE COMMISSIONER: Ever?---Ever, no. Not that I can recall, ever.

10 MR NAYLOR: Let's go to the last invoice. You'll need to go back in the bundle. Invoice dated 18 March, 2011 for an amount of \$8,800. Was that paid?---That was paid, yes.

How was it paid?---\$1,800 from Macarthur Credit Union and \$6,200 in cash.

Well, on my reckoning that leaves a shortfall of \$800?---I can't explain that. I don't know why it's \$800 short.

20 So your earlier answer that you've paid the invoice is not correct?---Well, I, I've paid, I've paid the invoice, yeah.

Well, you haven't paid the invoice if you've only –if you haven't paid all of it?---At the end of a job there was variations and things that had to be sorted out with Mr Kendall so I don't know – it was part of that I think, that we had unders and overs on lots of different things and that was it.

On what basis do you say you paid 6,200 in cash?---That's my recollection.

30 You've got a clear recollection of having handed Mr Kendall \$6,200 in cash in response to this invoice?---That's my recollection that that was the final thing I gave him on that job.

All right. Mr Kendall says you gave him \$7,000 in cash?---Well, I seem to recall it was six-two so I don't – I can't explain it.

Mr Kendall is wrong?---I'd say either Mr Kendall is wrong or I'm wrong. I don't know. Yeah, I don't know.

40 I suggest it's the latter, sir, that you're wrong?---I, I, I don't know.

Well, you're just making this up?---No, I'm not making it up.

I'm going to show you a document, sir. Now, let's remain with this smaller financial volume at tab 8 and you'll see at the beginning of tab – just ignore for the moment, just ignore for the moment the document you've just been handed?---Ah hmm.

And you'll see at the beginning of tab 8 there's a spreadsheet or a couple of spreadsheets actually, you see those?---I do, yeah, with all different colours on them, yeah.

Yeah. And I just want to make it clear what, what I'm doing. Those spreadsheets are a compilation of the various figures that are in the documents behind that I've just taken you to. Okay?---Okay.

10 All right. And the document you've just been handed, sir, is a slightly different version of those spreadsheets, it's simpler because I need it to be simpler, and what it does – have you got that smaller sheet in front of you? ---Which – the one I was just handed?

Yeah?---Yeah. This one?

Yes. So this spreadsheet is based on the evidence up to just prior to you giving evidence today, yes?---Yeah.

20 And it's based in particular on Mr Kendall's evidence - - -?---Yes.

- - - as well as the financial documents and what it would appear to indicate is that there was a shortfall on total, on the total contract price of \$5,500, you see that, that's the amount in red?---That's the, yeah, yeah, I see that.

30 Right. So the amount that was – what this indicates is that the amount that was – the full amount that was paid, and this I accept is prior to your evidence today, based on the other evidence the amount that was fully paid was \$194,700, the contract, and that's including GST, the contract price was \$200,200 but there was a shortfall of \$5,500 and you might recall Mr Kendall having said that there was that shortfall?---Yeah, and that was the first I'd ever heard that, I was sitting in the room here when he said it, I can't remember what day he was in, it was one day last week, and that's the first I'd ever heard that, yeah.

Well - - -?---I thought Mr Kendall said 5,000 actually.

Well, I'm just putting to you, sir, what his evidence is and this - - -?---Okay.

40 - - - is based on his evidence so just accept for me that proposition. What I want to suggest to you is that the contract price was not fully paid?---I'd disagree with that.

Well, you've just given some evidence, sir, that in respect of the last invoice it wasn't fully paid, it was only, it was \$800 short and you tried to explain that by reference to there being unders and overs and I want to understand from you what you say as to whether or not the unders and overs or the variations affected the total contract price?---They, they would have because in the um, contract that I had with Mr Kendall we had some (not



transcribable) type items for supplies of tiles and things like that, we had items where tiles were \$50 a square metre and we got them for 25, six, seven dollars a square metre. I worked on the site with Mr Kendall for a couple of days and he made allowances for that. When we tidied the site up um, I had to build a retaining wall down the side myself, I got an excavator in to do that and they cleared the block and Mr Kendall said that was included in his price so he took some off for that. Um, Mr Kendall's made mistakes where I've given him two cheques which he seems to have not even have any recollection of so to the best of my knowledge I completed the contract and Mr Kendall was satisfied that I'd paid him and the first that I ever heard anything about that was the other day.

My question, sir, is really about how the original contract price was varied. The original contract price including GST was \$200,200. What do you say - -?---I think I just explained it.

- - - the final – hang on, what do you say the final contract price was after variations?---The final contract price after variations?

20 Yeah. Well, the evidence that you've just given is to the effect that there were reductions in the contract price because you did some of the work? ---Mmm.

Right?---I, I, I don't remember.

And I want to know from you what you say the final contract price was after those variations?---I don't know, I don't remember.

30 Right. Could have been \$5,500 less couldn't it?---I don't know.

You don't deny that possibility?---I can't deny it because I don't know.

All right. All right. I want to move on from the home extension, sir. You had a family holiday to Fiji in October 2010, you and your two children, is that right?---To Fiji?

Yeah?---Um, four children.

40 Pardon me. Ah, yes. Just while I'm finding that page, Commissioner, may I tender the one page spreadsheet that I've just asked Mr Bullock some questions about?

THE COMMISSIONER: Yes, that'll be Exhibit T24.

**#EXHIBIT T24 – SPREADSHEET TITLED “PAYMENTS FROM DARREN BULLOCK TO WILLBUILT HOMES FOR EXTENTION 2010/2011”**

MR NAYLOR: Thank you, Commissioner.

If you can go to that larger volume that I was asking you some questions about with the airline receipts in it and go to page 2815?---Thank you. I have that page.

10 Who do you say went on the holiday?---Julie, myself, [REDACTED], [REDACTED] and the twins, [REDACTED] and [REDACTED].

Are you able to explain why this document shows that there were seven passengers?---I can't explain that, I'm sure there's an inventory of who went but that's just a typo to me, I don't know what that is.

All right. And this document, sir, would suggest by reference to the column that appears on the right-hand side of the page headed "Cash amount", that would appear to suggest that the total amount which was \$7,595 was paid for in cash, do you agree with that?---Look, I, I don't remember back then  
20 whether I paid some in cash, some in cheque, some off my credit card, I don't remember.

Well - - -?---I mean there's odd-bod amounts there too isn't there, less payment 249, 1,782, like there's odd bits and pieces how I've paid it over, I've paid it off over time it looks like to me over, you know, several months.

It looks like though you paid it all in cash doesn't it?---That's your interpretation.

30 Well, I'm just looking at the document, sir, the document speaks for itself doesn't it? All of the amounts that are referred to are listed in the cash amount column?---It looks that way off this document, yeah.

Okay. Can you go back to your financial status report?---Ah hmm.

The financial status spreadsheet rather?---Yes.

40 Second page. There's a transaction or there's an entry at the bottom of the second page, 1 October, 2010, Fiji holiday cash, \$4,000?---Yes.

How is it that you could have remembered back on 12 December when you gave this document to the Commission that you paid cash of \$4,000 but today you can't remember?---All as I'm saying is I, I – it could have been made up of cash, it could have been made up – I'm not sure.

Well, you were sure when you presented this document to the Commission that at least \$4,000 is paid in cash?---That's my recollection at that time.

But it's not your recollection now?---Pardon?

It is not your recollection now?---I, I, I don't know what you're getting at.

The answer you gave to my earlier question about the amount paid in cash was you weren't sure?---Well, no, when I look at these funny odd figures here I, I could have paid some off with my credit card as well.

10 You were, you were sure back in December that you'd paid at least - - -?  
---You're showing me different evidence now.

You were sure back in December that you'd paid at least \$4,000 in cash and today you say you're not sure if you paid any of it in cash?---(No Audible Reply)

So is that - - -

20 THE COMMISSIONER: Well, Mr Bullock, at the very least it says less payment in cash 7 July, 2010 and then that refers to \$4,000 doesn't it?  
---Yes, at the very least, Commissioner, yes.

At the very least?---Yeah, I agree with that.

And it may be that the other amounts were paid in cash because they all appear in the cash column?---It's possible.

30 MR NAYLOR: Right. And then more recently, sir, in March, 2013, you and your family went on a holiday to Singapore for about two weeks?---Ah, it wasn't my whole family, it was Julie and the twins and myself.

So when you say whole family you mean not, not the children from your previous marriage?---that's correct, yeah.

Just your immediate family?---Well, they're all my immediate family.

I don't, all right?---I look at them all the same.

40 All right. But just, just your children from your marriage with Julie?---To Julie, yes.

Okay, all right. And if you can have a look at page 28, and just while I'm getting that document, do you know if you paid this, for this holiday in cash?---I don't know, um, it's possible, I don't know.

It's possible, isn't it?---Yeah. It is possible.

Um - - -?---It's possible it came out of Julie's savings, my savings, cash, a combination of three, credit card, I don't remember.

All right. I just want you to be clear, sir, about where I'm going. If you look at page 2831, that would appear to be an invoice for the holiday to Singapore? See that?---2831?

1, 2831, yes?---2831, yes.

And the invoice goes on for several pages. Go over to page 2834 and have you got that?---I'm getting to it.

10

Okay?---I'm on that page, sorry.

Okay. And, and there seems to be a cash price quoted as well as a credit card price. And the credit card price is a little higher?---Yes.

I think that includes surcharges?---Ah hmm.

And the cash price is 7,182.28 and further down the page there's a record of payment - - -?---Yes.

20

- - - being in the same amount. That would indicate, would it not, that, that the amount was paid in cash?---A hundred per cent.

Yeah. And do you remember, and just going back to the first page?---Of that holiday?

Of that invoice?---Yeah.

That would indicate that there were four people who went on - - -?---

30

Correct.

- - - the trip?---Yeah.

And does that accurately reflect who went on the trip?---It does.

All right. Want to move on, sir, um, pardon me. In about October, 2013, Willbuilt Homes built a petition wall in your bedroom, didn't they?---Um, they helped with the petition wall.

40

What was the nature of the help that they provided?---I'd, um, the job involved, um, our bedroom's quite a large bedroom and there's an existing, um, walk in wardrobe which Julie and I used to share. Like, um, I'd have one half and she'd have the other half. Um, and what we decided to do, we'd been talking about it for a long time, that the bedroom was so big we decided to move the bed forward off the wall, behind our heads and build a wall basically behind the bed, um, and put a long robe in behind that. So I stripped out our wardrobe and did some work there and made some changes, buying the stuff from Bunnings and whatever. But, um, when it came to,

and doing the, we got Westglass, um, from, I think they're from Narellan, to do the new wardrobe fit out. I didn't do that, that was contracted out to them and we got Cobbity Blinds to do, um, new blinds in our bedroom and, um, I'd just recently had a back operation and I said to Julie, "Could she give me a hand." And she said, "No." Because she's a bit like me, she's got a crook shoulder and a crook back. And I'd spoken to Will and I said, "Look, could you come around and give me a hand for a few hours to stand up the studs and put the gyprock up because it's too heavy for me to do by myself?" And I got him to give me a hand and I think, if my memory's right, I think Matt, which is John Rawes's son, was with him. John Rawes's son works with Will, at the time. And they were there for, I don't know, it could've been three hours, it could've four. It was no more than half a day.

You engaged Willbuilt to help you with that work?---That's correct.

Sir, on the 5 December, last year, your first appearance before ICAC, you were asked some questions about this, were you not?---I was.

All right. And - - -?---And I said - - -

And you said at that time that you did the work, that's right, isn't it?--- Because I did do the majority of the work.

Hang on. Just, and you were asked this question. "So you didn't have any contractors into your house in October, 2013 to do work?" Answer, "A wardrobe guy." "Okay." Question, "Who did those?" "I don't know. Julie organised that." Question, "Would that have been Willbuilt?" "No, it wasn't Willbuilt." "Are you sure?" "It's positive." And then you've mentioned Cobbity Blinds. "So other than the disclosure you made to the CEO about your extension have you had any other work done at your house by MSB contractors or people that subcontract to the MSB to the MSB contractors?" "The only other one was the one I declared the other day where there's the painter, who is one of Kevin Inskip's painter, Brett. And I got him to do the work and it took forever." Well that answer was incorrect, wasn't it?---Yes, it was.

All right. Was it a lie? Was it a deliberate lie?---It wasn't a deliberate lie, no. I just, it's just, just a - - -

You were, you were attempting deliberately to try and hide from the Commission that you'd engaged Willbuilt to assist with the construction of the petition wall in your bedroom?---No, I wasn't. It was insignificant. It was a \$200 job

You say it's a \$200 job, is that because that's how much you say you paid Mr Kendall?---Yeah.

All right?---I mean the whole bedroom costs a lot more naturally with wardrobes and the blinds and the wallpaper we bought and the bits I bought from Bunnings but, yeah. And I mean I haven't added it up but - - -

You were well aware, sir, at this time about the conflicts of interest policy that applied in respect of MSB employees, were you not?

10 MR CHEE: I object to that question. This, I object to the line of questioning. Conflict of interest was previously very clearly indicated that this matter wasn't about conflicts of interest.

20 THE COMMISSIONER: No, what I said was that, what I said was that there was no utility in asking questions of various witnesses other than this one about whether or not they had previously themselves been involved in conflicts of interest because that question wasn't within the scope and purpose of the enquiry. But look, this is in, in a different category. But in any event, like this witness has already said that he understood that he was required to inform the Board if he was going to use a contractor because of the perception that he might be extending favours to them. Whether you  
20 call it a conflict of interest or a potential for favourable treatment doesn't really matter much, does it. But look, anyway, can we move on. It's not, it's not that the, it's not, it's not a particularly important part of the enquiry.

30 MR NAYLOR: You didn't disclose, did you to Mr Cole-Clark that you had engaged or were engaging Willbuilt to help with that renovation?---I guess from, because I disclosed it before and Mr Cole-Clark had also okayed, um, Willbuilt to do a large extension at Mr Rawes's house and it also, um, okayed Matt Rawes to work for Willbuilt, who was John Rawes's son. I guess it was my thoughts at the time were, this is a very, very small job and I just didn't do it. Whether I've made a mistake and I admit to that.

Sir, I want to suggest to you that the value of the work that Mr Kendall did was a lot more than \$200?---You're wrong.

Right. You invited Mr Kendall, did you not to bill his costs to an MSB job that he was working on at 1B Tahmoor Road, Tahmoor?---No.

You deny that?---Deny it.

40 You deny saying to him words to the effect, Just add it to the vary, meaning add it to the cost of a variation that he was going to submit in relation to that job?---The first I'd ever heard of that was when I sat at the back of the room here the other day.

You subsequently received Mr Kendall's invoice?---Mr Kendall's invoice for what?

For that particular variation. I'll show you the document, sir. T18, might the witness be shown Exhibit T18?---Thank you.

So this is a photograph of an invoice submitted by Mr Kendall in respect of 1B Tahmoor Road dated 14 November, 2013. Do you recognise having seen that document before?---Look, I, I, I see thousands of these at – I don't recognise it, no but um, I'm sure I probably would have seen it. I don't even recognise if this is one of jobs to tell you the truth at the moment, so - -

10

I'm not, I'm not suggesting, sir, it's necessarily one of your jobs but I'm just asking if you've seen that document before?---I, I don't remember.

Do you remember if you were the one who might have approved payment of the invoice?---I don't remember.

20

And I need to suggest to you, sir, that this, this invoice incorporates an amount of \$3,000 that you suggested to Mr Kendall that he include for the cost of him helping to build or building the partition wall in your bedroom? ---Why would I do that when I'd paid him only \$200 and it was, he was only there for a few hours?

Are you denying the proposition I've just put to you, sir?---I am.

Okay.

30

THE COMMISSIONER: Mr Bullock, are you aware of any reason why Mr Kendall would say such a thing?---I haven't and I don't know why, Will has said lots of things when I was sitting at the back of the room, he'd never received cheques off me and I can prove he did. This I don't know, I, I just don't understand, Commissioner.

Right?---I'm sorry, I'm, I'm at a loss.

40

MR NAYLOR: Sir, I had read to you a few moments ago from your evidence on 5 December, 2014 in relation to your engagement of contractors for work at your home and you'd said that you'd engaged Kevin Inskip's painter, Brett, that's right?---That's correct.

And that was in respect of some painting work at your home I think in the kitchen and the back room in about October 2014?---Yes.

And you hadn't disclosed that either to Mr Cole-Clark had you?---Well, I looked at that as he wasn't a Board's contractor, he was a subcontractor to a subcontractor and I mean where does this – I know everyone around town, I – whether they're a sub, it's a small community. Um, I can't do anything literally without engaging someone that has a link either to myself or my wife or my children through school, I mean, where do I stop?

But you'd asked Mr Inskip to arrange for the painting to be done hadn't you?---I asked Mr Inskip for Brett's details because I wanted Brett to do the painting for me.

All right. Well, I want to suggest to you, sir, you engaged Plantac to do the work and Plantac subcontracted the work to Brett?---That's incorrect.

10 And that you didn't pay Brett directly, that it was Mr Inskip who paid Brett for the painting work that you, that was done at your home in October 2014?---Not correct, that's wrong.

Right. Let's move on, sir. At about the same time, about September 2014, you ordered a new benchtop for your kitchen?---Correct.

And that was from, pardon me, Macarthur Marble and Granite?---Correct.

You needed a new sink as well?---That's correct.

20 And your wife made some inquiries about getting the sink from a Reece Plumbing outlet?---Yes.

All right. She wasn't able to get the sink in the, within the space of time from that particular Reece Plumbing outlet?---Yeah, because Pat, Pat is a personal friend of mine um, and he actually was doing the job for me and he was fitting it in amongst other things and he said look, I can squeeze it in, because it was coming, getting towards Christmas, he said look um, I've got a gap and he wanted to pull the job forward and he rung me and he said could he do that and I said well, I've got a problem, I can't get the sink in  
30 time um, and I happened to mention that to Kevin and Kevin said to me that he had a trade account with Reece and there was a chance that he may be able to get it earlier for me and that's what he did.

Okay. So you arranged with Mr Inskip for him to purchase the sink and I think some taps as well on his Reece trade account?---Yeah, it's, there's one tap, it's a Flickmixer.

Okay?---Yeah.

40 And is it the case that you collected the sink and the tap from Mr Inskip at his home?---That's the case because Pat rung me up um, and said look, as I just explained he said he can bring the job forward and I said to Pat well, we've got a problem, I haven't got the sink yet um, I've ordered it through a friend of mine and I rung Kevin and Kevin said look, it's in but I haven't got time to deliver it um, I'm not coming to Tahmoor, is it possible for you to come down and get it and I drove down and I picked it up.

All right?---And the job was done the next day.



I'm going to play you a recording, Mr Bullock. Just listen carefully.

**AUDIO RECORDING PLAYED**

[11.06am]

MR NAYLOR: Sir, that – make the assumption for me that that's a  
recording of an intercepted telecommunication on 27 October last year.  
10 You recognise the voices that you heard?---Mine and Mr Inskip's.

All right. And that's a recording is it not of that conversation that you've  
just given evidence about the – in relation to the need to pick up - - -?---Go  
down and pick it up.

- - - pick up the sink?---Yeah.

All right. Sir, when you said early on in the conversation "I can grab the  
Eagle this afternoon", or "this arvo", I'm sorry, what did you mean by "the  
20 Eagle"?---I think that's the brand of the sink actually.

All right. All right. Commissioner, I tender the DVD or a CD of that  
recorded telecommunication together with a copy of the transcript and as  
usual the transcript copies are controlled but they will be available on the  
website.

THE COMMISSIONER: Thank you. Exhibit T25.

30 **#EXHIBIT T25 - AUDIO AND ACCOMPANYING TRANSCRIPT OF  
INTERCEPTED TELECOMMUNICATION 27 OCTOBER 2014**

MR NAYLOR: I want to show you some video if I might, Mr Bullock.  
Okay. I'm told we've got technical difficulties, Commissioner.

THE COMMISSIONER: It might be a convenient time to take a morning  
tea adjournment.

MR NAYLOR: Of course.  
40

THE COMMISSIONER: And we'll resume when – at 25 past 11.00.  
Thank you.

MR NAYLOR: As the Commissioner pleases.

**SHORT ADJOURNMENT**

[11.10am]

THE COMMISSIONER: Yes, Mr Naylor.

MR NAYLOR: Commissioner, I'm told we've resolved those technical difficulties.

THE COMMISSIONER: All right. Thank you.

MR NAYLOR: I'm going to show you a video please, Mr Bullock.

10

**VIDEO RECORDING PLAYED**

**[11.34am]**

MR NAYLOR: I should just indicate, Commissioner, there are four separate very small videos of short duration.

**VIDEO RECORDING CONTINUED**

**[11.35am]**

20

MR NAYLOR: All right. Mr Bullock, you can take it from me those – that video surveillance was taken on 27 October, 2014 and the first three of those short videos showed you outside Mr Inskip's home. That's right?  
---That's right.

And you put two boxes into your car, one a large box and one it appeared to be a smaller box. That's right?---That's right.

30

And the large box was the one that contained the sink. Is that right?  
---Correct.

And is – am I correct in thinking the smaller box is the one that contained the tap?---Correct.

Did you take delivery of anything else from Mr Inskip on that day?---No.

The final video surveillance excerpt was you arriving back at your home. That was your home that was depicted - - -?---That's correct.

40

- - - in the last video?---That's correct.

And it appeared from the video that you were removing the boxes and putting them into a garage?---That's correct.

All right. You haven't paid Mr Inskip for the sink and the taps have you?  
---I went down and tried to pay him um, but um, he said to leave it until um, all this kind of stuff blows over.

When did you do that?---That's the night that I went down there and told him that I was resigning from the MSB.

THE COMMISSIONER: I beg your pardon, sorry. The night you told him you were resigning?---Yeah.

Well, that was a date in December - - -?---December sometime, yeah.

- - - 2014?---Correct.

10

That was after the appearance at the Commission?---That's correct.

So is there any reason why there was no payment made between 27 October and the – or rather why there was no attempt at payment made between 27 October and the first week of December?---Um, he, he hadn't given me an invoice in that time frame.

He hadn't given you an invoice?---No, he - - -

20

Wouldn't the, wouldn't the invoice have been with the items that came in the box?---No. Because it was on his trade account he said he doesn't get – he gets invoiced on a like 30 or 60 – I can't remember if it's 30 or 60 days. He said when that comes in I can fix him up for it then.

MR NAYLOR: You say, sir, I might have skipped a beat, I'm sorry. But you say that you went to see, you went to see Mr Inskip after your first appearance at the Commission, that's right?---Yeah. And I - - -

30

And you tried to pay for it on that occasion?---I, I, um, yeah. I asked him had he had received the invoice for that and he said, "No, don't worry about it. We'll sort it out when all this is over or whatever." Because I'd, I'd told him I'd resigned from work.

Because I understood that the input of Mr Inskip's evidence was that you hadn't paid him and that he wasn't expecting payment from you?---Well, that's, that's what he's, if he said that it's what he - - -

Well what do you say about that?---I say that's incorrect.

40

All right?---I, I spoke to Mr Chee, my solicitor, um, about the payment of the sink and my advice from my legal representative was not to pay it at the moment.

MR CHEE: Commissioner, I object in terms of any answer that go towards legal professional privilege - - -

THE COMMISSIONER: Well, he's just waived it.

MR NAYLOR: Well, he's just waived it.

THE COMMISSIONER: He's just waived it by giving that evidence. Anyway, let's move on.

MR NAYLOR: I want to suggest to you, sir, that you never intended to pay Mr Inskip for the sink and the tap?---That's right.

10 And you never intended to pay him for the sink and the tap because it was a benefit that you received from him in return for providing him with favours, in particular, providing him with work from the MSB?---Incorrect.

All right. Can I just take you back, sir, to the questions I was asking you about, the construction of the petition wall in your bedroom?---Ah hmm.

And I had understood your evidence to be that the first time you'd heard, the first time you'd heard about this proposition that, that the cost of Mr Kendall's work in the sum of \$3,000, that the cost was going to be added to a variation for a Tahmoor Road job, was when Mr Kendall gave evidence.  
20 Is that right?---That's right?

See your legal representative had put this proposition to Mr Kendall at the end of his evidence. I'm looking at page 347 of the transcript. "Can I suggest to you that it was," and this is to Mr Kendall. "Could I suggest to you that it was in fact your idea that it would be added to a variation on a MSB job?" Answer, "I don't, I don't think so." Sir, that would rather suggest to me that there had been some kind of conversation between you and Mr Kendall about the inclusion of a sum of \$3,000 in a variation invoice that Mr Kendall might've been going to submit. What do you say about  
30 that?---That's not true.

You deny that you had any conversation with Mr Kendall in relation to including the cost of his work for the petition wall in an invoice that he was going to submit to the MSB?---That's right.

All right. Just one other question. Can I go back to questions I was asking you earlier about the cash reserve that you kept at home. Just this question. Am I right, sir, in thinking that there wasn't any money coming into that cash reserve kept at home apart from money that was being taken out of the  
40 bank account?---What time frame are we talking about?

The time frame 2008 to 2014?---That's correct.

THE COMMISSIONER: Mr Naylor.

MR NAYLOR: Yes.

THE COMMISSIONER: Should we, should we mark the video that was shown as an exhibit?

MR NAYLOR: I'll tender that, Commissioner. I'm sorry.

THE COMMISSIONER: That's all right, Exhibit T26.

10 **#EXHIBIT T26 – FOUR SURVEILLANCE VIDEOS FROM 27 OCTOBER 2014**

MR NAYLOR: And I think I should also tender at this time, Commissioner, there'll be a few tenders now actually, could I tender financial file number 1 that I've already asked Mr Bullock some questions about.

THE COMMISSIONER: Yes, Exhibit T27.

20 **#EXHIBIT T27 – FINANCIAL EVIDENCE FILE 1**

MR NAYLOR: And may I also tender, Commissioner, the transcript of the compulsory examination on 5 December, 2012.

THE COMMISSIONER: That hasn't been the subject of a previous tender? No?

30 MR NAYLOR: I don't think so.

THE COMMISSIONER: No.

MR NAYLOR: I think I neglected to tender it yesterday, I'm sorry.

THE COMMISSIONER: All right. Well, that will be Exhibit T28.

40 **#EXHIBIT T28 – TRANSCRIPT OF COMPULSORY EXAMINATION OF DARREN BULLOCK ON 5 DECEMBER 2014**

MR NAYLOR: Oh, yes, I'm sorry, I can hand up the video surveillance discs. Now I want to show you some more - I want to move on to another topic, Mr Bullock, policies and procedures and particular properties that, property files that you had some involvement with but just before I do that I want to show you a few documents. Yes, I've finished with volume 6,

thank you so much?---Do you want to get those ones as well or not yet or - -  
-

Sorry, yes, I've finished with volume 6, thank you so much?---Yeah, I'm just getting a bit of pile here, that's all.

Of course, you can put to one side also the financial file volume?---That's that one here, sorry, that's all, I've just - - -

10 Now I've just, you've just been handed a document, sir, just take a moment to have a look at that?---Yeah, I've um, had a look at it.

Sir, that would appear to be, would it not, your application for the position that you occupied at the Department of Public Works immediately before you joined the MSB?---That's correct.

All right. I tender that document, Commissioner, being an application dated 21 May, 2001 together with a claim for the position.

20 THE COMMISSIONER: Exhibit T29.

**#EXHIBIT T29 – APPLICATION OF DARREN BULLOCK FOR POSITION OF PROJECT OFFICER DPWS DATED 21 MAY 2001 TOGETHER WITH CLAIM FOR POSITION**

MR NAYLOR: I'll hand you another document, Mr Bullock?---Thank you. Oh, sorry.

30 And again, Mr Bullock, just take a moment to have a look at what's been handed to you?---Okay.

That, that, sir, would appear to be an undated application for the position of Picton office district manager with the Mine Subsidence Board attached to which is a curriculum vitae and a statement addressing the selection criteria for the position?---Correct.

I tender that, Commissioner.

40 THE COMMISSIONER: Exhibit T30.

**#EXHIBIT T30 – APPLICATION OF DARREN BULLOCK FOR POSITION OF DISTRICT MANAGER MINE SUBSIDENCE BOARD AND ACCOMPANYING CURRICULUM VITAE**

MR NAYLOR: I'll hand you another document?---Okay.

Yes. And that, that, sir, would appear to be a copy of a letter that you saw yesterday – in fact I'd shown you yesterday being a letter from Mr Cole-Clark to you dated 28 October, 2003 confirming his offer of the position of district manager Southern Coalfields. The only difference from the document I showed to you yesterday was that this document contains a signed endorsement by you on the second page accepting the position dated 2 November, 2003?---I accept that.

10

All right. I tender that, Commissioner.

THE COMMISSIONER: Exhibit T31.

**#EXHIBIT T31 - APPOINTMENT LETTER OF DARREN BULLOCK AS DISTRICT MANAGER SOUTHERN COALFIELDS WITH THE MSB DATED 28 OCTOBER 2003**

20

MR NAYLOR: I'll show you another document, Mr Bullock?---I don't remember seeing this one before, like I haven't got any recollection of it but I - - -

Okay?---Yeah.

It would appear, sir, to be a letter from Mr Cole-Clark to you dated 12 November 2003 confirming your appointment as Picton office district manager and indicating in the final paragraph or the penultimate paragraph that your starting dated would be 24 November, 2003?---Yes.

30

And attached is a, an induction schedule?---Yeah. I don't – that doesn't sort of ring a bell to me at all that document but - - -

All right. But you - - -?--- - - - it could be possible, yeah.

Yes. Okay?---Yeah.

You, you did go through an induction process upon commencement did you not at the Picton District Office?---I um, I met Greg there on the um, the first day, on the 24<sup>th</sup>.

40

Mmm?---And he introduced me to the staff and like, a meet and greet type welcome and probably only – I think we were probably there half an hour to an hour and um, we jumped in Greg's car and um, we proceeded on our way up to Newcastle but we went via two of the other Board's district offices which was um – at the time it was Speers Point which has since closed and Wyong and he introduced me to the staff there and then we made our way to

Newcastle. And um, my recollection is I spent um, two nights in Newcastle and then I came back. I note that second week I didn't go to Newcastle.

All right. But you certainly spent a period of time at Newcastle and - - -?  
---Correct.

- - - during that period of time you went through an induction program. Is that right?---Um, basically they sat me in a disused office with a whole pile of books and said read these.

10

I tender that document, Commissioner.

THE COMMISSIONER: Exhibit T32.

**#EXHIBIT T32 - LETTER FROM GREG COLE-CLARK TO  
DARREN BULLOCK CONFIRMING EMPLOYMENT DATED 12  
NOVEMBER 2003**

20

MR NAYLOR: And I'll show you another document.

THE COMMISSIONER: Mr Bullock, are you suggesting that the entirety of the three week induction schedule consisted of just being sat down in an office and asked to read certain documents?---Um, the first couple of days up in Newcastle, Commissioner, I – the first day they introduced me to the staff up there and then they gave me some different documents to read and whatever. And then at the time um, I think I went out with one of the supervisors. My – it was um, Phil Alexander and he took me out and showed me one or two jobs about what mining was about and what damage was about. Um, and um, I think on the Wednesday that I proceeded driving back to the Picton office. I picked up the Board's car um, because the car was located in Newcastle and I drove back um, home that afternoon to commence work.

30

MR NAYLOR: May I return to that issue in a moment, Commissioner?

THE COMMISSIONER: Yes.

40 MR NAYLOR: Sir, the document you've just been handed, could you just take a moment to have a look at that.

Do you recognise that document, Mr Bullock?---Yeah, I do.

That's the description for your position as district, Picton office district manager?---Ah hmm. Signed the day I started.



It's signed on the last page, 24 November, 2003. I tender that, Commissioner.

THE COMMISSIONER: Exhibit T33.

**#EXHIBIT T33 - MSB POSITION DESCRIPTION FOR DISTRICT MANAGER**

10

MR NAYLOR: I'll hand you another document, Mr Bullock, do you recognise this document?---It's the um, induction program that they use for permanent staff.

Right. This indicates that you did intend, did attend an induction program, that's right, isn't it?---That's correct.

20

And there are various people's initials and dates in the final column, would I be right in thinking that they indicate that you underwent the particular, that particular phase of the induction on the dates that are, that are indicated by the handwriting?---That would be correct.

Right. And in answer to questions from the Commissioner a moment ago you said at one point you were sat down in an office and given some documents, that's right?---That's correct.

30

And are you able to by reference to this document indicate which phase of the induction process you're referring to?---That would be that, around the 24<sup>th</sup> and the 25<sup>th</sup> dates because what happened in the following weeks was when I went back to Picton office some of the other district managers or supervisors at the time came down, PA's, Phil Alexander who I referred to before um, Tom Hole was one of the other ones, he'd be the TH on there, initial on there, he came down for a day or two um, to basically clean out the office and help me try and get organised and explain different things so it was, it was sort of done in bits and pieces over several weeks with different people.

40

All right. So the 24 and 25 entries would seem to be for the - - -?---Head office.

- - - for the, for day 1 and day 2?---Correct.

There's a program for day 1 and there's a program for day 2?---Yes.

It doesn't seem to – the, the dates over the next page seem to be later than those two dates you've indicated?---Yes.

So what you're saying is that on those days, at some point in time at least, you were sat down in an office in head office, were you, and provided with - - -?---No.

- - - some, some documents and told to - - -?---The, the later ones are in my office back at Picton.

10 I thought your evidence just was in answer in my question, that when you were sat down in an office it was on the 24 and the - - -?---Ah, the 24<sup>th</sup> and 5<sup>th</sup>, and 5<sup>th</sup> were in Newcastle.

Yes?---But I just thought you said the later ones, when were they, sorry.

No. The Commissioner had asked you a question in response to which you'd said, "That you were sat down in an office and provided with some documents and told to read them." And I just want to understand which part of the induction program we're referring to?---The 24<sup>th</sup> and 25<sup>th</sup>.

20 Right. And so that's the first two days?---Yes.

Right. And that would be at head office?---Yes.

All right. Go over the page, day five, day five, item number 9 is a briefing on the Board's policy and procedures manual including information and process for among other things, claims, tender payments and contractor repair works. And do you remember attending that part of the induction?---I mean I don't, I presume that was one of the days in Picton.

30 Well the designation against in terms of the officer who would be delivering this part of the induction process is SAMFA which as I understand is the Secretary and Manager Financial Administration. Is that your understanding of those initials?---Yes.

And he's based at head office in Newcastle, he or she, yes?---Yes, that's not - - -

And that was Mr Clark, was it not?---Yes.

40 All right. And did Mr Clark provide this aspect of the induction program to you?---No.

Who did?---Phil Alexander.

Phil Alexander. Who's Phil Alexander?---He was one of the district supervisors at Newcastle.

All right. So where did this part of the induction take place?---In the office at Picton.

Right. And did it take place on the date which is mentioned here, by reference to the initials PA 3 December, 2003?---I can only assume that. I don't remember back then.

10 What happened? What's your memory of what happened at that time in respect of this phase of the induction?---Um, what I remember mainly is the office that I was occupying was a bit of a tip. It was, there was rubbish everywhere and we spent a lot of time cleaning it out and while we were cleaning it out he sort of spoke to me about different bits and pieces and the Board's role and, um, what, what they do and the kind of work they do and that type of thing.

Did he show you a bundle of documents which was described as a business management system?---Not that I can recall.

20 Did he show you a bundle of documents which he described as a policy and procedures manual?---Um, I think he told me it was in the cupboard there. And if I needed to look at it, have a look at it, it was, it was locked in a back cupboard in the back of the office.

Sir, did you read the position description for your job before you started the job?---Um, no, I read a brief of that which is advertised in the, um, um, public service notices.

30 Why, why wouldn't you read the document that you'd signed on the 24 November, 2003 which sets out the work that you had to do as Picton Office District Manager?---Ah, sorry, sorry. Look, I thought you meant before I got the position. Sorry.

On the 24, just going back to the position description document that I was, showed you before. This is a document you've signed on the first day that you started, 24 November, 2003 and titled position description for your job, district manager. Did you read this document when you started the job?---I presume I did.

40 You don't remember, you don't remember?---I don't, I don't have any, I don't remember.

All right. Well the second paragraph of the key roles and responsibilities said part of your job, and this is paragraph number 2, implement the policies and guidelines determined by the Mine Subsidence Board. Did you understand that as part of your job you had to implement the policies and guidelines of the Board?---I can't remember back then.

Well, what about sitting here now. You resigned in December, 2014 after 11 years in the job?---Mmm.

And after 11 years in the job can you say whether or not it was part of your job to implement the policies and procedures of the Board?---Yes.

Right. And is that what you did?---To the best of my ability, yes.

10 Right. All right. Could the witness be shown Exhibit T1 volumes 1 and 2.

THE COMMISSIONER: While that's occurring do you want to tender the induction program that's been in issue?

MR NAYLOR: Of course, Commissioner.

THE COMMISSIONER: Exhibit T34.

20 **#EXHIBIT T34 - MSB INDUCTION CHECKLIST OF DARREN BULLOCK**

MR NAYLOR: I apologise.

I'll take you to the relevant pages. So have you still got that position description document there with you?---No, the young lady here just took it off me.

30 I'm sorry, I'll ask that to be handed back to you. So if you can turn to page 6 of that document. See there's a table of financial delegations?---I do.

And as I read that table, and correct me if I'm misinterpreting it, but what that says is that you had authority, you had a financial delegation at that particular point in time, which was 24 November, 2003 when you started work, to approve claims up to a value of \$10,000, that's claims in respect of damage caused by mine subsidence, but you could accept claims up to \$20,000 if a work supervisor, and I interpret that to mean a district supervisor, has done the claim investigation report. Is that right?---That's correct.

40 Right. And this table would seem to indicate that at least at that particular point in time you didn't have any authority by way of financial delegation to approve the selection of a tenderer. Is that right?---Um, based on this, yes.

Well, is, is, is this a correct reflection of in fact what your practice was from the time that you started, that is to say from the time that you started on 24 November, 2003, you did not approve tenderers to perform repair work on

properties that had been damaged by mine subsidence?---I don't remember that at all but um, if this is what the document's saying.

I'm not asking you, sir, what the document's saying, I'm asking you what as a matter of practice you did. So from the time that you started is it correct that you never approved the selection of a tenderer?---That's not correct.

Why, what was your practice then?---We had a select panel of builders there and we did the work with that panel of builders.

10

And who decided which particular tenderer to select in any one particular case?---Um, it was – at that point in time there was myself and there was a um, district, one other district supervisor who was through an agency and um, at that point in time he did probably the majority of the work, that was, we're talking about Appin at the time, and um, he just randomly selected off the list and shuffled them around.

20

Oh, let's be – I don't, I don't want you to be confused and I'm sorry if my question created any confusion. There are two phases, are there not, of the process that involved the exercise of a financial delegation. The first phase is in relation to approval of the claim or it might be disapproval of the claim, refusal of the claim, and ordinarily a Claim Investigation Report would be prepared, sometimes by the district supervisor or perhaps by the district manager and that would form, that would contain an expression of an opinion about whether or not the damage was caused by mine subsidence, and if it was caused by mine subsidence, how much needed to be spent in order to rectify the damage. That's right?---That's right.

30

Right. And this document would seem to suggest that at the time that you started you had financial delegation to approve yourself a claim to the value of \$10,000 and if a district supervisor had done the report you could approve a claim up to \$20,000, that's right?---That's right.

40

And the second phase that involves the exercise of a financial delegation, and we can leave to one side other categories such as emergency repairs, claim investigation, elimination of danger, prevention of damage, just leave all of those to one side, in respect of claims the second phase is once you've approved the amount to be spent you go about a process of inviting, inviting contracts to tender or perhaps sometimes going out to public tender and once those tenders have been received a decision has to be made about which tenderer to select, if any, and a person with an appropriate financial delegation needs to make that decision, that's right, isn't it?---That's right.

Right. And this document would seem to suggest that you didn't have as at November 2003 any financial delegation to approve the selection of a tenderer, that's right, isn't it?---That's right.

And did you from November 2003, as best as you can recall, ever involve yourself in purporting to exercise a financial delegation to select a tenderer?  
---I don't remember.

All right. You might have?---It's possible.

Look at volume 1 of the two volumes you've just been given and go to page 238?---238?

- 10 238 and just so I can be clear, sir, this is a document, when you've found it, you see that?---Yeah, I've got that, yeah.

It's a schedule of financial delegations isn't it?---It is.

Right. And I don't want to mislead you in any way, it forms part of a bundle of documents which commences at much earlier in the bundle, it commences at page 7 and the bundle of documents is called a Business Management System, yes?---Yes.

- 20 All right. And this schedule of financial delegations suggests that as at 10 January, 2007, see there are two lines that I'm interested in, line 4 entitled "Claims", line 11 "Acceptance of tenders", see those?---Yes.

And line 4 is about the approval of claims is it not?---That's correct.

And there's a column second from the right-hand side of the page headed "DM" and that indicates district manager?---Correct.

- 30 And it indicates does it not that you had a delegation, a financial delegation, to approve, and you have to read it with footnote number 5, but you had a delegation to approve a claim and this occurs after the claim investigation report has been prepared, where the value of the claim is \$20,000 except where there's no report by a district supervisor in which case your delegation was only \$10,000, that's right?---That's right.

So it's not – pardon me. So it in fact doesn't differ from the situation that would appear to be reflected in the chart of financial delegations that I've just taken you to in your position description?---That's correct.

- 40 Right. But a little further down the list of schedule of delegations at line 11, "Acceptance of tenders" and you go across the row and it would appear to indicate, sir, that at least as at 10 January, 2007 you had a financial delegation to approve the selection of a tenderer up to a value of 5,000, you see that?---Yeah. Can I just clarify something with you please?

Yes?---When you say selection do you mean to sign off a tender or select someone on the list?

To, to, to select a tenderer who had submitted – the process as I understand, sir, is that in relation to selected tenderers, so where the job is up to the value of works to be performed by selected tenderers on the selected tenderers list, you invite quotes from those on the selected tenderers list, sometimes one quote, often three quotes, and then you'd need to make a decision - - -?---Yeah.

10 - - - about who, if any, to select and a person with an appropriate financial delegation would need to make that decision?---To sign it off.

Yes?---Yeah.

And so as at 10 January, 2007 you had a financial delegation to approve the selection of a tenderer up to a value of \$5,000?---Correct.

20 Right. And is it the case that prior to that time your understanding of the, the procedures was 2003 to 2007 you didn't have any financial delegation to approve the selection of a tenderer?---Correct.

But you did sometimes approve the selection of a tenderer even though you didn't have authority to do so. Is that what you're saying?---I don't know.

All right. All right.

30 THE COMMISSIONER: Mr Bullock, are you suggesting that during the entire time that you worked in this position as district manager there wasn't a single occasion when you accepted a tender, whether it was, whether it was for a job up to the value of \$5,000 or more?---No, I'm not saying that, no. No.

What are you saying?---What I was saying is like, when you to go tender you, you could pick – let's just use an example, say the job was 50,000 – let's just say \$80,000 you could select the tenderers to go on that tender but then it would have to go to the delegated authority to sign it off. You could - - -

Yes, we know that?---Yeah.

40 What I'm asking you is are you saying that at no stage during the time that you exercised the role of district manager did you ever accept yourself a tender, whether that was to the value of \$5,000 or otherwise?---No.

So you never did?---No, I did.

Oh, you did?---I did, yeah.

Right. You did?---Yeah.

Thank you. Because a moment, a moment ago you said to Mr Naylor that you couldn't remember whether you had or you hadn't?---Back this far in time.

No. My question a moment ago was in the entire time that you were district manager and you've now said that yes, you did do that?---Yeah.

Right.

10

MR NAYLOR: Pardon me, Commissioner. So when you first started, November, 2003, as far as you're – you can remember was there a list of selected tenderers at that time?---I think there was a list, yes.

All right. Just go to volume 1 please, page 1. Sir, this is a copy of a minute signed by the Chairman of the Board and behind it is a list of selected tenderers valid it seems for the period June, 2005 to June, 2007. Do you see that?---Yes.

20

You see third from the top under the subheading Building Contractors is listed Plantac Pty Limited?---I see that.

30

What role if any did you have in Plantac being added to the list of selected tenderers?---When I started it up and um, Appin was quite in turmoil um, there was a lot of complaints from the residents about the work being carried out at Appin um, a lot of the tenderers were doing poor quality work um, Greg and I had a discussion at the time about that and he said, look, just feel your way with them, see if you can straighten them out a bit um, you know, weed out any that are no good and just – I said, well, let's just give them a chance um, they'd, they'd had no district manager supervising the tenders up there for some 12 months because the previous district manager had um, left the Board 12 months before me and he'd become a Board's contractor um, so he was one of the ones that I had to sort out as well, but you know, so be it.

I'm just asking about Plantac, sir?---Sorry?

40

THE COMMISSIONER: The question was, what role if any did you have in adding - - -?---I'm explaining my role.

- - - in adding Plantac Pty Limited to that list?---My role was to weed out the contractors and introduce new ones and Plantac was one of those new ones.

MR NAYLOR: Was Plantac on the list already?---No.

Right. How did it get onto the list?---I suggested they be put on the list with several other contractors.



To whom did you make that suggestion?---It was a recommendation to the secretary, the Board and the CEO.

All right. Did you have a conversation with Mr Inskip?---Prior to going on the list or - - -

Prior to him going on the list?---Um, I presume I would have.

10 Right. And was that conversation a suggestion to the effect he should make application to become a selected tenderer?---Yes, it was.

Right. I tender a document, Commissioner, being an application form by Plantac Pty Limited to become a selected tenderer, dated – the first page is dated 7 June, 2005. The application itself is dated 30 May, 2005.

THE COMMISSIONER: Exhibit T35.

20 **#EXHIBIT T35 - PLANTAC PTY LTD TENDER FORM DATED 7 JUNE 2005**

MR NAYLOR: I'm told, Commissioner, unfortunately we don't have copies at the moment but copies can be made available.

THE COMMISSIONER: Thank you.

30 MR NAYLOR: And, sir, just looking at this schedule of selected tenderers as at 2005-7, page 2, it suggests that they were available to perform works up to, repair works up to a value of \$20,000. That's right, isn't it?---That's correct.

Right. And that situation changed, did it not, the documents would seem to show, and you can go to the document if you'd like, page 6, from about 26 September, 2007 the Board decided that at least in relation to Tahmoor-related jobs, selected tenderers could be used where the value of the repair works was up to a value of \$50,000. That's right, isn't it?---That's correct.

40 And, but in relation to other areas, claims in respect of damage caused in other areas, the limit of \$20,000 remained. That's right, is it not?---Um, that's, that's right.

Commissioner, I tender a copy of a minute paper signed by Mike Clarke dated 14 September, 2007, being the minute paper that relates to the minute by the Chairman of the Board dated 26 September, 2007 at page 6.

THE COMMISSIONER: Yes, Exhibit T36.

**#EXHIBIT T36 - MSB MINUTE PAPER REGARDING TENDERS  
FOR REPAIRS: TAHMOOR PROJECT AREA DATED 14  
SEPTEMBER 2007**

MR NAYLOR: Now, so as at this time, sir, have you still got that list of  
financial delegations, that's at page 238?---No, I'll just have to flick back  
10 over to it.

Of course?---Mr Naylor, could I have some more water, please. Is that  
okay?

Of course. I'm sorry?---Sorry. I'll swap. Thank you. Thank you.

So the list of financial delegations which I had taken you to dated 10  
January, 2007, it would appear, sir, from the records that that list of  
financial delegations remained in operation, so remained current, after the  
20 Board approved the increase for works for Tahmoor-related jobs for  
selected tenderers from \$20,000 to \$50,000, is that your understanding as  
well?---That's my understanding as well, yes.

Okay. That situation changed did it not in, late 2011?---Yeah, I think it did.

All right. Commissioner, I tender, I tender two documents as a bundle,  
Commissioner, being a minute paper signed by Greg Cole-Clark dated  
16 November, 2011 with a schedule of delegations annexed dated  
17 November, 2011 together with minutes of a meeting of the Mine  
30 Subsidence Board held on 23 November, 2011. Can I just indicate,  
Commissioner, that it may be that redactions are required in relation to the  
minutes but I need to have a discussion with Ms Hogan-Doran about that  
but for the time being I'll tender both of those documents, the second one  
subject to redactions.

THE COMMISSIONER: Yes. They'll both be marked as Exhibit T37.

**#EXHIBIT T37 – BUNDLE – MSB MINUTE DATED 16 NOVEMBER  
40 2011 WITH ANNEXURE SCHEDULE OF DELEGATIONS WITH  
MSB MEETING MINUTES OF 23 NOVEMBER 2011**

MR NAYLOR: If the Commission pleases. And if Mr Bullock might be  
shown the first of those documents, being the minute by Mr Cole-Clark  
dated 16 November, 2011, the signed one?---Thank you.

So I just want to check what document you have, you should have a minute paper signed by Mr Cole-Clark dated 16 November, 2011?---That's not the one I've got.

No. I apologise. Yes, I've given you the wrong one. That's the right one, thank you. And just turn to the second page, sir?---It's upside down.

There's a – these printers do funny things. There's a schedule of delegations, a schedule C dated 17 November, 2011?---That's correct.

10

And, sir, this would – I'm interested in looking at two of these rows. The first row is in relation to claims, paragraph B Approve rectification, and if you go across the row there's a schedule for the district manager, there's a row, a column I'm sorry, for district manager which indicates that, and I can indicate to you, sir, that the other document that you don't have but which are a set of minutes of the Board indicates that this document, this schedule of delegations, became effective from 1 December, 2011. So from that date this would indicate that you had a delegation to approve claims up to a value of \$20,000 except if the – but that, that was, that was where I'm sorry, that was for a non Tahmoor-related job where you'd received a claim investigation report from a district supervisor but where you had not received a claim investigation report from a district supervisor your authority to approve the claim and if the claim was an non Tahmoor-related job it would be, it would only be \$10,000 and that's consistent with the financial delegation that you had had up until that point in time, that's right, isn't it?---That's right.

20

But from this – from the time that this schedule of delegations became operational 1 December, 2011 you also acquired a financial delegation to approve a claim up to a value of \$50,000 where it was in respect of – where it was a Tahmoor related claim. Is that right?  
---That's correct.

30

All right. And am I right in thinking, sir, that you would have required a report from a district supervisor in order to approve a claim up to that value?---A claim report. That would be correct.

All right. You just go down the page a little bit, 3.2 open or selected tender, paragraph (d), other tasks include rectification work. So this line would seem to indicate the financial delegations that applied as at 1 December, 2011 in respect of the approval of the selection of tenderers. Am I reading the schedule correctly?---You are.

40

Right. And so from that point in time you acquired a financial delegation which was in line essentially with your delegation to approve claims?  
---That's right.

All right. And at the same time you acquired, you acquired a financial delegation to approve variations which were, and I'm looking at the supplementary notes down the bottom of the page, supplementary note (iii) paragraph (b), the lesser of 15 per cent of the accepted tender price or \$10,000. Is that right?---That's right.

10 All right. And as far as you're aware, sir, between – I'm sorry – between that time and when you left the Board in December last year your financial delegations didn't change did they?---Um, not that I can recall. I know the schedule changed in '13 but I don't remember what the changes were for.

All right. Commissioner, I tender a Mine Subsidence Board minute paper by Mr Cole-Clark dated 30 January, 2012 annexed to which is a schedule of delegations dated 1 March, 2012 together with a copy of the minutes of the Mine Subsidence Board dated 27 February, 2012 and again, may I tender that document subject to redactions?

THE COMMISSIONER: Yes. Exhibit T38.

20

**#EXHIBIT T38 - BUNDLE – MSB MINUTE DATED 30 JANUARY 2012 WITH ANNEXURE SCHEDULE OF DELEGATIONS WITH MSB MEETING MINUTES OF 27 FEBRUARY 2012**

MR NAYLOR: Pardon me. Sorry. Sir, to the best of your knowledge – I'll withdraw that. But Plantac remains on the list of selected tenderers, did they not for the duration of your period of time at the MSB?---Yes.

30 And from about June, 2009, Willbuilt Homes was added to the list of selected tenderers?---That seems about right.

40 Right. What role, if any, did you have in Willbuilt Homes being added to the list of selected tenderers?---Um, they were advertised through the newspaper through head office and they basically do a bit a cull up there at head office, well through the staff up there, and then they send a list down to, um, the Picton Office to see if we know of, um, anyone that we think is not adequate to go on the list or whatever, or there's any things we need to qualify or whatever. Um, I didn't know them from a bar of soap, so that was like no real - - -

My question, sir, was about Willbuilt?---I didn't have anything to do with it.

You didn't have a conversation with Will Kendall prior to his inclusion on the list of selected tenderers suggesting to him that he should make application to go on to the list?---He was unknown to me.

Right.

THE COMMISSIONER: Well is the answer to that question, you didn't have any conversation?---I didn't have any conversation, no.

MR NAYLOR: All right. Did you have a conversation with him in respect of any reapplication that he may have made subsequently, either in 2011 or 2013 to re-join the list of selected tenderers?---Not that I can recall.

10 All right. Commissioner, I tender, can I tender these documents at this time. Unfortunately copies are not available but they will be made available. First of all an application by Plantac Pty Limited to join the list of selected tenderers dated 18 May, 2011. And secondly, and they can form part of the same tender, Commissioner, an application by William Kendall of Willbuilt Homes dated 18 May, 2011 to join the list of selected tenderers?

THE COMMISSIONER: Exhibit T39.

20 **#EXHIBIT T39 - PPLICATION BY PLANTAC PTY LTD DATED 18 MAY 2011 TO JOIN LIST OF MSB TENDERERS ACCOMPANIED BY APPLICATION OF WILLIAM KENDALL 18 MAY 2011 TO JOIN LIST OF MSB TENDERERS**

MR NAYLOR: Sir, you mentioned just before that you thought things might've changed a little bit in 2013. Is that right?---I have a recollection of another, um, table similar to the ones you've been shown with a date of 13 on it.

30 Okay?---As being the last one that was on my desk before I left.

Was that a financial delegation - - -?---Delegations, yes.

- - - table, was it?---Yeah.

Well my understanding of, can I just take you, sir, to volume 2, page 493?---I've got, I've got that page.

40 And there's a table there and what I understand that table to mean is to indicate the nature of the tender methodology to be used as at the date of this document, April, 2013, depending upon the value of the works that were involved. Is that, is that a correct description?---That would be, yeah.

Okay. So, because prior to this date, as I understand the situation, prior to April 2013 the situation was that for repair works up to a value of \$20,000, a selected tenderer could be used, except for in the Tahmoor area, from September 2007 when a selected tenderer could be used for repair works up to a value of 50,000. That's right?---That's right.

All right. And prior to April 2013 for repair works exceeding \$50,000 in the Tahmoor area and exceeding \$20,000 in all other areas you needed to go to a public tender did you not?---Um, I don't know.

Right?---In my whole time at the Board no one's ever gone to public tender.

Right.

10 THE COMMISSIONER: You mean public tendering as opposed to a selective tender from the panel?---Yeah, that's right, advertised tender.

In the newspaper?---Yeah.

MR NAYLOR: All right. Just go to volume 1 please, sir, and if you can go right to the back of the volume I'm sorry, but page 449, this is – have you got that?---Yeah, I've got that page.

20 And that's a document which is described as a policy statement in relation to repairs, it's dated 12 January, 2005 and it forms part of the bundle of documents which comprise the Business Management System dated, it's a 2009 date, bear with me?---It's very confusing isn't it, all these dates and changes?

30 Dated 5 March, 2009, so this particular policy document forms part of the bundle that has on the front of it that date 5 March, 2009, so the way I read it is that even though the date of issue of this document is 12 January, 2005 it remained current as at that date in 2009 and what this says is that – well, as at, as at that date in 2009 and prior to for work less than \$5,000 one competitive tender was required, works between five and 10 three competitive tenders were required, were to be sought, rather, and for work 10,000 to 20,000 three competitive tenders were required to be submitted so you get less than three competitive tenders back if the work was between five and 10 and just work with what you'd got but you really needed three competitive tenders for works between 10 and 20,000, that's, that's what that means?---Yes.

40 Right. And if you go over the page, paragraph 4, page 450, what that says is for work greater than \$20,000 public tenders are to be called?---Never been done in my time at the Board in a 11 and a half years.

Well, there were, there were, there were works which were greater than \$20,000 in your time at the Board as at 2009 and prior to weren't there? ---Lots and lots of work.

Right. And no public tenders were ever called?---No, that, that wasn't the position of the Board, Greg just said if, if you haven't got suitable tenders on your list just um, literally pick, pick other people, look in the Yellow

Pages um, because we do a variety of work and um, we'd just run it by him and um, we've never gone out as far as advertising for tenderers ever.

THE COMMISSIONER: Sorry, does that mean that – does that mean that at some stage you had a conversation with Mr Cole-Clark about what the position was for repairs that were to be carried out to the value of more than \$20,000?---Yeah, I had, we had several conversations with Mr Cole-Clark.

10 And what prompted those conversations?---Well, the lack of the tenderers that we had on our list to do certain bits of work, certain different um, quality of work and we had a limited tender base um, and that we needed to introduce more tenders of whatever and the way around that was well, basically if you get stuck just find someone else and have a combination of either one selected and two outside or two outside and like basically a combination of tenderers.

But is this a conversation that's being had with Mr Cole-Clark solely on the basis of repairs that were to be effected greater than \$20,000?---It's across the board for all values really because sometimes - - -

20 For everything - - -?---Some - - -

- - - whether it was above or below 20,000?---Well, sometimes we had work where the select tenderers couldn't physically do a, a type of work. Um, a good example is pool repairs or something like that. We don't have a select tender list for pool repairs so we have to go outside and basically ring around and say look, do you do this type of work, do you do that. Um - - -

30 But why wouldn't the same end be achieved by simply placing an advertisement in the local newspaper inviting public tenders?---The MSB never had that practice.

Well, that's what I'm trying to understand. Is this something that Mr Cole-Clark effectively allowed you to do, namely, to avoid the public tender process for the Picton area where there were jobs in excess of \$20,000 to be carried out?---My understanding, Commissioner, that's right across the whole board not just - - -

40 No, I'm not talking about your understanding. I'm trying to find out where you - - -?---That's correct.

- - - where you got this understanding from - - -?---From Greg.

- - - and you seem to be saying that you had conversations with - - -?---I did.

- - - Mr Cole-Clark about it?---I did.

Right.

MR NAYLOR: Well, did he ever give you a document or even an email to say you could not – you could work – you could operate in that way, that you just try and find someone who could do the work even if the work was in excess of \$20,000?---Not that I can recall.

10 No. And did you ever point out to him that well, look, Mr Cole-Clark, there's this policy statement and it says I'm meant to go out to public tender where the value of the work is in excess of \$20,000 and why aren't we adhering to that procedure, did you ever do that?---I had conversations along those lines with Greg and Greg said look, you're running your area. Just get the job done.

All right. And the figure of \$20,000 has been used in the questions that the Commissioner was putting to you and the questions I've just been putting to you but for the, for the period post-September, 2007 in the Tahmoor area did, did what you're saying apply to works in the Tahmoor area that exceeded \$50,000, that is to say, you didn't go to public tender for - - -? ---That's correct.

20 - - - for those jobs either?---That's correct.

All right. All right. Yes, you can put those couple of files to one side, volumes 1 and 2. And if Mr Bullock might be provided with Exhibit T1, volume 3. Now, pardon me, Commissioner. Now, sir, if you turn to page 1088. You've got that?---I've got the page, yeah.

30 That would appear to be the front cover page of a file in relation to 6 Courtland Avenue, Tahmoor?---It would.

All right. Now what's behind that page is the file, at least the file that's produced to the Commission. It is basically in reverse chronological order but not with any precision, I have to say. Turn first of all to page 1172. You see that's a Minute which indicates the Chairman of the Board approved works up a value of \$120,000 for repairs on that property? ---That's correct.

40 Right. And now go to page 1142. And from 1142 to 1144 there are letters that, over your hand, dated 14 April, 2010, inviting three selected tenderers to quote for providing work in relation to that property. That's right? ---That's correct.

One of the tender invitations is sent to A&DJ Building Services, another to Fairmont Homes and another to Plantac. That's right?---That's correct.

And over to page 1136, Plantac submits a tender in the sum of \$105,300? ---Correct.



Plus GST. And the page before that is your Minute. It seems to have gone up to, I think Mr Clark, the secretary recommending that the Plantac quote be accepted?---Yeah. I can't tell that signature either, but I presume, it's been a while since I've seen Mike's signature. So it looks - - -

All right?--- - - - it's not Greg's I know that. So - - -

10 Okay. And just go to page 1105. That, sir, is a tax invoice from Plantac and it invoices for the second component - - -?---I'm sorry, Mr Naylor, I'm not there yet so - - -

Okay. All right?---Yeah.

I'm sorry. 1105?---I have it now.

Thank you. Commissioner, I've embarked upon an area where I hadn't already handed up as an aide-mémoire the other chronology so could I do that now?

20 THE COMMISSIONER: Yes.

MR NAYLOR: So coming up to you, Commissioner, and indeed to other parties in the room are chronologies in respect of the various properties that I'll ask Mr Bullock some questions about. Okay. Um, so let's just stick for the time being with the first one which is the 6 Courtland Avenue in Tahmoor property. And do you have now, sir, page 1105?---I do.

30 And that's an invoice submitted by Plantac. And it seems from the invoice that they've already submitted one progress payment invoice and this is the second one?---Ah hmm.

And so they're claiming as the second component of the progress payment, \$80,000, including \$8,000 GST plus an amount for variations in the sum of \$32,400 including GST. And this is as at 15 November, 2010 payment. Just go to the, the page immediately preceding it and that's, that would appear to be your document or the document that you create within the system to approve that, the payment of that invoice?---That's correct.

40 Right. Now do I understand your evidence to be that notwithstanding the fact that the value of this job well exceeded, well exceeded the limit for the use of selected tenderers at this time, being \$50,000, notwithstanding the value of the job well-exceeded that \$50,000 limit you didn't go to public tender on this job?---That's correct.

And is that because of the reasons that you've just explained?---Yeah, it's never been done.

And my understanding of the document, sir, is that at this particular time, 22 November, 2010, you had no financial delegation to approve, to approve any variations?---Um, I don't know, I'd have to look, I'd need the document back which relates to that.

10 All right. We've just gone through the documents and it would seem, sir, that – pardon me. Might the witness be shown, Commissioner, T37. And I asked you some questions about this before, this is the schedule of delegations that seems to have become effective from 1 December, 2011 so  
as at – so from this date you had authority by virtue of the supplementary  
note to approve a variation which was the lesser of 15 per cent of the  
accepted tender price or \$10,000 and what seems to have happened in  
relation to this particular claim is that you've approved a variation in the  
sum of \$32,400 on 22 November, 2010, \$32,400 plus GST is in fact 30 per  
cent of the tender price which was submitted by Plantac of \$105,300, so not  
only does it exceed the 15 per cent that became effective later on but it's  
certainly well above the 10,000 but in any event at this particular point in  
time it would appear from the documents you had no financial delegation to  
approve any variations, let alone a variation of this quantum, what do you  
20 say to that?---I, I don't believe that to be correct and if you go back um, to  
1120, 11221, 11222, 11223 you'll see the variations to contract forms there,  
there's four of them, all sort of similar with different variation amounts.  
Um, if this if the full file my understanding that there's – Greg could have  
signed off in his delegation there next to my signature.

So you're saying that there might be a document elsewhere which give Mr -  
- -?---Cole-Clark's.

30 - - - Cole Clark's approval of the variation?---Yeah, can you see just those  
four pages previously?

Well, how then do you explain the fact that the invoice which is dated  
15 November, 2010 at page 1105 is received on 22 November, 2010 and is  
approved for payment on the same date, that would suggest to me at least  
that you hadn't taken the invoice up to Mr Cole-Clark because there  
wouldn't have been time but you nevertheless approved it?---Sorry, I need  
to go back to where the payment thing is.

40 1105 and 1104?---That to me looks like it's a different set of variations,  
they're earlier numbered on.

Well, I'm just asking, sir, about the variations which appear in the invoice  
on 1105, that's all. There might have been other variations, indeed there  
were and I'll take you to those, I'm just asking about that particular set of  
variations?---I just need more time to look at the document.

All right. Well, I note the time, Commissioner.

THE COMMISSIONER: Yes, thank you. We'll resume at 2 o'clock.

**LUNCHEON ADJOURNMENT**

**[1.02pm]**