

INDEPENDENT COMMISSION AGAINST CORRUPTION

STATEMENT IN THE MATTER OF: State Emergency Services - Op Dewar

PLACE: Sydney
NAME: Leslie Thomas Tree
ADDRESS: Known to ICAC
OCCUPATION: Retired
TELEPHONE NO: Known to ICAC
DATE: 19 November 2013

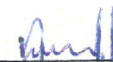
States: -

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.
2. I am 60 years of age.
3. In April 2003 I retired from the workforce. Prior that I was the Chief Executive (CE) of the Ministry for Police and Emergency Services (MPES). I held that position between 4 April 2011 and 5 April 2013.
4. My role as CE of the MPES was to provide support and advice to the Minister, to coordinate the activity of the portfolio, to manage the police and emergency

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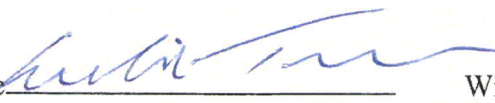
Darren Curn
19/11/2013

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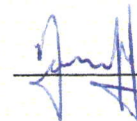
services portfolio legislation and to develop policy. I was also the State Emergency Recovery Coordinator, which was a statutory position and it gave me responsibility for co-ordinating recovery from natural disasters. In April 2013 I retired after 41 years of public service.

5. I have known the Commissioner for State Emergency Services (SES), Murray Kear for about 5 years. I knew him from previous roles that I was in such as when I was the Deputy Director-General in the Premiers Department and prior to that as the Director-General of the Ministry for Police.
6. I have had a professional relationship with Murray Kear and have dealt with him in my former role with MPES. I would have been in contact with him weekly as a result of my duties there. I have been to SES functions with Murray Kear, attending there in my official capacity. When I retired, I had all the Commissioners over to my house as guests for a farewell function and Murray attended that function. That's the only social activity.
7. In my experience working with Murray Kear, I found his performance in operational matters to be first class. As far as I am aware, during emergency situations, Murray Kear's command played a role in preventing loss of life and property. I had less visibility with his running of the organisation as that is his responsibility as the CEO.

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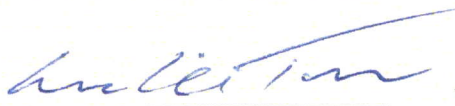
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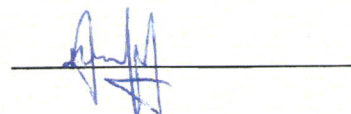
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8. I would say that I had a similar relationship with Steven Pearce, Deputy Commissioner with the SES. He had been an Operational Deputy during the floods. I had a professional relationship with Steven Pearce and found that he was professional and cordial towards me. He was delegated by Murray Kear to liaise with the Government more when Murray Kear was unavailable so I had a similar level of contact with him as I had with Murray. I had the same sort of personal relationship with Steven as I had with Murray.
9. I recall that Tara McCarthy was appointed as Deputy Commissioner of SES around mid 2012. When she was appointed, I had reasonably regular contact with her as well. I found her professional to deal with but I can't comment on her day to day performance.
10. I remember a telephone conversation I had with Tara McCarthy around mid October 2012. At the time, she was Acting Commissioner as I believe that Murray Kear was on holidays in Tasmania. Tara rang me on the basis that she had been given the responsibility substantively for the corporate side of the organisation and she had found a number of irregularities. She told me they had commissioned the Independent Audit Bureau to look at those matters.
11. Tara told me that they had found that one of the irregularities that was being looked into involved contracts with two companies. She rang me on the basis of those irregularities and asked me if she would have to use the Crown Solicitor to

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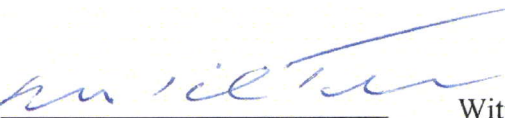
look at them. I told her that she could use lawyers off a panel to look at the contracts as the concern was that the Crown Solicitor can be slow.

12. I also said to Tara words to the effect, "If you believe there is any corrupt conduct involved, you have a statutory obligation to report it to the ICAC under Section 11A." I considered that this could have been a significant political and media issue if it got out and she would need to provide a briefing note to MPES about it. I advised Tara of this and the fact that the Minister can't be surprised in the media or in Parliament. If something is happening in one of his agencies and it is controversial then he should know about it. I told her that she should send any notification under the normal protocol to Mary Louise Battilana who was my person who ran the Policy and Ministerial Support Division in MPES. I also told Tara that she needed to discuss this matter with the SES Commissioner Murray Kear, even though he is on leave.

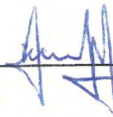
13. Tara and I didn't discuss the details of the contracts, only to say that they seemed to be outside of government guidelines. I didn't think that I needed to go into specifics about it.

14. Tara also mentioned Steve Pearce during our conversation in that there was another issue which was the supervision of the Finance Director Kevin Pallier and Pallier's performance and claiming of things. Tara thought that there were irregularities there as well. I told her that she should report that matter as well. I recall that the internal audit into that matter wasn't completed at that stage. I

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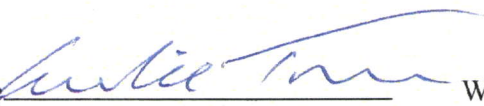
understand that Pallier was eventually dismissed, then reinstated after going to the Industrial Relations Commission.

15. The advice I gave Tara was based on my years of experience. I have had many different people ring me about many different things and my default position is always that if someone has any concerns about any probity issues then they should report it to the appropriate oversight body such as the ICAC, Ombudsman or PIC. I have reported many things in my time to these different bodies and this also serves to give the Minister protection as he can say that the matter has been reported to the appropriate oversight body.

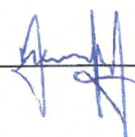
16. Subsequently, Murray Kear also rang me after I spoke to Tara. I believe it was the same day. He told me that Tara had spoken to him and I told him that I had also spoken to her. I told him that Tara had some serious concerns about these matters and I advised that the appropriate procedures should be followed. I also said that I thought he should get on top of this fairly quickly and get the appropriate legal advice about the contracts and the matter should also be reported to ICAC.

17. Murray told me that Tara had raised this matter with him and that there was an irregularity with the contracts. I think he mentioned that this was done while Steve Pearce was in charge of that area and had some responsibility. I remember it being mentioned that at least one of the contracts had been obtained without going to tender, even though it was above the amount allowable in the Government guidelines (\$30,000).

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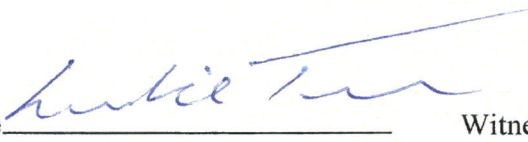
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18. My advice to Murray was that if the Government guidelines hadn't been followed in relation to the contracts then he should get some legal advice about breaking the contracts, which is what I also told Tara. I told Murray that he should use a panel solicitor to do that as it was appropriate to do it quicker than the Crown Solicitor. If these contracts were vital to the work of the SES then they should obtain new contracts following the approved Government guidelines.

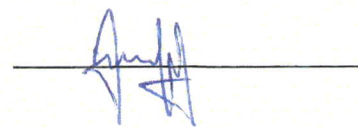
19. My impression was that Murray Kear thought this matter was serious and I would think that when you are looking at these matters, they are serious by definition. I told Murray that it had to be reported to the ICAC if it was an incident about which there may have been corrupt conduct. He said, "Well that's the rules. If that's what has to happen, that's what has to happen." I don't know whether he would have reported it or if McCarthy would have reported it but since she was Acting Commissioner at that time I assume that she would have the obligation to do so.

20. During my conversation with Murray Kear, I did not at any stage tell him that I didn't think it was worth reporting to the ICAC. Nor did I tell him at any time that I didn't believe there wasn't corruption involved, as I did not have enough detail to make such an assessment. I didn't even know what the contracts were for so I couldn't possibly make any judgement on whether or not there was corruption involved.

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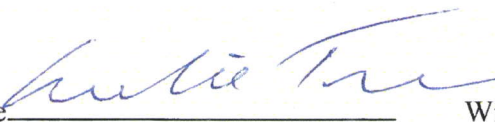
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21. After speaking to Tara and Murray, I rang Brad Scutella, the Chief of Staff for Minister for Police and Emergency Services and briefed him on what I had been told. I informed him of the advice I had given to Tara and Murray. I also told him that a briefing note would be coming through and we would prepare a 'house folder note' so that the Minister had something in case he was asked about it. I recall one of these was eventually prepared based on the briefing note that Tara McCarthy sent through which I think was the next day. I also spoke to Mary Louise Battilana and informed her that we would be getting a briefing note. I was recently shown a copy of a briefing note for MPES signed by Tara McCarthy of the SES dated 16 October 2012. I recognise this to be the briefing note I have referred to in my statement.

EXHIBIT: I PRODUCE A COPY OF THAT BRIEFING NOTE

22. I recall have a later conversation with Murray Kear which would have been some time later. I asked Murray how things were going in relation to this matter and that was when I was told that Kevin Pallier had been removed. Murray also told me that Pallier had appealed the decision to the IRC. Subsequently, he also advised me that Pallier had been re-instated by the IRC. The matter was still ongoing when I left in April 2013.

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