

Anthony Fox

From: Anthony Fox
Sent: Monday, 27 February 2006 10:49 AM
To: 'pamela.madafiglio@minterellison.com'
Subject: FW: Attachment CONFIDENTIAL
Attachments: NOTES OF MEETING.doc

Dear Pam

Please find attached notes of meeting on Friday 24 February. The meeting lasted about an hour. Present at the meeting were the Chancellor, John Cassidy, Acting Vice-Chancellor Robin Pollard and Anthony Fox

Regards

Anthony

NB please note that the new Vice-Chancellor Alan Pettigrew has commenced his appointment today. I will clarify how we are now to deal with this matter.

AF

DRAFT

NOTES OF MEETING WITH JOHN CASSIDY
AT 5:00 PM 24 FEBRUARY 2006

There was a brief discussion as to the purpose of the meeting. It was pointed out to John Cassidy (JC) that the purpose of these questions was to provide information to Minter Ellison so that they could provide advice to the Acting Vice Chancellor/Vice Chancellor concerning compliance with legislation. That is whether or not, the Acting Vice Chancellor or the Vice Chancellor had obligations under the ICAC legislation to report the matter to ICAC, whether there is suspicion on reasonable grounds of corrupt conduct.

JC expressed a view that the issue as he saw it, concerned conflict of interest. He was advised that it went beyond conflict of interest and that we were here in order to obtain advice on legislative issues.

JC asked for it to be noted that he had attended voluntarily, had obtained no legal advice with respect to the answers and that the answers to questions would be 'without prejudice'. He requested that the result of the interview not be known to Graeme Dennehy or Ingrid Moses, as he believed there was an element of vindictiveness from them, as he had been critical of their work in the University.

Informed JC that could not really conduct the interview on a 'without prejudice' basis. The answers had to stand as given. JC agreed to proceed but stated that he would like to return to the 'without prejudice' issue at the end of the meeting.

1. 20 July Meeting

The sale of the hotel was deferred for political reasons. (Graeme & Anthony's recollection)

1.1 Is that your recollection?

A. No

The minutes of the Standing Committee and Council (copy attached) bear that out – Minutes of the 4th August 2005. The group considered the need for a new Board, considered the proposed VSU legislation and the need for the Board members to take the decision for themselves as to the sale of Tattersalls. At that time the assets were in the hands of the Receiver/Manager. JC stated that he had argued not to sell the hotel but to improve its trading position before the sale.

The meeting also considered issues of stamp duty, sale of assets and liquor licences.

Council at the Standing Committee meeting in August resolved to allow the new entity to decide the future of Tattersalls. Council decided to move ahead with a new entity.

D R A F T

1.2 What did you mean by that?

Not applicable.

1.3 Did you ever have any thoughts of purchasing the Hotel at that time or informing any colleagues about the sale?

No.

1.4 Did you ever discuss or refer to the sale with colleagues?

No, other than to University officers or Hall & Fox.

2. Receiver/Managers Report of 2 June 2005

2.1 Did you read it?

In part yes, in general terms, not in detail.

2.2 Were you aware of the valuation and its basis?

Yes, in general terms. I did not read the basis of the valuation. I believed it to be too low and said so to Graeme (Helen Arthurson would have been present).

2.3 Did you discuss the valuation with anyone apart from Dennehy and Stephen Hall?

(a) If so, who?

Not that I recall. I recall considering the valuation to be undervalued and said so to Hall and Dennehy.

(b) When?

Not applicable.

(c) In what context?

Not applicable.

(d) What was said?

Not applicable.

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3. Meeting of 28 November 2005 – Board members except Andrew Murray were present. Hall presented the tenders.

The decision had already been made by UNE Services to sell Tattersalls. I have not seen any Minutes of this meeting.

- 3.1 You attended part of the meeting?

I recollect being called to Watson McNamara after the Board meeting because as part of the ratification process to sell Tattersalls I was also concerned that a deal had been done to sell it for \$2.5 million (from Archie Campbell) UNE Chief Financial Officer (on the Board) and Directors of Services UNE were present at the opening of the tenders. The meeting had finished when I was asked to come. There were 4 or 5 offers – some coming.

- 3.2 Why did you attend?

See 3.1 above.

- 3.3 What was your interest?

I was concerned only 1 or 2 offers may have come in below the minimum valuation. A Director of Services UNE thought it prudent that I was advised of the outcome. I was asked if I wanted to attend. As Chancellor, I wanted to make sure that the process had been carried out in a bonafide manner.

- 3.4 What was your role in the discussions at the meeting?

There was no role. The discussion had finished.

- 3.5 Do you recall whether, anything was decided at the meeting? If so, what was your role in the decision making?

No. I understand that there was still some loose ends as far as I was aware. Someone in Newcastle had sent an offer I recall. I did not have a role other than to satisfy myself as to the number of tenders and the amount.

- 3.6 Were you involved in the discussion about giving Hendry more time to firm up his bid?

No, not know he had requested more time. Was however told that Hendry had made a bid.

If so, what was your view?

No other view other than to get the best result from the tender process.

DRAFT

4. Minutes of the Board of Services UNE on 5 December 2005.

4.1 Do the minutes accurately reflect what you told Rod Watt?

No, from the 28th November 2005 when I heard that Darrell Hendry had submitted a tender, I asked Rod Watt to note that there may be a perceived conflict because I knew Hendry very well.

4.2 If not, what did you ask be conveyed to the directors?

I didn't ask anything to be conveyed to the directors.

4.3 If the minutes are correct is it correct that at the time you had no ongoing connection with Hendry?

The item as to what I told Rod Watt is not correct. AF, needs to ask Rod Watt. I was not present at the meeting and I cannot say what he said or whether it has been recorded correctly. Not correct that I had no ongoing connection with Hendry.

**5. Audit and Compliance Committee Meeting 10 February 2006
(No minutes of the meeting available yet).**

5.1 Was there any discussion about your letter?

Yes, in relation to paragraph C (Jenny Crew). She is one of the people running around Armidale spreading rumours.

5.2 Was the first time that you thought about investing in January 2006?

Yes.

5.3 When did you first inspect the hotel?

19th January 2006. I think I had been in Tattersalls once in my life before the 19th January 2006 to have a drink with Richard Torbay. That was because Torbay, when he was in UNE Union, he bought it. On the 19th January 2006, I brought a consultant up from Sydney to look at Tattersalls.

I recall that I had been invited to do an inspection of the hotel before 19 January by Dennehy or someone with the directors of Services UNE. I was not able to attend because I was picking up children from school.

5.4 When did you first inspect the hotel for the purpose of considering it as an investment?

DRAFT

19 January 2006

5.5 Why did you chair the meeting?

I was asked by the existing chair who was unable to chair the meeting. He had to duck off and he then came back to the Finance Committee meeting, which took place later in the day.

6.1 What is the form and extent of your investment? What is the role of Vercot Pty Ltd?

The Licence is in the name of Armpub No 1 Ltd. The manager is Phil Franklin. He was appointed before I became involved and before I became a director of Armpub. My interest in the pub is purely a financial investment. Hendry runs the pub with Franklin.

Armpub No 1 owns the freehold and this company was set up before I became involved.

Armpub No 2 is the operating company.

Vercot Pty Ltd was established in May 1988. It's sole purpose was and has been to effect a buy out of control of the controlling interest in Abigroup from Enacon Pty Ltd.

Abigroup was then a public listed construction company. The shares were acquired subject to the usual approvals and subsequently sold to the German company Bilfinger Berger in January 2005.

[JC did not wish to go into the detail of the financial investment. He did refer to a Unit Trust and explained that Vercot had been involved in a selective share buyback and that it would be buying out Hendry's interest in the company.]

6.2 Are there any other investors and what is their interest?

Hendry became involved in the pub and then I think realised that there was more work to be done he first thought and therefore he needed a further investor. That was when he asked me to invest in Tattersalls.

At the conclusion of the meeting JC was invited to discuss the 'without prejudice issue'. He did not want to take it up.