

VERDIPUB001DOC
21/07/2014

VERDI
pp 00001-00026

PUBLIC
HEARING

COPYRIGHT

INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION VERDI

Reference: Operation E13/0955

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY, 21 JULY, 2014

AT 11.43AM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

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

THE COMMISSIONER: My apologies to the parties for the delay. This is a public inquiry into whether John Cassidy, a former Chancellor of the University of New South – sorry, University of New England provided confidential and or sensitive information that he acquired in the course of his official functions in connection with the sale of the Tattersalls Hotel to his business associate Darrell Hendry, or otherwise made use of the information for the benefit of himself and Darrell Hendry, and into whether he failed to disclose to the University of New England Council or any committee thereof as soon as possible after the relevant facts became known to him, which was some time in November 2005, that Darrell Hendry, a fellow director and shareholder of Vercot Pty Limited was proposing to lodge a tender for the Tattersalls Hotel and or had lodged a tender for the Tattersalls Hotel, and whether he failed to disclose to the University of New England Council or any committee thereof as soon as possible after the relevant facts became known to him which was at a time before 5 February 2006, that he or any entities associated with him intended to acquire an interest in the Tattersalls Hotel with Darrell Hendry or any entities associated with Darrell Hendry and whether he misled the Chair of the Audit and Compliance Committee of the University of New England Council by letter dated 5 February 2006, in stating that on learning that Darrell Hendry had submitted a tender to purchase the Hotel, he advised services of – services UNE Limited Solicitors of a potential conflict as Darrell Hendry was well known to him, that in January 2006 Darrell Hendry proposed that he invest in the Hotel and that his decision to invest in Tattersalls Hotel was taken on 19 January 2006 following an inspection of the premises.

The Commission is also investigating the circumstances surrounding a decision by John Cassidy to chair the meeting of the Audit and Compliance Committee of the University of New England Council held on 10 February 2006 at which his letter of 5 February 2006 was tabled. The inquiry will commence with an opening from counsel assisting, Ms Anna Mitchelmore, following which there will be a short adjournment to enable the parties to announce their appearances before we commence the witnesses. Yes, Ms Mitchelmore.

MS MITCHELMORE: Commissioner, the purpose of this public inquiry is to investigate the conduct of Mr John Cassidy when he held the position of Chancellor of the University of New England in connection with the sale of the Tattersalls Hotel in Armidale, New South Wales. The events the subject of this inquiry occurred in 2005 and 2006. Before outlining those events in some detail I will first provide some background about the University structure and the role of the Chancellor within that structure including the Chancellor's membership and leadership of the University Council. I will then say something about Mr Cassidy and his role as Chancellor before moving to circumstances surrounding the sale of the Tattersalls Hotel and the involvement in that sale of Mr Cassidy and his business associate Mr Darrell Hendry.

The University is established pursuant to section 4 of the University of New England Act 1993 which I'll refer to as the UNE Act, and it's established as a body corporate. It is a public authority within the definition of that term in Section 3 of the Independent Commission against Corruption Act, being a body in relation to whose functions and accounts kept of administrative working expenses which is required to be audited by the auditor general. Pursuant to Section 4 of the UNE Act, the University consists of a Council, convocation, the academic and other staff of the University and the
10 graduates and students of the University. The focus of this investigation is the Council which is the governing authority of the University. Mr Cassidy was a member of the Council before he was elected to the position of Chancellor on 11 December 2003. As the Chancellor, Mr Cassidy was one of three official members of the Council. The functions of the Council include acting for and on behalf of the University in the exercise of the University's functions, controlling and managing the affairs and concerns of the University, acting in all matters concerning the University in such
20 manner as appears to the Council to be best calculated to promote the object and interests of the University and controlling and managing all property at any time vested in or acquired by the University, and subject to the terms of section 18 of the UNE Act, Disposing of Property, in the name and on behalf of the University.

Section 16B of the UNE Act provides that in controlling and managing the affairs and concerns of the University, the Council is, among other things, to oversee the University's performance, oversee risk management and risk assessment across the University, approve and monitor systems of control and accountability for the University including in relation to controlled entities within the meaning of section 16A and to approve significant
30 University commercial activities, a term which is defined in section 21A of the UNE Act. The Chancellor is to be elected by the Council pursuant to Section 10-1 of the Act. He or she holds the office for such period not exceeding five years and on such conditions as may be prescribed by the bylaws and has the functions conferred or imposed by or under the UNE Act or any other Act. Those functions include presiding at all meetings of the Council at which the Chancellor is present.

As I have mentioned, Mr Cassidy was elected to the position of Chancellor on 11 December 2003 for a term of five years. Before taking that position,
40 Mr Cassidy had been the Chairman and Chief Executive Officer of Abigroup Ltd having joined the company in 1986 when it was still known as Abignano. In 1998 Mr Cassidy led a management buyout of the then major shareholder Enacon Limited and presided over a significant turnaround in Abigroup's fortunes.

Mr Cassidy was assisted in that endeavour by among others Mr Darrell Hendry who had been employed by Abignano since 1984 and was ultimately appointed as Abigroup's financial director. Mr Henry was also a

participant in the management buyout and he worked closely with Mr Cassidy for over 10 years with particular intensity for the first ten years as they worked first to keep the company from failing and then to build it.

The management buyout of Abigroup in which Mr Cassidy and Mr Hendry participated was effected through a special purpose vehicle, Vercot Pty Limited. Mr Cassidy has always been the majority shareholder in Vercot and he and his wife are now the only shareholders in that company. Mr Cassidy was also a director of the company on its incorporation and he remains a director together with his wife. Mr Hendry was a shareholder in Vercot until March 2011 and between 1988 and 2011 he was the company secretary. Between 2004 and 2011 Mr Hendry was also a director of Vercot.

When Bilfinger Berger staged a takeover of Abigroup in 2004 Vercot sold its shareholding in Abigroup at a substantial profit. Following the takeover Mr Hendry took up the position of Chief Financial Officer of Bilfinger Berger Australia and continued to work fulltime. Mr Cassidy resigned from Abigroup and left the company in or around March 2004 retiring to his property near Armidale which he purchased in the 1980's. He continued as Chancellor of the University until some time in 2008.

Notwithstanding that the purpose for which it had been incorporated was at an end Vercot continued in existence. I anticipate Mr Hendry will give evidence that as he was working fulltime in 2005 he was not actively looking for investment opportunities for Vercot and that as the major shareholder it was Mr Cassidy who controlled the company and made any calls about investments. Ultimately Vercot was the entity through which Mr Cassidy took up an interest in the Tattersalls Hotel.

The Tattersalls Hotel is located in the mall in Armidale's central business district. Before the sale which is the subject of this public inquiry the Hotel was owned by UNE Union Limited. A separate entity, the UNE Union, carried out the day to day operations and management of the Hotel. At the time of its sale in 2006 the Hotel premises housed a public bar, a saloon bar, a designated gaming room with 15 poker machines and 40 hotel suites. The National Australia Bank held a mortgage over the property which secured a loan of \$700,000.

In 2005 the Government's foreshadowed introduction of voluntary student unionism focussed attention upon the continued financial viability of the UNE Union and other student bodies of the University. In relation to the UNE Union the inquiry will hear evidence that the change to voluntary student unionism was going to result in a significant decrease in the Union's income with the loss of what was called the general service fee which was paid by students pursuant to the compulsory student union system. I anticipate that Mr Graeme Dennehy, who was Executive Director of Business and Administration at the University in 2005 and early 2006 will

give evidence that he and others were concerned about the Union's capacity to operate and to continue to operate solvently.

After a series of discussions including with the then Vice-Chancellor, Professor Ingrid Moses, an approach was made to Mr Stephen Hall of Forsyths Chartered Accountants to look into the affairs the UNE Union and UNE Union Limited. Mr Hall, who was a registered liquidator, was based in the Tamworth office of Forsyths.

- 10 On 10 May, 2005 the Standing Committee of the University Council resolved to agree that the University appoint Mr Hall as receiver and manager for the UNE Union having received a request to that effect from the UNE Union Board. Mr Cassidy was a member of the Standing Committee along with at least the Vice-Chancellor and the Chairs of the Academic Board, the Finance Committee and the Building and Grounds Committee.

- 20 I anticipate the evidence will be that he was also involved in subsequent discussions with Mr Hall and others about the financial position of the UNE Union and UNE Union Limited and options for rectifying that position or otherwise minimising the risk of insolvent trading. The evidence will show that Mr Hall's appointment as receiver and manager of the UNE Union took effect on 11 May, 2005. He was also appointed administrator of UNE Union Limited pursuant to section 436A of the Corporations Act 2001 following a resolution passed by the directors of that company.

- 30 Mr Hall will give evidence that one of the first things he did following his appointment was to obtain a valuation of the Tattersalls Hotel, it being a major asset of the UNE Union Limited. He engaged Mr Gerry Quinlan of the firm Manenti Quinlan to conduct that valuation and on 25 May, 2005 Mr Quinlan provided him with a valuation report. As stated in Mr Quinlan's report its purpose was to determine a fair market value of the Hotel as a going concern as at 20 May, 2005 including the land and all improvements, plant, furniture, fittings, goodwill, the liquor licence and gaming entitlements. The report analysed the age and condition of the Hotel, its trading activities which included the Hotel's poker machine entitlements and other recent hotel sales in the area. Ultimately Mr Quinlan expressed the opinion that the market value of the Hotel was \$2.35 million.

- 40 Mr Hall annexed a copy of the Manenti Quinlan valuation report to his report to the University on the affairs of the UNE Union and UNE Limited which was dated 2 June, 2005. In that report Mr Hall opined that in circumstances where the University was having difficulty meeting its capital expenditure requirements and the then current operating results were not covering depreciation expenditure the Union would have traded insolvently if it had continued to trade.

To remedy that situation Mr Hall recommended that a new entity be established which was controlled and underwritten by the University and which could enter into a Deed of Arrangement to transfer the existing liabilities and assets of the UNE to that entity.

On 24 June, 2005 the Council resolved to adopt Mr Hall's recommendation as to a restructure. Ultimately, however, no new entity was established, rather changes were made to UNE Union Limited along with its name. Mr Hall also recommended in his report that UNE Limited enter into a Deed of Company Arrangement which would involve, among other things, selling the Hotel, discharging the mortgage and repaying a further loan from UNE Union of some \$255,000. UNE Union Limited could then be placed in liquidation with any surplus funds distributed to the UNE Union.

I anticipate the evidence will show that Mr Cassidy read a copy of Mr Hall's report and the annexed valuation report. The extent to which he read the documents may be the subject of some conjecture but it will be apparent from the evidence that he read enough of the documents to form the view that the valuation was too low. One of the purposes of the inquiry is to investigate whether and if so to what extent Mr Cassidy made use of his knowledge of the valuation in joining Mr Hendry in the purchase of the Hotel.

Apart from the knowledge about the affairs of the UNE Union and UNE Union Limited which Mr Cassidy gained from his membership of the Standing Committee, he was also involved in what might loosely be described as a working group which was formed to discuss issues relating to the proposed restructure of the two entities. The evidence will show that his involvement in that process was consistent with his general style of management as Chancellor which I anticipate will be described as hands-on.

There will be evidence as to a meeting of the working group on 20 July, 2005 which Mr Cassidy attended along with Mr Dennehy, Mr Hall, Mr Anthony Fox, an external solicitor who was at the time acting as the University lawyer, Ms Helen Arthurson, the secretary to the Council and Ms Sue Paini who was the CEO of the Union and arrived at some point during the meeting.

The notes of the meeting taken by Ms Arthurson record Mr Cassidy informing those present that he had spoken with Mr Richard Torbay, the then Member for the Northern Tablelands about the possibility of the University obtaining an exemption from stamp duty in relation to the transfer of the Hotel to any new controlled entity. Avoiding payment of stamp duty was one of the issues Mr Hall had raised in his report in support of selling the Hotel rather than transferring it to a new entity. At the conclusion of that meeting the group concluded that subject to a favour response on the stamp duty exemption it would recommend that the Hotel be retained and transferred to the new entity. Mr Cassidy who was in favour

of that course conveyed that information to the Standing Committee of the Council at a meeting on 4 August, 2005 in which the Council resolved to approve the terms of the new constitution and the Deed of Company Arrangement for UNE Union Limited. As restructured the new entity was called Services UNE Limited.

At the time of its commencement the governing body of Services UNE was constituted by three directors, Ms Ann Maurer, Mr Roderick Watt and Mr Andrew Murray.

10

At the time of its commencement the governing body of Services UNE was constituted by three directors, Ms Ann Maurer, Mr Roderick Watt and Mr Andrew Murray. Each of the directors were known to Mr Cassidy. Miss Maurer, a local chartered accountant was a member of the Council. Mr Watt was a solicitor who had done some work in the past for Mr Cassidy. And Mr Murray was a business figure in the Armidale community. The minutes of the Standing Committee of 4 August, 2005 identified Mr Cassidy as the person who was to make the initial approach to those potential directors. Ms Paini, who was the CEO of the UNE Union remained the general manager or CEO of Services UNE. The first meeting of the Board of Services UNE took place on 27 September, 2005. In the course of that meeting the directors resolved to authorise the CEO to commence negotiations for the sale of the Hotel for \$3 million or greater. By that time a local businessman, Mr Archie Campbell had submitted to Mr Hall through his company Camtrad Pty Limited a conditional offer of \$3 million.

20

The evidence will show that in the course of the next month Mr Hall, perhaps because he had been the administrator of the previous company received a further unconditional offer for the Hotel of \$2.65 million. He also received a revised bid from Camtrad of \$2.5 million. Mr Murray independently received a call from someone on behalf of an out of town buyer who was prepared to pay up to \$3 million for the Hotel.

30

The evidence will show that on 27 October, 2005 in light of the interest in the Hotel and following discussions with Mr Quinlan, the valuer, and Mr Hall, the director of Services, sorry, the administrator, the directors of Services UNE resolved at a meeting that the CEO market the Hotel by a closed tender process over a three week period. The tender process was announced by press release dated 31 October, 2005 and it was advertised in the Saturday edition of the Sydney Morning Herald on the weekend of 5 and 6 November, 2005. The closing date for the tenders was given in both the release and the advertisement as 25 November, 2005.

40

Mr Cassidy was not a director of Services UNE and he was not involved in the decisions regarding the sale of the Hotel. However, the evidence will show that Mr Cassidy was aware that the sale of the Hotel was proceeding by tender as some time before 16 November, 2005 he contacted Mr Hendry by phone. I anticipate that Mr Hendry will give evidence that the phone call

was a little out of the blue as he had not spoken with Mr Cassidy for a number of months. The content of the phone call also came as somewhat of a surprise to Mr Hendry with Mr Cassidy suggesting that he take a look at the Tattersalls Hotel. Mr Hendry had not previously been involved in hotels and he was not familiar with Armidale. His impression from Mr Cassidy's suggestion was that he, Mr Cassidy, was of the view that the Hotel presented a good investment opportunity. Mr Cassidy had of course had access to the valuation and was of the view that it was too low. I anticipate that Mr Hendry will give evidence about trying to inform himself about the market by looking at the advertisements and by doing some research on the internet. He then reverted to Mr Cassidy and advised that while he was prepared to submit a tender he would only do so if he had one or more partners. His understanding from that further conversation was that Mr Cassidy acknowledged his need for a partner and was prepared to provide that assistance.

The evidence will show that on or about 16 November, 2005 Mr Hendry contacted Mr Hall whom Services UNE had appointed to administer the tender process. After signing the requisite confidentiality agreement he was sent the tender documentation which comprised the Conditions of Tender, an information memorandum, and a Contract for Sale. Mr Hall had prepared the information memorandum while Mr Bruce Atkinson, a partner with Watson McNamara and Watt had prepared the Conditions of Tender and the Sale Contract. There is evidence to indicate that around the time Mr Hendry was signing and returning the Deed of Confidentiality Mr Cassidy was involved in discussions with Mr Fox, the University lawyer, about the lawfulness of Services UNE's sale of the Hotel. Minutes of a meeting of Services UNE on 17 November, 2005 record Mr Watt passing on the terms of the discussion he had with Mr Cassidy regarding advice from Mr Fox that UNE Council approval was required to sell the Hotel. Mr Cassidy had further advised Mr Watt that the approval could be given by the Standing Committee of the UNE Council.

Following a written request from Ms Paini on behalf of Services UNE to the secretary of the Council, Miss Arthurson for approval to sell the Hotel before 25 November, 2005, Mr Cassidy called a meeting of the Standing Committee on 21 November, 2005. Evidence in the form of the minutes of that meeting indicate that Mr Cassidy informed the other members of the committee who were present, being Mr James Harris, the Deputy Chancellor, Professor Moses, the Vice Chancellor, Mr Scott Williams, the Chair of the Finance Committee, and Mr Ed Wright, the Chair of the Building and Grounds Committee that his purpose in calling the meeting was because of the urgent need for the Council to consider and if appropriate approve the sale of the Hotel by Services UNE. The reason Council approval was required was that Services UNE was a controlled entity and section 18(1) paragraph B of the UNE Act provided that the Council had control of all property vested in or acquired by the University.

As I've already outlined I anticipate the evidence will show that Mr Hendry had by this time told Mr Cassidy that he was proposing to lodge a tender in relation to the Hotel. Further, on Mr Hendry's evidence as I anticipate it will be given Mr Cassidy was aware that Mr Hendry was not prepared to go it alone and he had given Mr Hendry to understand that he would be involved in the purchase of the Hotel should the tender be successful. It is alleged that Mr Cassidy did not disclose either of those matters to this meeting of the Standing Committee and he participated in the resolution of the committee to approve the sale of the Hotel subject to Services UNE
10 adhering to the applicable procurement and management policies.

During the same meeting the Standing Committee also proposed that the close of tenders be extended for a further two weeks until 9 December, 2009 (as said) and that the directors be present at the opening of all tenders. The circumstances surrounding the making of that extension request will be explored during this inquiry. Ultimately the directors of Services UNE declined to extend the tender closing date. That message was communicated by email from Ms Paini to Miss Arthurson on 23 November, 2005. Later that day Ms Paini conveyed a message to Mr Watt that Mr
20 Cassidy wished to speak to him about the close of tenders. The circumstances and content of that conversation will also be the subject of further investigation during this inquiry.

As to the Standing Committee's request that the directors be present at the opening of all tenders, whether in response to that request or otherwise on the afternoon of 23 November, 2005 Ms Paini confirmed with the directors of Services UNE that there would be a meeting at Mr Watt's offices on 28 November at 2.30pm to review and to discuss the tenders received.

30 There will be evidence that there was a meeting that day which was attended by Ms Maurer, Mr Watt, and Ms Paini, and possibly Mr Hall although there is likely to be some differences in the evidence about the precise timing of the meeting, who attended, and precisely what transpired which is understandable given the events occurred over eight and a half years ago.

Before the meeting on 28 November Mr Hall had opened the tenders and on the afternoon of 25 November had sent an email to Ms Paini listing the tenders he had received at that time. It is likely to be common ground that the directors of Services UNE were informed during this meeting about the
40 three formal tenders which had been submitted of \$2.2 million, \$2.375 million, and \$2.5 million respectively. The highest tenders was submitted by Camtrad Pty Limited consistently with the offer that the company had made in October, 2005. There was also a conditional offer of \$3.5 million from Mr Hendry. Mr Hendry's offer was dated 27 November, 2005 after the close of tenders. There will be evidence that on 25 November, 2005 he rang Mr Hall and asked for an extension. Following his receipt of a negative response from Mr Hall Mr Hendry submitted the conditional offer and requested more time to submit a formal tender. In support of his request

Mr Hendry stated that he had not received the tender documentation until 22 November, 2005 with further information coming in on 25 November, 2005. He also took issue with what he considered to be a lack of sufficient detail in the information pack to enable a tenderer to make an informed bid.

The inquiry will hear evidence that Mr Cassidy attended the offices of Watson McNamara and Watt on the afternoon of 28 November, 2005 and that he attended the room where the Services UNE directors' meeting took place.

10

It is alleged that Mr Cassidy learnt who had submitted the tenders including Mr Hendry and the respective amounts. The precise point in time at which Mr Cassidy joined the meeting, how much he said to the directors and how much he found out about the tenders will be the subject of further investigation in the course of this inquiry. Although Mr Hendry had asked for a three week extension, the Directors of Services UNE gave him until 2 December 2005 to submit a formal tender. On that day Mr Hendry submitted a tender for \$2.65 million.

20

I anticipate that Mr Hendry will give evidence that in the intervening period he visited Armidale and inspected the Hotel with Ms Paini, and he also met with the then manager of the Hotel, Mr Snell. The inquiry will investigate what, if any, interaction occurred between Mr Cassidy and Mr Hendry between 28 November 2005 and 2 December 2005. The concern about such interaction being that on the evidence as I anticipated will be given, Mr Cassidy was aware of the content of the other tenders and he was aware of the University's valuation of the Hotel.

30

On 5 December 2005 the Services UNE Board met to consider the tenders. The minutes of that meeting show that Mr Watt informed those present that Mr Cassidy had told him that the highest tender was from the former accountant of Abigroup. The minutes also record Mr Watt recounting that Mr Cassidy had told him that he had no ongoing connection with Mr Hendry. If the latter part of the minute is accurate – noting that Mr Watt does not know have an entire recollection of what was said as I anticipate his evidence will be, Mr Cassidy's description of the relationship with Mr Hendry was misleading, at least by reason of he and Mr Hendry at that time being directors and shareholders of Vercot, but also on Mr Hendry's evidence, because he had already approached Mr Cassidy about taking an interest in the Hotel and received implicit assent from Mr Cassidy in that regard.

40

The evidence will show that on 5 December 2005, Mr Hendry was notified of the board's decision to accept his tender and on 6 December 2005 contracts were exchanged. The contract included, as a special condition number 14, that the vendor would consent to the purchaser establishing a special purpose trust or company for the purposes of purchasing the assets as detailed in the contract of sale, with details of the name and registration

of the trust or company to be provided to the vendor's solicitors within 21 days of the date of the contract. Mr Hendry's purpose in adding that special condition was to ensure that he had a structure that was sufficiently flexible to enable him to introduce partners including Mr Cassidy.

10 Mr Hendry canvassed possible structures at a meeting early on 9 December 2005 with Mr Geoffrey Walker. Mr Walker was an accountant at WLM Partners Chartered Accountants who managed Mr Hendry's tax affairs and those of Vercot and subsequently Mr Cassidy. The evidence will indicate that by the time Mr Hendry met with Mr Walker he had settled with Mr Cassidy what their respective level of interest in the Hotel would be. As he conveyed it to Mr Walker, Mr Hendry was to take a one third interest while Mr Cassidy was to take a two thirds interest. If they found an appropriate third party, that person could take half of Mr Cassidy's interest so that each investor had a one third interest. Mr Hendry discussed Mr Cassidy's involvement with Mr Walker and flagged using a corporate or unit trust structure.

20 On the same day as Mr Hendry had an initial discussion with Mr Walker, Services UNE issued a press release in relation to the sale of the Hotel. Mr Hendry will give evidence that he was consulted in relation to the release which quoted him as saying that with the assistance of a local manager and potentially a local investor he was committed to running the Hotel as one of the premier Hotels in Armidale. Although he described the addition of an investor as only a possibility in the release, I anticipate his evidence will be that by the date of this release Mr Cassidy had committed to investing in the Hotel. The local manager who was bought in to run the Hotel was Mr Phillip Franklin. I anticipate the evidence will be that Mr Franklin was suggested as a potential candidate to Mr Cassidy by his nephew, Mr Shaun Cassidy in response to a question from Mr Cassidy about whether he knew of anyone who could manage the Hotel.

40 Mr Franklin, who played football with Shaun Cassidy, will give evidence that he attended a meeting with at least Mr Hendry and Mr John Cassidy at some point after which he was offered the position of manager. Mr Hendry will give evidence that he also recalls attending such a meeting. The precise timing of the meeting will be the subject of further investigation, but by reference to the date of documents, which Mr Franklin completed in association with the liquor licence application, it had to have occurred some time before 10 January 2006. On 19 December 2005, Mr Walker sent Mr Hendry an email attaching a recommended structure for the venture. The email was copied to Mr Geoff Stein, a solicitor with Brown Wright and Stein with whom Mr Walker had put Mr Hendry in touch and who Mr Hendry had retained to provide advice in relation to the structure for the purchase. Mr Hendry also retained BWS to undertake the conveyancing work on the purchase. That work was undertaken by Mr Simon Griesz, a senior associate with the firm. The structure that Mr Walker proposed on 19 December involved, broadly speaking, dividing the property of the Hotel

and its operations with a corporate trustee created for each. Two unit trusts would be established for the property which would have a one third and two thirds interest respectively in the income associated with the property. There would also be a unit trust for the operation side of the transaction with the units divided in the requisite shares between Mr Hendry and Mr Cassidy. It will be alleged that Mr Hendry instructed Mr Walker to prepare this structure and incorporate the requisite entities and instructed Mr Stein to prepare the requisite trustees with the knowledge and acquiescence of Mr Cassidy. Mr Hendry will give evidence that in light of his experience in working closely with Mr Cassidy over a sustained period of time, once he understood Mr Cassidy's wishes he had a large degree of autonomy as to how to implement them. Between 19 December 2005 and 10 January 2006, Mr Hendry provided instructions to Mr Walker, Mr Stein and Mr Griesz regarding the details necessary to progress the investment structure in the lead up to settlement which was ultimately extended to 31 January 2006.

The evidence will show a number of changes to the original instructions during this period which will be explored in the course of the inquiry. The first change of which Mr Hendry notified Mr Walker on 22 December 2005 was that Mrs Helen Hendry replaced Mr Cassidy as a director and shareholder of the corporate trustee on the incorporation of those companies, namely Armpub No. 1 and Armpub No. 2. Mrs Hendry resigned and was replaced by Mr Cassidy as a director of Armpub No. 1 and Armpub No. 2 on 30 January 2006. The second set of changes was conveyed by Mr Hendry on 28 December 2005 to Mr Malanos, an associate of Mr Griesz who was assisting with the conveyancing side of the transaction. Using the same diagrams that Mr Walker had sent on 19 December, among other things, Mr Hendry filled in details regarding the unit trusts. Tattersalls Unit Trust No. 1 was the unit trust for Mr Hendry's interests in relation to the property – the units in which were to be held by Darrellen Pty Limited. Tattersalls Unit Trust No. 2 was the other unit trust in relation to the property, the units in which were to be held by Mr and Mrs Cassidy with their purchase of those units funded by Vercot Pty Limited. Tattersalls operating unit trust – Tattersalls Operating Trust was the unit trust in relation to the operation side of the business, the units in which were to be held by Darrellen as to one third and Mr and Mrs Cassidy as to two thirds. No change was made to the details regarding Mr Hendry and Mr Cassidy's involvement in Armpub No. 1, reflecting that although Mrs Hendry had been named as a shareholder and director of the company on its incorporation, that was not intended to be a permanent arrangement. I anticipate that Mr Hendry will confirm that to be the case.

The third set of changes was conveyed by Mr Hendry to Mr Malanos on 10 January 2006. Tattersalls Unit Trust No. 1 would now only have a one tenth interest and Tattersalls Unit Trust No. 2 would have the remaining nine tenths interest. I anticipate that Mr Hendry will give evidence that this change reflected the lower level of risk he was prepared to take in investing in the Hotel. It will be alleged that Mr Hendry would not have made such a

significant change in the respective levels of interest without speaking to Mr Cassidy and obtaining his imprimatur on increasing the level of his investment from two thirds to nine tenths. The other change in this document was that Vercot was substituted for Mr and Mrs, Mr and Mrs Cassidy as the unit holder in Tattersalls Unit Trust No. 2. Again, Mr Hendry would not have instructed that this change be made without speaking to Mr Cassidy who, as I have said, was the majority shareholder in Vercot.

- 10 Drafts of the trust deeds were drawn up for Tattersalls Unit Trust No. 1 and Tattersalls Unit Trust No. 2 and appear to have been provided to Mr Hendry at least by email on 10 January 2006. Mr Hendry responded the next day stating that he and Mr Cassidy were happy with the form of those deeds, indicating implicitly that Mr Hendry provided a copy of the draft trustee to Mr Cassidy or had otherwise given him enough information to enable him to make an informed decision. Although the version of the trust deeds provided to Mr Hendry at that time hasn't been located, the final trust deeds will show that for Tattersalls Unit Trust No. 2, the appointers were Mr and Mrs Cassidy. For the Tattersalls Operating Trust, the appointers were Mr
20 Hendry and Mr Cassidy jointly.

On 20 January 2006, Mr Cassidy told the Acting Advice Chancellor, Mr Robin Pollard that he had – as of the day before – decided to invest in the Hotel. It will be alleged that in light of the other evidence that I anticipate will be given, including as to Mr Cassidy's earlier agreement to invest and his ongoing involvement with Mr Hendry in relation to the sale, the terms of Mr Cassidy's disclosure to Mr Pollard were misleading.

- 30 Mr Cassidy confirmed the account he gave to Mr Pollard in a letter to the Audit and Compliance Committee of 5 February 2006 which post-dated the settlement of the Hotel on 1 February 2006. Mr Cassidy also stated in that letter that upon learning that Mr Hendry had submitted a tender, he advised the solicitors of Services UNE of a potential conflict thereby implying in a manner that was misleading, it will be alleged, that he did not know Mr Hendry was going to submit or had submitted a tender before 28 November 2005. Mr Cassidy further stated that Mr Hendry did not propose that he invest in the Hotel until January 2006 and requested assistance because he had seriously underestimated the rundown nature of the Hotel. Again it will be alleged that that statement was misleading.

- 40 In light of the evidence that I have outlined is anticipated to be given, it will be alleged that Mr Cassidy did not give Mr Pollard initially or the Audit and Compliance Committee subsequently an honest account of his interaction with Mr Hendry in relation to the sale of the Hotel, the timeline of his decision making about investing in the Hotel or the level of his investment in the Hotel. On 10 February 2006 Mr Cassidy chaired the meeting of the Audit and Compliance Committee at which his letter of 5 February 2006 was tabled. The appropriateness of Mr Cassidy taking that course in

circumstances where he was disclosing a potential conflict of interest is also the subject of this inquiry. Following his disclosure to the University, Mr Pollard, the Acting Vice Chancellor, retained Minter Ellison to inquire into the circumstances of Mr Cassidy's involvement in the sale of the Hotel and Mr Hendry's purchase.

The investigation included interviews with a number of key players including Mr Cassidy who was interviewed on 24 February 2006. Ultimately, and with the benefit of advice from Minter Ellison and Senior
10 Counsel, the then University executive determined that no further action such as referral to the Commission was necessary, however as the inquiries were limited to the University, they did not have the benefit of evidence from persons such as Mr Franklin and Mr Hendry. As a member of the Council of the University, Mr Cassidy was required to comply with the duties imposed on Council members pursuant to Section 21F and Schedule 2A of the UNE Act.

The obligations imposed on Mr Cassidy by that schedule, noncompliance with which provided grounds for removal, included carrying out his
20 functions, (a) in good faith in the best interests of the University as a whole and (b) for a proper purpose, secondly acting honestly and exercising a reasonable degree of care and diligence in carrying out his functions, thirdly not making improper use of his position to, among other things, gain directly or indirectly an advantage for the member or another person, fourthly not making improper use of information acquired because of his position, (a) to gain directly or indirectly an advantage for the member or another person or (b) to cause detriment to the University, and fifthly
30 declaring material interests in a matter that is being or is about to be considered at a meeting of the Council if the interest appears to raise a conflict with the proper performance of the member's duty in relation to the consideration of the matter. A Council member has a material interest if a determination of the Council in the matter may result in a detriment being suffered or by benefit accruing to the member or an associate of the member. The term associate is defined in clause 5, subclause 10 to include a business partner or friend of the member along with any other person who is known to the member for reasons other than that person's connection with the University or that person's public reputation.

After a member of the Council has disclosed the nature of an interest in any
40 matter, clause 5, subclause 4 of schedule 2A provides that the member must not – unless the Council otherwise determines – be present during any deliberation of the Council with respect to the matter or take part in any decision of the Council with respect to the matter. Mr Cassidy's compliance with the obligations imposed on him by reason of his membership of the Council is the focus of this inquiry. The inquiry will also investigate whether Mr Cassidy's conduct at any stage of the sale process involved misconduct in public office. If the Commission pleases.

COMMISSIONER: Thank you, Ms Mitchelmore. We'll take a short adjournment and then I'll resume after the cameras have been removed. Thank you.

SHORT ADJOURNMENT

[12.26pm]

10 THE COMMISSIONER: Could I just remind the parties that the standard directions apply and I'll take appearances. Yes.

MR THANGARAJ: Commissioner, I seek your authorisation to appear for Mr Cassidy with Mr Oates.

THE COMMISSIONER: Yes, Mr Thangaraj. You appear for both Mr Cassidy and Mr Oates?

MR THANGARAJ: No, sorry, your Honour, Mr Oates is sitting with me.

20 THE COMMISSIONER: Oh, I'm sorry.

MR THANGARAJ: Sorry. I can call - - -

THE COMMISSIONER: With Mr Oates, thank you. Yes, thank you, that leave is granted.

MR MOSES: Yes, Commissioner - - -

30 THE COMMISSIONER: Yes, Mr Moses.

MR MOSES: - - - I seek authorisation to appear with Ms Bevan for Mr Hendry, Darrell Hendry.

THE COMMISSIONER: Thank you. That leave is granted.

MR GRIFFIN: Griffin of Counsel, Commissioner.

THE COMMISSIONER: Yes, Mr Griffin.

40 MR GRIFFIN: I seek authorisation to appear on behalf of Roderick Watt, Solicitor.

THE COMMISSIONER: Yes, Mr Griffin, that leave is granted.

MR ZUCKER: Zucker, Commissioner, Z-u-c-k-e-r. I seek authorisation to appear for Mr Stephen Hall, a witness.

THE COMMISSIONER: Yes, Mr Zucker, that leave is granted.

MR PEET: Brendan, Brendan Peet.

THE COMMISSIONER: Yes.

MR PEET: I seek leave to appear for the University of New England. I also request leave for my colleague Andrew McAlary to appear for the University.

10 THE COMMISSIONER: Mr Heath and Mr McAlary was it?

MR PEET: Peet, P-e-e-t.

THE COMMISSIONER: Sorry.

MR PEET: Okay.

THE COMMISSIONER: P-e-e-t, and sorry, you appear for the University -
--

20

MR PEET: University.

THE COMMISSIONER: - - - of New England.

MR PEET: That's correct.

THE COMMISSIONER: Yes, Mr Peet, that leave is granted to both you and Mr McAlary.

30 MR CHEE: Commissioner, Chee, C-h-e-e.

THE COMMISSIONER: Yes, Mr Chee.

MR CHEE: I seek authorisation to appear for Mr Shaun Cassidy.

THE COMMISSIONER: Yes, thank you, Mr Chee, that leave is granted. Yes.

40 MR LEWIS: Commissioner, Lewis my name, I seek your authorisation to appear for Helen Arthurson.

THE COMMISSIONER: Yes, Mr Lewis, that leave is granted.

MR LEWIS: Thank you, Commissioner.

THE COMMISSIONER: Anyone else? No. Well, we'll use the time available. Yes, Ms Mitchelmore.

MS MITCHELMORE: Commissioner, the first witness is Graeme Dennehy.

THE COMMISSIONER: Is Mr Dennehy here? Come forward, Mr Dennehy. Mr Dennehy, do you have anyone appearing for you?

MR DENNEHY: No, I don't.

10 THE COMMISSIONER: Right. Just take a seat. Let me just explain something to you before we start, Mr Dennehy. You do not have the option of refusing to answer questions before the Commission. You are obliged to answer all questions asked of you and it's a criminal offence to refuse to answer or to give false answers. Because of that you would otherwise be able to object to each and every question that's asked of you by way of protecting you from the use of those answers but I can make an order under section 38 of the Act which effectively operates as a blanket exemption which means that the answers cannot be used against you in civil or criminal proceedings, however, it doesn't protect you if it should be found that you've given false or misleading evidence before the Commission. You
20 understand that?

MR DENNEHY: Yes, Commissioner.

THE COMMISSIONER: And do you wish to take advantage of a section 38 order?

MR DENNEHY: Yes, Commissioner.

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

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

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

MR DENNEHY: Yes, yes, Commissioner.

THE COMMISSIONER: Sworn or affirmed, which one?

MR DENNEHY: Sworn.

10

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

MR MITCHELMORE: Thank you, Mr Dennehy. Can you state your full name for the Commission, please?---Graeme Allan Dennehy.

And what is your occupation?---I'm a consultant.

And is it the case that you're a civil engineer by formal qualifications?

10 ---That's correct.

Are you able to outline your experience in University management?---Yes. I, I've been, I've worked for around about 27 years or so in, in universities starting as a Director of Facilities Management and working through to the position of Executive Director in charge of Business Administration with the University of New England. Prior to that I was a Director of Facilities at Charles Darwin University and for five years I was the Vice President/Chief Operating Officer with Deakin University.

20 I see. And does your role as a consultant still involve universities?---Yes, it does. I consult to university management on a range of infrastructure activities and reviews.

I want to take you back to your time at the University of New England when you were the Executive Director, Business and Administration. Are you able to briefly outline what your day to day responsibilities were in that position?---As Executive Director I was in charge of the corporate and commercial activities of the University. I had a range of divisions that report to me including Facilities Management, Financial Management,
30 Human Resources, Marketing, Governance and Student Administration and a range of others over the period of time that I was at the University of New England.

Is it the case that your responsibilities included oversight of controlled and non-controlled entities at the University?---That's correct.

Controlled entities are the subject of express provision in the UNE Act. Is that right?---Yes, that's correct.

40 Are you able to outline in summary what the differences between controlled and other entities at the University?---I'm not an expert at that but I'll certainly give you my, my viewpoint in regard to that - - -

You're understanding. Yes?---The non-controlled entities are those that are independent of the University itself and the University doesn't have any influence in respect to the way in which the, the company performs and, and operates apart from any legal agreement that they may have in place with that company.

Yes?---Whereas the controlled entity generally needs to – has a reporting line back through to the, the main parent entity, its, its subsidiary, and is often controlled by having a number of, or a majority of people on the board that represent the University or are placed there by the University.

I see. In your time at the University of New England did you report to the Vice Chancellor?---I did.

10 And for most of your time there was that Professor Ingrid Moses?---That's correct.

And she left towards the end of 2005. Is that right?---That's correct.

And there was then an Acting Vice Chancellor for a period. Is that right?---That's correct.

And that – his name was Mr Robin Pollard?---Yes. Professor Robin
20 Pollard, yes.

I'm sorry, Professor Robin Pollard?---Yeah.

And in early 2006 a new Vice Chancellor started. Is that right?---That's correct.

And his name is Alan Pettigrew, or was it - - -?---Yes. Professor Pettigrew.

Professor. Yes. And is it the case that you worked for him for only a short
30 period before you moved onto the University, Deacon University?---Yes.
That's correct.

Is it the case that you also worked with the Chancellors in your capacity as Executive Director of Business and Administration?---I did.

Did you attend regular meetings with the Chancellor?---Regular formal meetings of Council or Council Committees, certainly.

And what about on an informal basis?---On an informal basis we'd often be
40 at various functions and have meetings, talking about a variety of aspects of
the University's operation.

Now when you started at UNE the Chancellor was Magistrate Pat O'Shane. Is that right?---That, that's correct.

And then from late 2003 it was Mr John Cassidy?---Yes.

And he still held the position of Chancellor when you left UNE. Is that right?---That's correct.

And where was your office located relative to his?---My, my office was in Booloominbah and the Chancellor – I’m just trying to recall – I think had an office on the same floor.

Within that same building?---Within that same building.

So, is it the case that you would see him regularly?---I saw him reasonably regularly, yes.

10

And how regular was your contact with Mr Cassidy?---That’s hard to say going back.

Yes?---It, it wasn’t – it was only when the – Mr Cassidy was on campus and that wasn’t all the time, so, I, I’d imagine it was once every couple of weeks or three weeks or so.

20

Yes. And what was the general nature or subject matter of your discussions with him?---Um, Mr Cassidy was always very interested in the University affairs and operations, was always getting, obtaining information about how things were operating whether it’d be in terms of the resources we had, people and finances and infrastructure, those sorts of things, so there was always discussions around those types of activities.

I see. Is it your understanding that the vice chancellor of a university is the CEO of the university?---That’s correct.

30

And what’s your understanding of the role of the Chancellor?---The, the chancellor is a very similar role as the chair of a board of a company. So that person is one of a number of people who have the ultimate authority over the entity itself, as a collective and they tend to, that collective which is a board or in this case the University Council delegates a range of its authorities to the CEO but retains some.

40

And is there some degree of flexibility, perhaps picking up on what you’ve just said about the, the degree to which the chancellor involves himself or herself in the operations of, of the University, and the management?---In, in an informal sense there’s a great amount of flexibility. So from a formal sense there’s not so much flexibility.

Can you just explain what you mean by that?---Well informal in terms of talking to people within the organisation and expressing views et cetera about where things um, should be going. Um, however in terms of making executive decisions um, there’s little capacity for the chancellor to do that without the full support of the Council.

Of the Council?---Yep.

In your experience in universities over some 27 years can there be considerable variance as between chancellors in terms of their level of interest and involvement in the affairs of a university?---Oh, certainly. Quite considerable.

How would you describe Mr Cassidy's level of interest and involvement as compared for example, to his predecessor?---He was very, very involved. He was at the higher end of involvement compared to the chancellors that I've worked with in the past.

10

So you're saying on a scale with one end being not very involved and the other being very involved he was towards the - - -?---Towards the very involved.

And did he like to know what was going on generally or were there areas of administration that were of particular interest to him?---Ah, I think he, generally he was across from a strategic perspective, he was interested in various aspects of the, the people that we had working, the financial. Certainly the infrastructure, any that was happening he was very interested in that. This is in a discussion with myself. He was also having discussions with other of the executive of the University and so I'm sure he was expressing similar views to the DVC of Research and others.

20

I wanted to ask you some questions, Mr Dennehy, about the UNE Council. Now, you weren't a member of the Council, is that right?---That's correct.

But you attended meetings as the Executive Director of Business and Administration?---Yes.

30 Is that right?---I was in attendance.

And did you also attend committee meetings such as for example the Standing Committee?---Ah, not all Standing Committees but I, I would certainly most of the time attend Council committees that deal with finance, audit compliance, and buildings and grounds.

And - - -?---And occasionally some standing, although I'm not sure whether I did attend Standing Committees as such.

40 But you may have attending Standing Committees?---I may have, yes. Yep.

And the business of Council of course was conducted in meetings?---The, yes that's correct.

The formal business of Council, is that right?---Yeah, the formal business of Council (not transcribable) meetings.

And meetings were general conducted in accordance with standing orders, is that right?---That's correct.

Can I show you a document, it's page 42. It's coming up on your screen?---
Yes, I've got it here.

10 Now, do you recognise that document as a copy of the standing orders of the Council which were in force around about 2004/2005?---I recognise that it is a copy of the standing orders. Whether it was the one at the time I'm, I'm not sure.

Yes. If I can ask you to have a look, well first of all did you have familiarity with that document in your, when you were at the University?---
Yes. I do recall it. I do recall it. I'm not terribly familiar with it but I'm, I do recall it.

20 If I can just take you to page, using the numbering in the top right-hand corner, page 44. And section 7 deals with contributions by non-members, do you see that?---Yes.

Now, is it the case that you as a non-member could only contribute whether in writing and/or orally if you were invited to do so by the chair or by a resolution of a majority of members present?---That's correct.

And that was the same for all non-members of the Council?---That's correct.

30 Are you able to say from your recollection what other non-members of Council would frequently attend meetings such as this?---Yes. Ah, the Deputy Vice Chancellor Academic, Deputy Vice Chancellor Research, and Deputy Vice Chancellor International was certainly three of my colleagues that would attend. Sometimes by invitation there would be some of the directors of the divisions such as finance, human resources, or facilities management. I think that's all I can think of at this stage.

40 Okay. Can I just take you then, Mr Dennehy, to page 45 and to section 11. Now that deals with disclosure of pecuniary interests. Is it the case that it was noted at the beginning of each Council meeting that members would be asked to disclose any conflict of interest?---Ah, going back eight years I, I know that there was a register that um, Council members would need to fill out at the commencement of the year and um, I do recall that major Council meetings and ah, committee meetings would, would have that request come forward, if there was a conflict on any matter that was to come up at that time. I do believe so.

And did that also occur at, I think you said at the beginning of committee meetings as well as Council meetings?---Yeah. I, I, it's a bit hazy to tell you the truth, over eight years.

Yes?---And um, with different universities um, have different ways of dealing with this. But ah, I, I, I believe so. My, I recall that they, it would have had that at the start of the meeting.

Yes. That's, that's the best of your recollection?---Best of my recollection.

Yes. And if someone disclosed a conflict was it recorded in the minutes to your recollection?---Yes, it would have been recorded in the minutes.

10

It was always recorded in the minutes to your recollection?---Um, some, on occasions if the members of that Council or Committee thought it was not irrelevant, or not relevant to the discussion it may not have been.

But if it was considered to be relevant to the discussion it would be included in the minutes?---Yes. Yes. Yes.

Commissioner, I tender that document.

20 THE COMMISSIONER: Yes. That document will be Exhibit V1.

**#EXHIBIT V1 - STANDING ORDERS OF THE COUNCIL,
UNIVERSITY OF NEW ENGLAND**

MS MITCHELMORE: Thank you. I just wanted to ask you some questions about the Standing Committee also, Mr Dennehy. Now, you've indicated that you weren't sure whether you attended but it's possible that you may have attended some of the Standing Committee meetings?---Yes.

30

Is that right?---Yes.

Are you able to outline the purpose of the Standing Committee?---From my recollection the Standing Committee at the University of New England um, generally was called when there was a need to deal with some form of business that couldn't wait until the more formal committees of Council or um, Council itself. And perhaps it would more be Council itself couldn't meet so the Standing Committee would meet to consider that business.

40

Can I show you this document, it's page 49. Do you recognise that document as the terms of reference for the Standing Committee?---Yes, I, I recognise that it is a terms of reference.

Is that a document you've seen before, to your knowledge?---Ah, look, I can't, I can't recall whether I have seen this before. I would have seen something like this if not this, the formatting looks a little different from what I recall.

I see. There's a reference at the bottom of page 49 to the fact that if the Council couldn't, or the committee couldn't be convened that approval or resolution would be sought by a flying minute. Do you see that?---Yes.

10 Do you know, are you able to explain what a flying minute is?---Yes, a flying minute would have been where a resolution was required people couldn't meet at that point of time and so they would put that in the form of a communication that could be delivered to each of the members of that committee and that they could ah, consider it and either agree with it or not agree with it and send that back to the Council secretary.

And the Council secretary at the time was Miss Helen Arthurson, is that right?---That's correct.

Yes, I tender that document, Commissioner.

THE COMMISSIONER: Yes, Exhibit V2.

20

**#EXHIBIT V2 - OFFICE OF THE SECRETARIAT COUNCIL
STANDING COMMITTEE TERMS OF REFERENCE**

MS MITCHELMORE: I just wanted to ask you now, Mr Dennehy, some questions about minutes and papers more generally. Did you receive a copy of the papers for the Council and committee meetings that you attended?---Yes I did.

30 And did you receive the minutes of the Council and committee meetings that you attended?---Yes I did.

And do you recall who prepared the minutes?---Ah, it would have been the Council secretary who would have prepared those minutes.

40 And what was the practice to your recollection regarding approval of minutes of Council and committee meetings?---Um, those particular minutes would have been considered at the commencement of the next meeting of, whether it be, whether it be a committee or Council and a resolution to accept those minutes would have been put.

So it's the case that the minutes were circulated to those who were present at the previous meeting before the next meeting, is that right?---Yes. Yeah.

For consideration and then discussion?---For consideration.

And adoption?---Yes.

If there were no amendments?---Yeah.

And if there - - -?---And any consideration that ah, any, any, anything that may have arisen from the minutes.

I see. Commissioner, is that an appropriate time?

THE COMMISSIONER: Yes. It might be. We'll take a luncheon adjournment and resume at 2 o'clock. Thank you.

10

LUNCHEON ADJOURNMENT

[1.01pm]