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HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

Reference: Operation E09/350

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON TUESDAY 14 AUGUST, 2012

AT 2.14PM

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

MR STRICKLAND: I tender a – can I hand up this list of statements?

THE COMMISSIONER: Yes.

MR STRICKLAND: And I tender all the statements contained in this list.

THE COMMISSIONER: Mr Strickland, what is the position of interested parties, have they seen copies of the statements?

10 MR STRICKLAND: I understand that they have seen copies of the statements contained in that list.

MR LLOYD: Commissioner, just for myself, I don't know about others, I haven't seen the list.

MR STRICKLAND: I don't know the list, but the statements I thought.

MR LLOYD: Well, it's a long list.

20 THE COMMISSIONER: Well, I think we – yes, I think we should distribute copies of the list.

MR STRICKLAND: Yes.

THE COMMISSIONER: Can copies be made of the list and then the list distributed? The list will be distributed and if anybody has a comment to make on the list it can be made while the evidence is being read and you need simply to stand up at a convenient moment and deal with it.

30 MS HUGHES: Commissioner, if I could just have a copy of the list, I don't have one.

THE COMMISSIONER: Yes, of course. Well, I don't know if there are enough but they'll come to you. All right. Subject to objection the statements mentioned in the written list will be admitted with the Exhibit numbers indicated on the list.

40 **#EXHIBIT 154 – STATEMENT OF STEWART ADAMS DATED 2 MAY 2012**

**#EXHIBIT 155 – STATEMENT OF SANDY HUSKIC DATED 7 MAY 2012**

**#EXHIBIT 156 – STATEMENT OF MICHAEL HUSKIC DATED 5 APRIL 2012**

**#EXHIBIT 157 – STATEMENT OF WENDY HUGHES DATED  
APRIL 2012**

**#EXHIBIT 158 – STATEMENT OF TOM DEVINE DATED 4 MAY  
2012**

10 **#EXHIBIT 159 – STATEMENT OF PETER DIXON DATED 24  
JANUARY 2012**

**#EXHIBIT 160 – STATEMENT OF ADRIAN BRADSHAW DATED  
25 JANUARY AND 8 FEBRUARY 2012**

**#EXHIBIT 161 – STATEMENT OF DARREN WILTON DATED 19  
APRIL AND 19 JULY 2012**

20 **#EXHIBIT 162 – STATEMENT OF JOHN CASSEN DATED 14 MAY  
2012**

**#EXHIBIT 163 – STATEMENT OF ERIC KUIPER DATED 23 MAY  
2012**

30 **#EXHIBIT 164 – STATEMENT OF LANI CREARY DATED 30 MAY  
2012**

**#EXHIBIT 165 – STATEMENT OF SHANE FREARSON DATED 29  
MAY 2012**

**#EXHIBIT 166 – STATEMENTS OF RICHARD GRIFFITHS DATED  
3 MAY, 15 JUNE AND 2 AUGUST 2012**

40 **#EXHIBIT 167 – STATEMENT OF ROBERT AGNEW DATED 26  
JUNE 2012**

**#EXHIBIT 168 – STATEMENT OF CAMERON GREEN DATED 24  
JULY 2012**

**#EXHIBIT 169 – STATEMENT OF TRACEY CLIFFORD DATED 1 AUGUST 2012**

**#EXHIBIT 170 – STATEMENT OF ZAKI WAZRI DATED 3 AUGUST 2012**

10 **#EXHIBIT 171 – ICAC SECTION 21 RESPONSE – STATEMENT OF INFORMATION, MICHAEL POOL DATED 25 FEBRUARY 2011**

**#EXHIBIT 172 – STATEMENT OF MR JOHN INKRATAS DATED 30 MAY 2012**

**#EXHIBIT 173 – STATEMENT OF SAM DRAKE DATED 4 JUNE 2012**

20

**#EXHIBIT 174 – STATEMENT OF ADAM TRETHOWAN DATED 24 MAY 2012**

**#EXHIBIT 175 – STATEMENT OF BRETT MICHAEL HANSEN DATED 4 JUNE 2012**

30 **#EXHIBIT 176 – STATEMENT OF ROD WARD DATED 1 JUNE 2012**

**#EXHIBIT 177 – STATEMENT OF LESLIE WINDLE DATED 19 JULY 2012**

**#EXHIBIT 178 – STATEMENT OF JOSEPH LABAN DATED 30 APRIL 2012**

40

**#EXHIBIT 179 – STATEMENT OF JAMES NEVILLE DATED 22 MARCH 2012**

**#EXHIBIT 180 – STATEMENT OF WIKNESH NAGENTHIRAM DATED 19 MARCH 2012**

**#EXHIBIT 181 – STATEMENT OF JANET MCLENNAN DATED 17  
MAY 2012**

**#EXHIBIT 182 – STATEMENT OF SCOTT ANDERSON DATED 7 &  
20 MARCH 2012**

10 **#EXHIBIT 183 – STATEMENT OF STEWART ADAMS DATED 13  
APRIL 2012**

**#EXHIBIT 184 – STATEMENT OF GERALD KOHN DATED 16  
MAY 2012**

**#EXHIBIT 185 – STATEMENT OF FLORIDA SAMSON DATED 13  
MARCH 2012**

20

THE COMMISSIONER: Yes, Mr Strickland.

MR STRICKLAND: Thank you. Could the witness please be given Exhibit, Exhibit 145B please.

THE COMMISSIONER: I should say that many of the statements relate to matters of corruption prevention and not to the merits being investigated.

10 MR LLOYD: Commissioner, if we see a name that's a mystery we'll give it a tick anyway.

THE COMMISSIONER: I think, Mr Lloyd, it's probably safe to assume that if it's a mystery you're not involved.

MR LLOYD: Thank you, Commissioner.

MR STRICKLAND: So if you go, please, if you go please to tab, sorry,  
page 66. I'm just taking you – this is the Eco Traffic Solutions quote that  
20 you have provided in 27 May email. And you'll see that if you go to page 69, do you have that?---Yes.

There's a quote there for 158 plus GST which is 176. Do you see that?  
---Yes.

Now, I'm just going to use the subtotals without GST just for the moment.  
Do you understand?---Yes.

30 So that part of the quote which represents the total of pages, that's the total of quote 2203 is 158, and I won't, I'll just round, round it up or round it down?---Yeah.

So 158 plus GST?---Yes.

Plus freight. And then if you go to page 70, the total of that quote which is for quote number 14, is 40,990 plus GST. Correct?---Yes.

And then if you go to page 71, that is a quote for 19,800 plus GST?---Yes.

40 And if you add those totals up, that is rounding up 158 plus the 40 plus the 19 and then you go to page 50, which is your email to Tracey Clifford, you'll see that there's the – you refer to the cost of Eco Traffic's quote of the 219,626. Do you see that?---Yes.

Now, the 219,626.90 represents the total of those three quotes that I've referred to. Do you accept that?---I'm not sure about the final quote.

Well, just – I'd like you to do – have you got - - -

THE COMMISSIONER: The addition, if you add the 158, the 40 and the 19 it comes to 217.

MR STRICKLAND: I'll get you a calculator so you can do it yourself. So just, have you got that the calculator.---Yes.

So add these figures up please, 158,836.90, 40,990 and 19,800 and what do you get?---I'd have to start again.

10

I'll read them again.

THE COMMISSIONER: Just do it slowly Mr Strickland.

MR STRICKLAND: I'll do it more slowly, ready, start again please.---Yes.

Mr Huskic, just start again.---Yep.

158836.90.---Yes.

20

You've done that.---Done that.

Next. 40990.---Yes.

Next. 19800.---Yes.

What do you get?---219,626.90.

Right, that is the same figure as in tab, on page 50 isn't it?---Yes.

30

And that is the Eco Traffic quote that you have described in your memo as being the Eco Traffic quote. Is that correct?---Yes.

In other words, go to page 53.---Yes.

And you can see that that is the quote referred to in that referring note. Correct?---Yes.

THE COMMISSIONER: And to page 50 as well.

40

MR STRICKLAND: I know. Page 50 and 53 and they are, they are figures excluding GST, correct?---Yes.

So, and you are - the figures at pages 53 and 54 or the, they were supplied by you weren't they?---Put into this approval, the referral note, they would have been, yes.

Approval, referral note. So in order to get the figure of 219,626.90 you must have included, and you did include, quote 14 at page 70, didn't you?  
---Yes.

But on your own evidence, that quote had nothing to do with this job, does it?---I believe this is the two boom gates for the (not transcribable) car park which was added, I guess, to the car park project.

Do you want me to repeat my question?

10

THE COMMISSIONER: That had nothing to do with the - - -?---It does have to do with the Gosford car park project.

Yes, it might have to do; with the Gosford car park but it had nothing to do with the quotes that were obtained from King Security, Eco Traffic Solutions and MJH Security.

20

MR STRICKLAND: See, Mr Huskic, go back to page 44 please and hold page 70, so I want you to compare the two quotes. At page 44 and then have page 70. Now before lunch, I asked you about page 44.---Yes.

Didn't I?---Yes.

And your evidence was this quote had nothing to do with the Gosford car park boom gate job in 2010, that was your evidence before lunch, was it not?---Well, it must have been incorrect.

Was it not, all I'm asking you is, was that your evidence before lunch?  
---I believe it was.

30

Right. And if you go to page 70 you will see that it is exactly the same quote.---Yes.

The same items, the same quote, so and you'll note the date of that, 28 May 2008.---Yes.

40

And your evidence before lunch was true wasn't it, that that quote – quote number 14 at page 70 and at page 44 had nothing to do with the 2010 Gosford boom gate job, did it?---That's what I said, yes, I was in correct.

I beg your pardon?---That's what I said, I was incorrect.

So you made – your evidence before lunch was incorrect was it?

THE COMMISSIONER: You mean this has something to do with the job?  
---If you read the description, the first line supply and install - - -

Even though it's dated the 28 May 2008?---That might be a typing error on Eco Traffic's part but if you look at the description he's put supply and install access boom gate for Gosford Hospital.

But you can see from the date that this has nothing to do with it?---I can see the date, I believe that, I believe that's an error.

If the date is correct then it has nothing to do with that job does it?---  
Looking at the description - - -

10

Just tell me the answer to that question.---What was the question again, sorry.

If the date 28 May 2008 is a correct date then the job described on the invoice at page 70 has nothing to do with the quotations you obtained in 2010?---I believe that's an error.

But you haven't answered my question?---Oh.

20 Do you mind answering it?---This - - -

If the date is correct - - -?---But the date isn't correct.

Will you let me finish the question?---Yes.

If the date is correct then the quotation at page 70 has nothing to do with the 2010 job involving Gosford park access?---That's correct, if the date is correct.

30 Now you say the date at page 70 is incorrect do you, that's what you say now is it?---Yes.

And the date at page, what's the other page, 40 is it?---44.

44, is that the same one?

MR STRICKLAND: Yes, it's the same one.

40 THE COMMISSIONER: That's also incorrect, is it?---The date is incorrect, yes.

So its dates that are incorrect?---Yeah.

MR STRICKLAND: Well, it's the same quote, Mr Commissioner?---It's the same quote, I believe he's just done a copy and paste from maybe a job that was done in 2009.

THE COMMISSIONER: So what kind of a mistake is it that you make putting the date of 28 May, 2008 - - -?---You'd have to ask - - -

- - - when it should be 28 May, 2010?---You'd have to ask Rob Agnew.

Well, I'm asking you because you are saying it's a mistake. On what grounds do you say it's a mistake?---Because it says here, the first line in the description, "Supply and install access boom gate hospital for Gosford Hospital".

10

Yes, but that was in 2008?---No, it wasn't, we didn't do the Gosford project in 2008, wasn't it 2010?

Yes, Mr Strickland.

MR STRICKLAND: Are you saying that - isn't this an earlier quote that was provided in 2008 in relation to Gosford boom gates?---I don't believe so, I don't recall ever taking Rob Agnew up to Gosford in 2008.

20 Did you ever ring Mr Agnew and ask him about the date of this quote?  
---No.

Why not?---Because he supplied it with all the other quotes and I knew it was for the Gosford job, it said in the description, Gosford Hospital.

Are you saying you, did you notice the date of the quote?---Oh, I'd say I probably didn't notice, no.

30 I see. That's fairly careless on your part isn't it?---It may have been.

No, I'm not asking what may have been. What, if it's the case, if it's the case - - -?---If it's the case it is careless, yes.

Because you're not sure it is the case (not transcribable)?---I believe it is the case.

40 And you've admitted haven't you that putting in the quote 48694 was a mistake wasn't it? That's your evidence before lunch wasn't it, page 71?  
---Submitting that quote to the security department, internal security department, well, that was a mistake, there was no need, there was no need for them to even see the quote.

Just can you keep your voice up please.

THE COMMISSIONER: There was no need what?---There was no need for them to see the, the pricing our internal security staff at Gosford.

MR STRICKLAND: But, Mr Huskic, with respect, that is a totally absurd answer because as a result of that mistake the price that you have included in your referral note was incorrect, wasn't it? It's got nothing to do with they don't need to see the price. As a result of your mistake, what you say is your mistake of including quote 48694 the final price for Eco Traffic, the final quote for Eco Traffic Solutions referred to in your approval, in your referral note is incorrect, isn't it?---(No Audible Reply)

10 THE COMMISSIONER: What's the page, please, Mr Strickland?

MR STRICKLAND: Page 71 is the quote and page 53 is the referral note.

Mr Huskic, can you answer that question or not?---I will answer in a second, yes.

THE COMMISSIONER: What's your answer, Mr Huskic?---Sorry, can you ask the question again, it was a mistake did you say?

20 MR STRICKLAND: Can you please attend to the questions and the answering, do you mind doing that?---Yes, I will.

So do you say you didn't listen to that question at all?---I was thinking about other things.

Do you mind attending, Mr Huskic?---Yes.

I'll ask you if you could?---Yeah.

30 Otherwise you are delaying the inquiry by not bothering to listen to the questions?---Okay.

The question is, you have admitted before lunch that submitting the quote at page 71 is a mistake?---Yes.

Right. And as a result of that mistake, the quote at page, the total quote for Eco referred to in your referral note at page 53 is also a mistake, isn't it? ---(No Audible Reply)

40 219,626.90?---Um, it would, I don't know if this is the only referral note that went to- - -

THE COMMISSIONER: Well, just look at that one, Mr Huskic?---Yeah, I'm looking at that one, yes, that's incorrect.

And as a result of that mistake, Kings Security had the lowest price. Had there been no mistake, Eco would have had the lowest price. Is that not right?---Oh, I don't know.

Well, that's obvious.

MR STRICKLAND: Well, the mistake you say was that you should have submitted the quote at page 40- -?-Um- - -

10 - - -the earlier quote at page 43 for 12,320 instead of a quote for 21,780. Is that right? Or do you say it was – you say it was a mistake to include any quote before, that is- -?-Oh, yes, I see, yes. Quote 48821 should have been included with the Eco quote. That's correct, that's why I've got the handwriting on the quote.

So 4821 should have been included but not 48694. Is that what you're saying?---Correct.

And so that's a \$9,000 mistake which, which, which on your evidence, if the mistake had not been made, Eco Traffic Solutions would have been a \$9,000 cheaper quote.

20 THE COMMISSIONER: But I don't understand that because I thought that the electricity had been carried out?

MR STRICKLAND: Because his evidence, no, his evidence is, Commissioner, that the reason for the difference between the, the 21 and the 12 is the electricity. So that's what explains the difference. The electricity was already in both quotes.

THE COMMISSIONER: I see. All right.

30 MR STRICKLAND: Now, can I ask the next question, Mr Huskic?---Yes.

Are you, are you paying attention?---Yes.

Now, I want to suggest to you that it was quite improper of you to include any quote for Kings, be it 48694 or 48821, without advising in any way Mr Agnew that that quote had to be considered in the Eco Traffic Solutions quote. Do you agree with that or you disagree with that?---Well, I disagree with that.

40 Because it is a matter of basic fairness in a competitive process that you would advise a contracting party what the final quote you'll be submitting of theirs is. Correct?---Correct.

But you didn't do that, did you?---I wasn't submitting the Kings quote to be added to the Eco Traffic quote, it was an additional quote to be added to the project.

Mr Huskic- -?-Yes.

- - -that, can I suggest to you, is an absurd answer because you have admitted that in getting your 219 figure at page 53, you have added quote 48694- - -?---Yeah, but that's- - -

- - -and therefore you have added it on?---Yeah, but that figure is in the referral note, it's not actually part of Eco Traffic's quote. They would have received Eco Traffic's quote as an attachment and they would have seen that his quote was 158 and then they would have seen that the additional works, being the access control works, was quote 4882 which is Kings which  
10 means they would have had to raise two orders, one for Eco Traffic for 158 and one for Kings for 11,200.

Your referral note refers to three different quotes, one of them being for 219,626 for Eco Traffic and you never told Mr Agnew that that was the quote you were going to be submitting on its behalf, did you?---I didn't have to tell Rob Agnew that. It was an internal process, that was an internal  
- - -

20 THE COMMISSIONER: But it wasn't, it wasn't their price. You're telling, you're saying it's their price- - -?---No, but with, with- - -

- - -but it's not their price?---But it would have been their price, the total project – what – the referral goes to Capital Works is as a total project cost.

It's not their price, is it?---It's the total project cost.

But not their price?---Well, no, their price is 158.

30 MR STRICKLAND: Now, if you go to page 70 you say, your evidence has been that the quote 14 was submitted at the same time as quote 2203, correct?---I believe so.

Right.---Being it's for Gosford Hospital.

Well, if you look at the, if you just, I want you now to compare page 70 and 69, do you notice that the facts for the 2203 quote and the phone number for the 2203 quote is different from the mobile phone number and the fax for the quote number 14.---It looks the same to me.

40 Well, what I'd like you to do is look at – you see you've got client contacts details, Robert Huskic, just look at page 69, do you see that?---Yes, client, yes.

And then look right to the right of that - - -?---Okay, yes.

- - - there's a mobile phone, this is page 69, 04 , , .. Do you see that?  
---Yes.

Then if you go to page 70 you'll see that that phone number is a different one.---Yes.

, , ,.---Yes.

And if you look at the fax number on page 69 you'll see it's 4320 3197 but on page 70 it's 9926 007 – sorry I withdraw that. On page 70 its 9926 7003.---Yes.

- 10 So how do you, how do you explain receiving a quote on the same day with different mobile phone numbers and different faxes?---I can't explain it.

Well the, can you - - -?---The only possible explanation I could offer would be an error on Eco Traffic's part in providing those quotes.

Are you seriously saying that when you, you see that, that does – the different phone numbers on the page 70 quote together with the date make it absolutely obvious that that was not a quote submitted together with the quote 2203, doesn't it?---No, not to my understanding.

20

Even if it was a mistake on Mr Agnew? part, anyone paying any attention to this quote, the slightest bit of attention would have realised that this quote, quote number 14 was given at a different time to quote 2203, you'd agree with that wouldn't you, because it's on different letterheads of different – with different phone numbers and a different fax number – do you agree with that?---No, I would just be reading the description. I would see the letterhead coming from Eco Traffic and then I'd go straight down to the description of works.

- 30 So you're saying that you didn't notice - - -?---I didn't notice such changes, no.

- - - you've made a number of mistakes in this competitive process haven't you?---Well, I have, I haven't received any formal training in project works so, I was, I was giving assistance with - - -

Do you need a formal training to read a date?---No.

No.---No.

40

So that answer was just ridiculous wasn't it to say that - - -?---You mean about the project you're saying I've made many mistakes in this project.

How do you explain – how could you explain the mistake of putting in the quote at page 71 – how could you make that mistake when it's the wrong quote to put in?---Like I said, it depended on the time, if I was busy, you know.

THE COMMISSIONER: Just tell me please your number in 2010 was it , , ,.---Yes.

And your phone number , , , was that your phone number in 2008?---It was an earlier number, yes.

MR STRICKLAND: But you just say you didn't know that at all?---No, just looking at, looking at it now.

10 THE COMMISSIONER: That shows that there wasn't a, the date 2008 is not a mistake?---It could be a mistake, you'd have to ask Rob Agnew.

It couldn't be a mistake it's got your 2008 phone number on it.---That's right, there could be a copy and paste, he could have used an old quote, copy and pasted the description.

MR STRICKLAND: How could that - - -?---You'd have to ask him.

20 No, no, we're asking you, I'm asking you.---No idea, no idea.

Well, if he used, how could, how is it possible Mr Huskic that if he, if both of these quotes were in 2010 sent to you on the same day that he could have cut and pasted so that one of them contained your current mobile number and fax number and the other one contained your old mobile number and fax number, how could that be done?---Do not know.

All right. Well, there's no explanation for that is there?---I do not know.

30 The only explanation is that they were written at two different times. ---I do not know.

You see, Mr Huskic, what you do know is that you have deliberately inflated Eco Traffic Solutions' quote to make it a far less competitive quote?---That's incorrect.

You have done that, haven't you?---That's incorrect.

40 And your evidence about these mistakes that you've made are just a pack of lies, isn't it?---No.

Have you ever suggested to a contractor that they should increase their price for AHS?---Not that I can recall.

Because that would be quite improper wouldn't it, to, to suggest to a contractor that they should give a higher quote than one that they are intending to give?

THE COMMISSIONER: Is that right?---I do not know.

MR STRICKLAND: You don't know what?---If it's improper or not, is that the question?

That's the, you don't know the answer to that?---No.

10 THE COMMISSIONER: You think, you think, you don't know whether its, if, if one of your contractors offers to do some work for \$100,000 you don't know if it's improper to say to him well, no, look you can do it for 120,000, why don't you put in a higher price for 120,000, you don't know whether that's improper or not?---I could see how that would be improper.

MR STRICKLAND: I want to show you a quote please for, excuse me, sorry, do you remember, do you remember that there was a job for an alarm system at Long Jetty Dementia?---No, not that I can recall.

Late last year?---No, not that I can recall.

20 Do you remember obtaining a quote from Sielox and from Kings in relation to the alarm system at Long Jetty Dementia?---No, not that I can recall.

Let me just show you these, this document. Just have a look at those four pages please. And - - -

MS HUGHES: Excuse me, Commissioner, before my friend continues may I have a copy of the document he's referring to?

THE COMMISSIONER: Yes, certainly.

30 MR STRICKLAND: Do you recall a site visit with David Busco on 14 November, 2011 in relation to an alarm system at Long Jetty Dementia? ---No, I don't, no.

Do you accept that's a letter that you received from Mr Busco on that date? ---Well, it's addressed to me, I don't recall receiving it but it is addressed to me.

I tender that.

40 THE COMMISSIONER: Yes. The letter of 24 November, 2011 from Mr Sielox?

MR STRICKLAND: Mr Busco, B-u-s-c-o.

THE COMMISSIONER: Sorry, I beg your pardon, Mr Busco from Sielox. Yes, so the letter of 24 November, 2011 from Mr Busco to Mr Huskic is Exhibit 186.

**#EXHIBIT 186 - LETTER FROM SIELOX TO LONG JETTY HOSPITAL DATED 24 NOVEMBER 2011 ENCLOSING QUOTE**

MR STRICKLAND: So you have no recollection of Kings putting in a quote for this job as well?---No, no recollection.

10 I'll show you another quote dated 25 November, 2011?---Ta.

Do you recall getting that quote- - -?---No, I don't recall.

- - -from Mr Busco?---No.

I tender that second quote of 25 November, 2011.

THE COMMISSIONER: How does one distinguish between the two letters?

20 MR STRICKLAND: Just, just the date and the price.

THE COMMISSIONER: They're both dated 24 November.

MR STRICKLAND: No, one's, one's, the first one is dated the 24<sup>th</sup> and the second one, unless you've been given the wrong document, is dated the 25<sup>th</sup>.

THE COMMISSIONER: No, I have two of the 24<sup>th</sup>. Exhibit 186 is a letter from Mr Busco to Mr Huskic of 25 November, 2011.

30

**#EXHIBIT 187 – LETTER FROM SIELOX TO LONG JETTY HOSPITAL DATED 25 NOVEMBER 2011 ENCLOSING QUOTE**

MR STRICKLAND: Now, do you, do you have any, do you have any idea why that quote has been increased between 24 and 25 November, 2011? ---No.

40 Did you ask Mr Busco to increase that quote?---Not that I recall.

THE COMMISSIONER: Would – is that something you could have done? ---If they've underestimated something maybe like labour, maybe he's said the job would take two days when I might know for a fact it might take three or four days. I don't, you know, it could be possible.

MR STRICKLAND: Well, that's not in the interests of AHS for you to be suggesting prices be increased, is it?---Well, it would just mean that we would get a variation at a later date.

Now, you have no knowledge of this at all, do you?---No, not this job in particular, no.

THE COMMISSIONER: It doesn't appear to have happened here because as I understand it the two letters are the same other than the price, so the scope of the work hasn't changed.

10 MR STRICKLAND: Do you understand that, Mr Huskic? Assuming- - -?  
---Yeah, they're all the same, correct.

So there would be no reason in that case for you to suggest an increase, to suggest to Mr Busco to increase his price would there?---I don't recall the actual job.

No, but I'm saying assuming the scope of works are the same, there would be no reason for you to suggest any increase in price, would there?  
---I wouldn't suggest, I don't believe I would suggest, but like I said, I don't recall the job.

20

Okay?---You know, like I said, it could have been labour, there could have been more labour involved than what he first expected.

I just want to- - -?---I don't know the job.

Okay. I just want to play a telephone conversation to you and see if that reminds you?---Yeah.

30 (TELEPHONE INTERCEPT PLAYED)

MR STRICKLAND: Do you recognise that, your voice - - -?---Yeah, yeah.  
- - - and that's Mr Busco's voice?---Yeah.

I tender a transcript of that, that conversation occurred on 25 November at 8.03am.

40 THE COMMISSIONER: Exhibit 187 is a transcript of a telephone conversation between Mr Busco and Mr Huskic of 25 November, 2011 at 8.03am. I beg your pardon, that is 188. 187, yeah. 184 to 185 are the statements, 186 is the first letter, 187 is the second letter, 188 is the transcript. Okay. Well, the transcript is 188.

**#EXHIBIT 188 - TRANSCRIPT OF INTERCEPTED  
TELECOMMUNICATION BETWEEN MR HUSKIC AND MR  
BUSCO AT 8:03AM ON 25 NOVEMBER 2011**

MR STRICKLAND: So do you have a copy of the transcript, Exhibit 188?  
---Yeah.

At the time you had this conversation you had the quote for Kings didn't you?---I believe I would have.

Yeah. I'll just show you this document. I tender that quote.

10

THE COMMISSIONER: Yes. Kings quotation number 53275 is Exhibit 189.

**#EXHIBIT 189 - CUSTOMER QUOTATION NUMBER 53275  
DATED 22 NOVEMBER 2011**

20 THE COMMISSIONER: The conversation about the dementia unit and asking, you asking Mr Busco to increase it a bit, that relates to these two quotes that I have, that we have just tendered, is that right?---I believe so, yes.

Well, does it relate, could it relate to anything else?---No.

Right. And Exhibit 189, the Kings quote, also relates to the same job doesn't it?---Yes.

30 So when you had this, when you received quote 186 from Sielox which was for 4,715 and you could see that it was quite a bit cheaper than the Kings quote for 6,400, correct?---Yes.

But if you increased the quote by 1,600 then it made it about equal, didn't it?---Yes.

40 And so why did you tell Mr Busco what, if you look at page 290 of the transcript you say, "I know, I think maybe you should just increase it a bit just to make sure to cover you because, you know, like you said you haven't been up there to see the cable runs and Kings have"?---Yes.

MR STRICKLAND: Why would you be telling Mr Busco what Kings have been doing?---Well, I was telling Mr Busco this because I knew he underquoted and he wasn't aware of how much labour was involved.

I see. And if you go to page 291 you say, "I'll have another look anyway." Mr Busco says, "How many hours, how many days, how many hours do you reckon?" And you say, "Well, they've allocated two days"?---Yeah, yeah.

So, and they meaning Kings?---Kings, correct.

So why would you be telling a – why would you be telling Sielox what Kings has been quoting?---Well, it's obvious that David Busco wasn't up there and didn't see what work was required but Kings had.

THE COMMISSIONER: So you were looking after his interests?  
---I was looking after both parties, yeah, I wanted, I wanted to be fair.

10

MR STRICKLAND: I see.

THE COMMISSIONER: I think we can leave this, Mr Strickland.

MR STRICKLAND: Yes. Could the witness please be shown Exhibit 1, tab 42. Do you recognise that as a quote that Kings has done in relation to security equipment for your house?---Yes.

20

What were the circumstances in which Kings did work for your house?  
---For this particular job?

Yes?---I asked Charlie if he could arrange to get the screens, security screens, a quote for security screens to be installed in my unit.

And did you pay for it?---Yes, I did, yes.

30

Did you pay, did you pay the full price or did you pay a discounted price?  
---I think I paid, it says 1,995, I think I gave him 1,900, thereabouts. I think I was just short.

And how did you give him, how did you give him the money?---In cash, he came over and I gave it to him in cash.

And did you get a receipt for it?---No.

Did you not?---No.

40

THE COMMISSIONER: Why not?---I don't, I don't, didn't believe I needed a receipt.

Why did you pay cash?---Well, my sister paid half so she gave me her half of the cash and I came up with my half, so it was just cash.

Why?---Well, that was easy I guess.

What, easier than writing a cheque?---I don't have a cheque account.

MR STRICKLAND: Where did you get the cash from?---Bank or savings.

Did you, did you withdraw that money from the bank?---No, I think I had it in my room at the time.

You had it in your room?---Mmm.

Is that- - -?---My share of it.

When you say mmm, is that a yes?---Yes.

10

I see. How long had you had that amount of cash in your room for?  
---I don't recall.

But you see you, at the time your credit expenses was quite high, wasn't it?  
---It probably was, yes.

So why did you have \$950 lying in your room?---It's always good to have money at home for emergencies.

20

And how did you, how did you, was that savings, was it?---Oh, it would have been savings over a period of time, yes.

I see. Why would you keep \$950 or \$950 savings in your room when you were paying considerable amounts of payments on interest and- - -?---That's just the way I am.

That's the way you are, is it?---Yes.

30

It wasn't the case that you were given this job by Kings, is it, you were given this equipment by Kings, was it?---No.

In return for favours or assistance you'd given them?---No.

They did another job in your home, didn't they?---Yes.

And when was that?---I'm not sure of the exact date. I can't recall.

Was it after this job?---It may have been before. I don't recall.

40

And what was that, what was the security- - -?---Installation of locks.

And did you pay for that job?---Yes, I did, yes.

And did you pay for that in cash?---Yes.

How much cash did you pay them?---Um, I think the invoice was 1,200, yeah, 1,200 I believe.

And you paid, and you paid that \$1,200 in cash, did you?---Yes.

And how did you have that cash in your house?---Yeah, same, same way I had cash- - -

Savings, was it, same, same practice, savings?---Exactly the same, yes.

Even though you could have put the – applied that money to reduce your debt.---Yes.

10

You decided to keep it in your house.---Yes.

Even though that would actually cost you money because interest and overdue penalty payments are costing you money, is that right?---It probably does.

But you – but you knew it did – you know interest - - -?---Well, I know there's interest of course.

20 Interest doesn't probably cost you money, it definitely costs you money doesn't it?---Yes, yes.

So you prefer to lose money but have the cash in your house, is that right? ---Well, I believe that you should always have cash at home for emergencies and that's what I had.

Commissioner I tender the transcript of Mr Huskic's compulsory examination. I think you made an order varying the or lifting the suppression order yesterday. I tender that transcript.

30

THE COMMISSIONER: Exhibit 90, 190 is the transcript of Mr Huskic's compulsory examination.

**#EXHIBIT 190 - TRANSCRIPT OF COMPULSORY EXAMINATION OF HUSKIC ON 20 DECEMBER 2011**

40 MR STRICKLAND: I wonder if Mr Huskic could just be given a copy of that please.---Ta.

Have you got a copy of that?---Ah yes.

Now you go - - -

MS HUGHES: Excuse me Commissioner, once again, may I have a copy of that transcript.

THE COMMISSIONER: Yes. Use mine.

MR STRICKLAND: You've got a copy of that?---Ah yes.

If you just go to page 290, perhaps go back to page 289, I'll sorry, I'll just give you the full context, go to page 288 line 30 – you were asked a question, “I understand around March 2010 you attended an international security show. Is that correct? Answer: Yes. Where is that show held? In Las Vegas.” Do you see that?---Yes.

10

And you were asked some questions about that. At the bottom of page 289 you were asked this question. “Now where did you stay when you went to Las Vegas? Answer: Planet Hollywood.” Do you see that?---Yes.

Next, over the page, “Who paid for the accommodation? Answer: I paid for my accommodation. Question: And how did you pay for your accommodation? I gave Dave, because there was a group of us, David would go up to the counter and use his credit card or however he paid and then I would give him the money. Question: What money? Cash. Where did you get, where did you with draw the cash from sir? I had the cash when I was going over there, I changed it over with the Exchange Place. Really, how much cash did you change? I think it was about two and a half, two and a half to three, I can't remember, just say two and a half.” And by that you meant two and a half to three thousand. Is that correct?---Yes, it was something like that, yes.

20

Well, when you say something like that was thousand, or a hundred or - - -? ---It was two, yeah, two thousand.

30

What I'm asking you is, the answer you gave referred to thousand, didn't it? ---Oh yes.

You then said, “And where did you withdraw the money from? Oh I had that money saved up from my pay. How did you save that up sir? What do you mean? What in a piggy bank? In my house, at my house, yes.” If you then go to page 291, Miss Pastor asks you, “So you paid cash did you? No reply. Did you also go to San Francisco on that trip? Yes. Where did you stay in San Francisco? I don't know what the hotel was called it was a hotel, I don't know what it was called.” And then you were asked about whether it was Sheraton at Fisherman's Wharf, no. “How did you pay for the accommodation for the hotel that you stayed at San Francisco? I gave David money. Some cash? Yeah. And why did you give him money on that occasion, was he getting a discount there as well? And you say, no, it was every, it was every hotel that we went to I'd give him cash because he'd go up and pay and then I'd say, Well look, there's my share and I'd give him the money.” Now yesterday you said something totally different, didn't you?---That's correct, yes.

40

Yesterday you said that you paid cash on the first occasion but thereafter for eight or nine nights you, and this is at page 1697, you said at line 8, "And then the following times I tried to give him money and he wouldn't accept it. He said Kings were paying for it or something along those lines"?---Yes.

So which version is the false version?---The version I gave at the private hearing was what I believed to be correct at, at, my recollection at that time.

10 Which version is the false version?---The correct version is yesterday's version.

The correct version is yesterday and so why did you give the version that you had paid the money on every occasion to Mr McMicking?---Because that was my recollection at the time when I gave that answer.

You were deliberately lying or misleading the Commission when you gave those answers on the compulsory examination, weren't you?---No.

20 How could you forget that matter as to whether you'd actually paid, given that you knew you were going to be asked about financial dealings between yourself and Kings or Kings' employees, how is it, how is it you could forget that matter?---I explained that yesterday.

I'm asking you again?---It's the first time I've been in this type of environment, it was very daunting and I was nervous and, you know, what I could remember at that time, that's the answer I gave.

30 You've spoken, since you have been alerted to this investigation you have spoken to Mr McMicking, haven't you?---Yes.

And you have spoken to him about some of the benefits you have received from Kings haven't you?---Benefits?

Yes, benefits?---Yes.

And what did you say to Mr McMicking, what was the, what was that conversation?---I think, is that when he came to my house, is that what you're referring to?

40 Well, I'm asking you?---Oh, well, there was a time where he came to my house and he just wanted, he want to recollect what had happened or what was done and we just spoke about that.

What was recollected, about what?---Ah, the locks on my house, the security screens, what else, the, the telephone I believe and - - -

I beg your pardon?---I believe the telephone as well that he had got for me. I don't recall exactly.

And was that before or after you attended the compulsory examination, that is the private hearing in this matter, that's in December last year?---I don't -  
- -

When did he attend your house?---I don't recall.

Was it before or after?---I don't recall. I don't know the date.

10 Yeah, but I'm not asking you for the date?---No, no, I don't recall.

I'm asking whether it was before or after, was it this year he came to your house?---I don't recall.

And did he, and did he tell you why he wanted to discuss these things with you?---I think he just said something along the lines of he just wanted to try and remember what, you know, what had happened or what, what was done, that sort of stuff.

20 And so what did you say?---I, I went through what I knew.

All right. And what did you tell him?---Basically that the locks and, and the screen, I gave Charlie the money for those and the, the other, the gifts, the, the phone and that stuff, you know, I was, like I was going to pay him for that and I was waiting for some sort of idea of how much I had to give him, something like that, I don't recall exactly and, and the Vegas trip I think we spoke about that as well but I don't recall exactly.

30 Mr Huskic, if it is your practice to keep this emergency cash in your house, \$1,000, why on earth haven't you paid Kings or McMicking for the mobile phone and the iPad and the other gifts you gave evidence about yesterday? ---Well, to my understanding I'm waiting to find out how much it is, I haven't been told the final figure, how much I owe him.

I see. So that's, that's the reason since 2010 that you have not paid for those items, because you haven't been given a final figure. Is that right?---I believe so, yes.

40 That's not the truth, is it, that answer?---That's my understanding to be the truth.

If you go back to your Exhibit 190, excuse me, sorry – I'll leave that. Could the witness please be given Exhibit 145, tab 1, A, please. Now, you- - -

THE COMMISSIONER: 145A page 1?

MR STRICKLAND: That's correct, thank you. Now, you're familiar with that Code of Conduct, aren't you?---No, I'm not.

You say you've never, you've never received training in it?---I'm saying I've never read the document.

Whether you've read it or not, you've been trained in it, haven't you, that is you've been spoken to about conflict of interest for example, haven't you?  
---No, not, not to my recollection the, no.

Just go to page 13?---Of that tab?

10

Of that, of that tab, please?---Yeah.

Halfway down the page is a section called 2.2, Bribes, Gifts and Benefits. Do you see that?---(No Audible Reply)

Do you see that? Page 13?---Yeah, what point number, two point- - -

2, Bribes, Gifts and Benefits?---Okay. Page 13.

20 THE COMMISSIONER: Page 12?---Yes.

13 on the top right?---Yeah.

MR STRICKLAND: On the top right-hand corner?---Yeah, yeah.

And do you see there there's, "I will never accept gifts of cash and as a general rule I will not accept any gifts or benefits." Do you see that?  
---Yes.

30 And are you saying you weren't aware of that when you during, between 2006 to 2010?---I knew it as a general rule and it's spoken about that you can't accept gifts, but I didn't know about the benefits and- - -

And why, so you understood you couldn't accept gifts. Is that right?  
---Yes, yes.

And why couldn't you accept gifts?---Ah, that was the- - -

What's the reason why you couldn't?---?- - -Area Health policy.

40

Yeah. I know it's the policy but what- - -?---Yeah.

Like, what was the thinking behind the policy?---Oh, I think people perceive it as improper I guess.

So if you were given say a gift of say \$15,000, that would be regarded as improper, is that right, if you were dealing with a contractor that you were giving work to?---If it was given as a gift.

Right. Well, what happens if, if it was a gift, but what happens if you received a benefit to the same value?---Well, it would depend on what type of benefit it was.

Would it?---In my case, the loan, is that what you're referring to?

Well, I'm just saying- - -?---Yeah.

10 - - -if you received a, you've made this distinction throughout your evidence between gifts or benefits?---Yeah.

I don't understand that distinction in your mind?---Okay.

That's what I'm asking you about?---The benefit was to me personally, it had nothing to do with Area Health.

But if someone gives you a gift of \$15,000 to you personally- - -?---Yeah.

20 - - -nothing to do with Area Health- - -?---Yeah.

- - -would you say that would be improper?---No, that would be a gift.

So that wouldn't be caught by this policy?

THE COMMISSIONER: No, he said it would be a gift?---Yeah, it would be a gift, yeah.

30 MR STRICKLAND: I see, and therefore, and therefore it would be improper?---Yes.

But if you were given a benefit to the value of \$15,000 you say that that would be okay, is that right?---Yes, it depends, like I said on how that benefit was given I guess.

What's the difference in your mind between a gift of \$15,000 and a benefit to the value of \$15,000?---Um, well a benefit you'd have to, I believe um, a benefit you would have to give something in return I guess so, both parties benefit.

40 Yes, I understand. I wonder if the witness could be shown Exhibit 166 which is a statement of Rachel Griffith a Director of Workforce and culture. I'm sorry, I keep on - - -

MS LONERGAN: The actress.

MR STRICKLAND: I withdraw Rachel Griffith and serve Richard Griffith. I've done that throughout Commissioner and I'll try not to do that again. If

you just go to page 433, is that your – do you recognise your name and your signature on the right hand column of that page?---My initials, yes.

Yes, your initials.---Yes.

Saying I've understand and read a number of policies including the Code of Conduct.---Yes.

10 And then go to page 434 and – that- that's – excuse me – that's on 11 October 2006 and at 434 you've done – you've signed the same thing – if you turn over the page you'll see that that's signed on 25 March 2008 Code of Conduct, do you see that?---Yes, yes.

And then if you go to page 436 there's a reference headed Code of Conduct and confidentially, confidentiality sign off – you say it's recorded it's mandatory that all staff read and sign the Code of Conduct which is the document behind Exhibit 145A tab 1. You see that?---Yes.

20 I'm signing that I have read, had the opportunity to have my questions answered and have understood the requirements of the Code of Conduct – that's at 13 July 2010.---Yes.

Do you see that?---Yes.

So it appears that, it appears on at least three occasions you have signed records indicating that you have read and understood the Code of Conduct? ---Yes.

30 And I take it that when you initialled and signed that you did in fact read the Code of Conduct, is that right?---No I didn't no.

You signed something even though it wasn't true, is that right?---Yes.

Mr Commissioner, they are the only questions that I have for this witness but I'd asked that he not be released at this stage.

THE COMMISSIONER: Yes, does anyone want to question Mr Huskic.

40 MR MAHER: Mr Commissioner, I have some short questions that I want to (not transcribable)

THE COMMISSIONER: Do you mind coming forward. If you could just explain to Mr Huskic who you are and who you represent?

MR MAHER: Certainly Commissioner. Mr Huskic, my name is Maher and I represent Peter Roche and I'll be asking some questions on his behalf. ---Yes.

These questions relate to the contract that you had with Kings Security. I'd like to suggest to you that this process started in February 2003 when the Area Health Service sort quotations to upgrade their master key systems across all their sites. Do you agree with that?---Yes.

Thank you. And three companies were invited to tender they being Olympic, Integrity and Kings?---Yes.

10 Now originally there was a tender awarded to Kings in June 2003 but for reasons that we needn't go into that didn't proceed, do you agree with that? ---I'm not sure if it didn't proceed because as far as I was aware from that, from that moment we had a key contract with Kings as far as I, that's my understanding.

Perhaps I won't take the witness to all these documents. Could I ask you to assume that what happened in fact was that in June 2004 the parties were again invited to tender, does that, does that jog your recollection of, of events?---No, not that I can recall, no.

20 In any event, from a date at least as early as 2004 Kings were doing work for the Area Health Service - - -?---Yes.

- - - in relation to the master key systems across the sites?---Yes.

Thank you. And I'd like to suggest that there were no increases in the cost of that work between whenever that started and the first contract that you were taken to in 2006?---I couldn't say for certain, I wouldn't know, I'd have to - - -

30 Thank you?--- - - - look at documents.

Now, can I take you to that contract briefly, this is in Exhibit 145A at tab 6. Do you have that?---Yes.

And do you see towards, on the first page of that tab, the second bottom paragraph, it says that Patricia O'Farrell, in-house legal counsel has reviewed both the agreement and contract and has given confirmation to proceed with the signing?---Yes.

40 Do you see that?---Yes.

Then, pardon me, Commissioner. That document at page, schedule D which commences I think on page 90 in the top right-hand corner, sets out a scale of rates for various, various pieces of equipment, do you see that?---Yes.

Now I'd like to say, suggest to you, that from to time after that you personally received correspondence from persons at Kings increasing the

scale of, sorry, cost for either labour or parts in accordance with that contract?---Yes.

And I think you've been shown some of those documents and I'd like to show you a document dated 11 September, 2007, sorry, Commissioner, it should be amongst the documents I've given, I've shown to my friend. The documents aren't handy, Commissioner.

10 THE COMMISSIONER: Well, I'll adjourn for 10 minutes - - -

MR MAHER: Thank you.

THE COMMISSIONER: - - - and you can sort yourself out.

### SHORT ADJOURNMENT

[3.24pm]

20 THE COMMISSIONER: Yes, Mr Maher.

MR MAHER: Thank you, Commissioner, I think as a result of conversation we've had with Mr Strickland I may be shorten this line of questioning.

THE COMMISSIONER: Yes. Mr Strickland, do you - - -

30 MR STRICKLAND: Yes. I won't be making any criticism in the submission of Kings in relation to the setting of their price in the 2010 Abloy contract, the only issue about that is, is what supervision if any was given or what attention if any was paid by AHS to that matter, not to the fact that Kings set that price.

MR MAHER: Thank you, Commissioner, I think that leaves me with very few questions.

THE COMMISSIONER: Yes, Mr Maher.

40 MR MAHER: You were asked yesterday, Mr Huskic, a question about the amount of the increase in the amount of work that was given to Kings from 2007 onwards. Do you recall those questions?---Yes.

Are you aware of when Kings became a certified Honeywell Protec access control system integrators?---I'm not sure what year it was, it was, I do know it was after I was employed.

So if I suggested to you that that was in 2007 would that accord with your recollection?---Sounds about right, yes.

And you were asked a question yesterday in relation to which you gave an answer it was always an issue with Area Health paying their invoices on time and the "their" in that sentence was Kings, do you recall giving that answer?---Yes.

I'd like to suggest to you that the Kings account if you like was often over \$100,000 over 120 days in arrears?---Certainly, yes.

Thank you. Those are my questions.

10

THE COMMISSIONER: Yes, thank you. Anyone else? Yes, Mr Lorkin.

MR LORKIN: Thank you.

Mr Huskic, my name's Mr Lorkin, I represent Mr Creary. I'd just like to ask you some questions firstly about the line of command - - -?---Yes.

- - - of the Area Health Service. You've been shown some charts about the Area Health Service - - -?---Hierarchy.

20

- - - hierarchy?---Yeah.

And you've seen on that that on the latest in time chart you reporting to Cameron Creary?---Yes.

Who then reported then to Scott Anderson?---Yes.

Now, that's what the chart shows?---Yes.

30

But on a daily basis is that what occurred? Would you report in to Mr Creary about what you were doing?---Not always, no.

If he went on holidays was he replaced?---No.

He wouldn't approve any of the quotes?---Oh, no, he couldn't approve them, no.

40

Now just getting on to the, the monitoring section of the inquiry, was there a directive from your management, Scott Anderson or others above after some meetings between Kuiper, Creary and yourself and Anderson and management in relation to the standardisation of monitoring?---Yes.

And was essentially because, well, for a number of reasons, firstly if you were doing, if you were doing testing at a single institution, ie, a single Health Service's location there was some confusion about who to contact about testing alarms, like alarms would be tested and they would test alarms?---Yes.

Was there also an issue about monitoring staff movements?---Which staff? Area Health staff?

Yes. I'll get onto that shortly – I'll withdraw that. Now, as a result of that initially were Boss and Kings both monitoring alarms and the like?---Yes.

And indeed was there some suggestion that Area Health Service at that same time would set up its own monitoring room?---Yes.

10 And then take in the work from Kings and Boss?---Correct, yes.

Now, did you have any complaints about the performance of Boss?  
---Yes.

What were they?---Their service was slow, they were a one-man show, they only had one technician I believe at the time so it took them a while to respond to faults.

20 And as a result of that I've heard – you've given evidence in the Commission you've explored that changeover to Kings?---Yes.

Now, ultimately did AHS set up its own monitoring station?---No, they didn't.

Do you know why that was?---No, I don't know why. It might have been manpower, I'm not sure.

30 Was this standard, was this monitoring room also associated with the standardisation of the hardware being that you would use Honeywell solely and not Honeywell and Concept?---Yes, for the northern sector we were using Honeywell and we wanted to expand that up to the central coast sector.

And I asked you some questions earlier that I withdrew. Was that so that there was a standardisation of monitoring of staff?---Yes.

40 If a nurse went from Royal North Shore to Gosford Hospital, she would be able to be – I withdraw that – that person would be able to be monitored in doors, out alarms and the like?---Yes, it would be one system.

And another benefit that was proposed was that they'd only need one ID?  
---Correct.

Not one for the Concept system and one for the Honeywell system?  
---Correct.

Now, I'm just going to ask you some questions about some documents the Commission has shown you in relation to hardware specs. You've been

shown a document that I don't have the exhibit number of because I was only handed it this morning, but it's the hardware spec version 1, and I believe it was in Exhibit 145A, the hardware spec document.

THE COMMISSIONER: Are you actually asking us to find it for you?

MR LORKIN: No, only the- - -?---I'm familiar with the document.

Now, that document is entitled Version 1. You recall it's Version 1?  
10 ---I don't recall, I don't remember reading that.

All right. Well, just accept it was?---Yep.

Are you aware that there was a later version of that document called Version 1.1?---Yes, I believe there were a couple of versions at least, yes.

And on the later version of that document are you aware that it clearly, well, I'd suggest to you that it clearly states in that document, which you haven't been shown by the Commission today and I don't have a copy of, I'm  
20 suggesting to you that it has Sielox and Kings as the preferred installers (not transcribable)---Yes, I agree with that.

Now, in relation to those persons, those companies being named as the preferred installers, are you aware why they are named as the preferred installers, the rationale behind that?---I believe it was because they were familiar with our sites and our processes, guidelines.

And I'm- - -?---And our set-up on our, our set-up on our purchasing system I guess as, as contractors.  
30

And I'm going to suggest something, and you can deny it because I'm not trying to (not transcribable) your evidence, if you disagree, please say so, but I'd suggest to you also the security at the hospital, it's a proprietary system and you want it confined as far as possible to have an open market, the information in relation to access codes- - -?---Yes.

- - -administration cards, to as far as possible the least amount of (not transcribable)---Yes.

40 Now, my friend, the solicitor before me, started asking you some questions about expenditure. You were shown some things about expenditure yesterday by Counsel Assisting, a flowchart?---Oh, okay, yes.

And my friend has just put to you that Kings came on as a Honeywell dealership in 2007?---I'm not sure of the exact time frame but it sounds about right.

Are you aware that prior to that Kings, as far as Area Health Services were concerned, your part of the operation, only did locks and alarms?---Yes.

And after 2007 the Honeywell dealership and so they were licensed to install the Honeywell range of products?---Yes.

THE COMMISSIONER: Kings were.

10 MR LORKIN: Kings were. Now were you involved in the Wyong Hospital revamp job to turn it over to a Honeywell system?---I believe I was helping Cameron Creary with that, I think he was solely responsible because he was based up there but I would go up often and help out.

Was that a capital works product - project?---I don't recall, I don't think it was, I don't recall. I don't believe it was.

I suggest it was but you say - - -?---It was.

20 Were you up there whilst that project was proceeding and the new emergency unit was being built whilst Kings were on site installing the Honeywell system at the General Hospital at Wyong?---Um, I don't recall, I may have, it's most likely I was.

Do you recall that whilst, do you recall that there was a new emergency ward built at Wyong?---Yes.

Do you recall that, do you recall anything about that job?

30 THE COMMISSIONER: That's a bit broad.

MR LORKIN: My apologies Commissioner. Well, I'd suggest to you that Chubb - - -?---Yes.

- - -were installing the system at the emergency unit?---Yes, I recall now.

It was a concept system?---Yes.

40 And there was some talk, well, it was proposed to, as far as – I'm sorry. Because of the nature of the standardisation of the Honeywell system there was some query about why are we over here installing Honeywell and at the same time - - -?---Putting the emergency department under concept, yes.

Metres away – yes.---Yes.

Chubb finished that job at the emergency unit.---Yes.

The system that related to concept was immediately ripped out. You don't recall?---I don't know if it was immediately but I do know it was taken out and then replaced.

And the Honeywell system installed?---Yes, yes.

All right. I suggest to you that it happened at the same time towards the, towards the end or immediately after the Wyong Hospital revamp?---Okay, yes.

10

And I'd suggest to you that the reason, it was a capital works project, you don't recall?---Well, now that you say the emergency department would have been a capital works, there's a lot of work there, building works.

And for whatever reason or I'd suggest to you that the, there was a opening plan in some two or three weeks after the decision was made, if you don't recall please say you don't recall?---Yeah, I don't recall, I don't recall.

20

There was some urgency in that Kings, have you heard about Kings working extensive shifts to get the system installed, no?---Oh, yes.

You have?---Yes.

Right. And the job was completed?---Yes.

Next there was, there was a job at North Sydney Hospital, do you recall that?---Is that Royal North Shore Hospital?

30

Royal North Shore?---Yeah, which job?

The Honeywell changeover from Concept?---(No Audible Reply)

If you don't recall please say - - -?---No, I think we always had Honeywell at Royal North Shore.

All right. Okay?---That's where it originated from.

40

Okay. Perhaps I might - All right. Now, Cameron Greene, he's a project manager?---Yes, for Capital Works.

You haven't had much to do with him because he's - you haven't had much to do with him?---Well, I would, it depends if I was assigned a project that he was working on to do the security side of it.

Right. Is he a - - -?---So there was times that yes, I would deal with him.

Is he someone who had authority to authorise quotes and the like?---Yes, I believe so, yes.

He had a predecessor, please correct me if I'm wrong - - -?---Yeah.

- - - called Julie Gammel who more worked on the Central Coast projects?  
---Yes.

Now, were there ever any warranty issues involving Sielox and Kings?  
---Yes.

10 All right. And I'm cognisant of the time so I'm going to put things to you and if you disagree please say so.

THE COMMISSIONER: No, we're going to sit till 5.00, Mr Lorkin.

MR LORKIN: Yes, thank you.

Now, if Sielox installed a system what was the system, what was the procedure in relation if there's a breakdown during the warranty period?  
---They would have to attend and, and fix the problem.

20

A lot of your institutions are on the Central Coast and away from the CBD?  
---We have institutions all over Sydney and the Central Coast.

How was there, how was Sielox's response in relation to fixing warranty issues or general fault attendance?---At time it was good, at times it was bit slow, it varied.

30 Would they use, did they have employees or did they use subcontractors?  
---Subcontractors. They did have some employees originally but then I believe it all went to subcontractors.

Was there an issue that you're aware of at Hornsby Mental Health Unit in relation to Sielox installing some systems that were subsequently work done by Kings during the warranty period?---I believe I heard something about it.

Does it jog your memory that Sielox were considering voiding the whole warranty for the building because one of the parts of the- - -?---Yes, I recall that.

40 THE COMMISSIONER: Mr Lorkin, I have difficulty in following the relevance of all of this.

MR LORKIN: Well, Commissioner, I'm just trying to establish, given what the Counsel Assisting rightfully led to the hearing yesterday in relation to the expense chart, that suddenly in 2006 or 2007 there was a sudden increase in work, the flowchart indicated that some figures went up substantially.

THE COMMISSIONER: Yes.

MR LORKIN: But I'll move on.

THE COMMISSIONER: No, no, I understand that. Why don't you lead the witness?

MR LORKIN: Yes.

10 THE COMMISSIONER: Ask him leading, put your case on that so, to the witness and then that might speed it up.

MR LORKIN: Thank you. All right. Well, I'm suggesting that there was a rapid spiral in events from 2006/2007 when they got the Honeywell contract, there was a roll-on effect, they were lucky enough to win some contracts here and there and there was roll-on effect of fixing warranties and fixing faults to systems they'd installed?---Yes.

20 Now, these, Counsel Assisting just put to you in relation to the Code of Conduct and the like – where would you sign those, they were at these monthly meetings?---No, there would be a, like a workplace assessment done every now and then.

Did you ever receive a copy of those documents?---No, it was just asked to initial and sign them.

THE COMMISSIONER: Like ICAC?---Oh, sorry.

No, that's all right.

30 MR LORKIN: Have you ever had a performance appraisal done where you sat in and- -?---Yes.

You have?---Yes.

Commissioner, thank you, they are the questions I have.

THE COMMISSIONER: Yes, thank you, Mr Lorkin. Does anyone have any other questions, Mr Strickland?

40 MR STRICKLAND: I've got nothing further.

THE COMMISSIONER: Yes, what do you want to do about the summons?

MR STRICKLAND: I'll just ask that it be stood over until tomorrow.

THE COMMISSIONER: Yes, Mr, you're not discharged from the summons but your evidence is finished for the time being at least and you'll be informed tomorrow whether you'll be required again?---Yeah.

Thank you.

**THE WITNESS WITHDREW**

**[3.53pm]**

10

MR STRICKLAND: I'll inform, or I'm sorry, Ms Lonergan will inform Mr Huskic's lawyer before the hearing tomorrow whether he's required but he should, I think he should assume he'll be required at some stage tomorrow.

THE COMMISSIONER: All right. You heard that?---Yes, thank you.

MR STRICKLAND: I call David McMicking.

20 THE COMMISSIONER: Mr McMicking, the section 38 order that I previous made in regard to you continues to apply.

**THE SECTION 38 ORDER PREVIOUSLY MADE CONTINUES TO APPLY**

MS McGLINCHEY: Thank you, Commissioner. He's here on a fresh summons so I seek leave to- - -

30 THE COMMISSIONER: I beg your pardon?

MS McGLINCHEY: He's here on a fresh summons so I seek leave again.

THE COMMISSIONER: Yes, of course.

MS McGLINCHEY: Thank you.

40 THE COMMISSIONER: Yes. Do you want to give your evidence under oath or do you wish to affirm the truth of your evidence?

MR McMICKING: Affirm the truth.

THE COMMISSIONER: Mr Strickland?

MR STRICKLAND: Mr McMicking, I just wanted to ask you some questions about an ISC conference that you attended. Could you remind me, which year did you attend the ISC conference with, with Mr Diekman and Mr Paul?---Ah, 2009, 2010 and 2011.

10

Now in 2010 did you, were you present when - I withdraw that. In 2010 were you present when there was any gambling around a pool table between Mr Paul and Mr Diekman?---I was.

And can you describe what you heard and what you saw?---I, it was in a small town. It was in a small town in regional United States and I recall seeing a game of pool in the back room of, of that, of that bar where the, the amount of the, of the stake went higher and higher and to the effect where I went, I believe it went to \$60,000.

20

And the stake between whom?---Daniel Paul and Charlie Diekman.

And, and what were they, what was the stake about?---It started, I don't know at what value it started at but I believe it, it was going double or nothing.

Is it over a game of, over games of pool was it?---Games of pool.

And were you present?---I was.

30

Were people, were the players intoxicated at this time?---I don't know at the beginning of the evening, I would, I can't recall what time that was but more than likely at some, yes.

And do you remember what, what ultimate value the, the wager went to? ---I couldn't be certain of that.

And, and you remember who was winning or who was losing?---To my understanding Daniel Paul was, was winning.

40

And how did you under, you mean you understand, you understood that at the time or now?---No, at the time, yes, at the time.

And how did you understand that he was winning?---It became a, a large double or nothing bet - - -

Right?--- - - - and that that, that's how it finished off, that - - -

THE COMMISSIONER: Well, do you know how much was owing at the end?---I can't be certain of the, of the total value.

MR STRICKLAND: And have you, have you ever spoken to Mr Diekman since that conference about that wager over the pool table?---Not that I, possibly, yes.

Can you recall any?---I can't recall it in detail, no.

10 You said you can't recall it in detail, can you recall anything?---No.

What about Mr Paul, have you had any discussions with Mr Paul since that conference, since that, about that particular gambling wager?---There had been some backwards and forwards emails but I don't believe I'd spoken to Mr Paul about that gambling wager.

Okay, thank you. Could the witness please be shown Exhibit 145, tab B which is the Gosford car park. I'm sorry, could I just have a quick look at that before, I just want to make sure of something, thank you. Thank you?  
20 ---Thank you.

Now, can I ask you to please turn to page 24 of that bundle. I just want to ask you about an email from Mr Diekman to yourself dated 4 May, 2010 and you can see there's an attachment there which is mjh175liverpool.doc, do you see that?---Yes.

And attached to that email is a letterhead on the company of MJH Security Installations written to attention Andrew Denton of (not transcribable) Jones Lang LaSalle, do you see that?---I do.  
30

And do you recall receiving this email?---No, I don't recall receiving this email until it had been highlighted to me several days ago or a little while ago.

And what were the circumstances in which you were sent an email by Mr Diekman attaching a quote from MJH Security Installations at that date?  
---At that date I don't recall what those circumstances surrounded.

Okay. I'll come back to it. If you go please to page, go please to page 72  
40 and then I'd like you to at the same time go to page 155, and 155 is – if you just go to 154 first?---Yes.

And then turn over the page and then slightly blanked out is 155. Do you see that?---Yes.

Just take, just take 155 out of the folder just if you could, just take it out, and then I want you to compare it to page 72?---Yes.

And do you accept that what appears on page 155 is the same document, you'll notice that it's got A, AY/4/2010, that's how you can tell it's the same document that's on page 72?---Yes.

Right. And you, you created the document at page 72, didn't you?  
---I don't recall doing so, but looking at this, the metadata which I have been shown I wouldn't deny doing so.

10 THE COMMISSIONER: Well, who else could have done it?---I, I don't know, Commissioner.

It's got you as the author?---Yes, yes, I don't deny doing it.

MR STRICKLAND: If you go to page 70, if you go – I'd like you to do the same exercise with the next, with page 156, if you could also take that out and compare it to page 73, and you accept that the document at page 156 is the same document as page 73?---I do.

20 And do you accept, if you look at the metadata it's got, "Created – author David McMicking, 12 May, 2010 at 5.51pm." Do you see that?---Yes.

Do you accept that you created it on 12 May at about 10 to 6.00 in the evening, the document at page 73?---From that information, yes.

And the – do you – these are two quotes, I'm talking about now page 72 and 73, these are two quotes marked to the attention of – or sorry, the first one is marked to the attention of Robert Huskic at the Northern Sydney Central Coast Area Health at Gosford Hospital. Do you see that?---72?

30 That's right?---Yes.

And if you go to page 73, although it's got a different attention, but you've written in the letter, or sorry, in the letter it's got, "Dear Robert". Do you see that?---Yes.

And did you send these two quotes to Mr Huskic?---I don't recall sending the two quotes to Mr Huskic.

40 Do you accept that you must have done so?---I don't accept that I must have done so, I may have done so.

I see. Do you recall, is it the case that Mr Huskic asked you to prepare quotes for MJH Security?---I believe so. I don't recall that to be the case but I believe that I wouldn't have provided this quote without it being requested.

By Mr Huskic?---He was my point of contact on this job.

So by Mr Huskic?---Yes.

Right. And did you provide these quotes to Mr Huskic – or you say you – so your answer is – is it your evidence that you probably did so, is that correct?---(No Audible Reply)

THE COMMISSIONER: I thought that's what he said.

10 MR STRICKLAND: I just want to confirm it, Commissioner because it's not 100 per cent clear. Is that what you say?---Yeah, and I'm not 100 per cent clear.

No, I'm just getting your evidence?---Yes.

Your evidence is that you probably created these documents at the request of Mr Huskic. Is that right?---Ah, probably, yes.

20 Thank you. And did you probably do that because you were told that the Area Health Service that he was employed by required another quotation?  
---Yes, that would have been the reason I would have been requested to provide another quote.

Because you were involved on behalf of Kings with the Gosford car park competitive process, weren't you?---Yes.

And you did the work, you attended the site meetings, is that right, at Gosford car park, to enable you to provide a quote for Kings. Is that right?  
---I did.

30 And, and if you just look at – if you just go back please to page – look at the quotations on page 60 through to 65, just have a look at those pages, please, you'll see you're, you're referred to as the salesman at the quotes on page 60 and 61. Correct?---Yes.

And 65?---Yes, yes.

And so you were the person that drew up those quotes. Is that correct?  
---I am, that is me, yes.

40 And essentially the job of the boom gates for Gosford car park, that was your responsibility at Kings?---Correct.

And you've had at that stage a good working relationship with Mr Huskic?  
---Ah, yes, I did.

Did you ever speak to Mr Michael Hingerty about using his quotation?  
---I believe I did, yes.

Yeah?---Yes.

And when did you do that?---At the time of preparing a quote.

And, and did you have a conversation with him?---Yes.

And what was the conversation to the best of your recollection?

---My conversation with him was that I'd been asked, well, I'd asked was it okay to – again I'm not 100 per cent sure if I, it was I that sent these quotes  
10 but ah, my understanding is that ah, to request was it okay to provide an alternative quote on his letterhead.

And what did he say?---From my recollection, yes, that's fine.

So was it your understanding that by Mr Huskic asking for Kings to provide a quote for MJH Security on MJH security letterhead, that he was assisting Kings in getting this contract for the boom gates. Was that your understanding?---Ah, I don't know if he was assisting Kings in that, he was a, he was requesting an additional quote.

20

Well, I know that?---Yes.

What I'm asking is the effect of that was to assist Kings wasn't it, because there were now only two genuine bidders rather than three. That follows, doesn't it?---Yeah, I didn't know how many bidders there, there may have been but, yes, it could be seen to be, to be that.

Well, you say could be seen, there's no other way of seeing it is it there?  
---I don't know.

30

Well - - -

THE COMMISSIONER: It's just a matter of argument, Mr Strickland.

MR STRICKLAND: Commissioner.

Was the - you've given evidence about the provision of a list of gifts, do you remember giving that evidence?---I do.

40 Was that in return for the favours or assistance that Mr Huskic gave in relation to this particular job?---I don't know if it was in regards to this particular job, no.

THE COMMISSIONER: It could have been in regard to other jobs?---It was a list that I, I'd received.

MR STRICKLAND: Right?---From Mr Huskic.

THE COMMISSIONER: But why did you do it? Why did you give him what he asked for?---Again, I went to my, Charlie Diekman and asked for him and then he advised me to, to go and do that.

You knew what it was for, didn't you?---Yes, it was a request from, from Robert.

Yes, for gifts?---Yes.

10 And because he helped you in the past you agreed to give him what he wanted?---It wasn't my decision to - - -

I understand?---Yes.

But whoever made that decision, that was the motivation as far as you knew?---I don't know if it was because he helped us in the past, Commissioner.

20 Well, he either helped you in the past or you hoped he'd help you in the future, is that right?---Possibly, yes.

Yes, Mr Strickland.

MR STRICKLAND: Excuse me. Now, were there other occasions when you submitted quotes using MJH letterheads or anything to do with MJH Security or any other entity?---I don't believe I ever have, no.

30 But are you aware that Kings did so?---From reading the transcripts that was, that was my only knowledge of that and yes, from, from reading the transcripts and then from looking at this, this that you've shown me here.

You've never done, you've never done that before?---I don't believe I've ever done that before.

Or never done it afterwards, is that right?---That's from, yes, I don't believe so.

Yes, I have nothing further, thank you.

40 THE COMMISSIONER: Yes. Does any party wish to question Mr McMicking?

MS HUGHES: I have a couple of questions for Mr McMicking.

THE COMMISSIONER: Yes.

MS HUGHES: Mr McMicking, I appear on behalf of Mr Huskic. You were here this morning, you heard some evidence in relation to two different

quotes given by Kings for some access works for Gosford Hospital?---Yes, I recall that.

Could the witness be shown Exhibit 145B and if you could turn to pages 41 and pages, 71?---Sorry, in this, yes. Sorry, what were those pages again?

43 and 71?---Yes.

10 Now you can see that those two quotes are almost identical except for the total?---Yes.

Now you've heard Mr Huskic's evidence in relation to the reason for the variation in the total?---Yes.

Is that evidence correct or possibly?

THE COMMISSIONER: Well I'm not sure what his evidence was?

20 MS HUGHES: His evidence was that there was a reduction in the value of the quote because he had told Kings that he would take out the element they'd allowed for electrical bills as he had an electrician on site. Was that your recollection?---That's my recollection of his evidence, yes.

Is that your recollection of what happened?---I don't have a clear recollection of what happened. It is possible.

You've given evidence that you went to Mr Huskic's house after you were informed that this inquiry was on foot?---Correct.

30 Did Mr Huskic contact you or was it your idea to go to his house?---It was my idea to go to his house.

And your purpose for going to his house was what?---To try to recall events.

And you asked him about the trip to Las Vegas?---Yes.

You asked him about some work that Kings had done on his and his family's property?---Yes.

40 And he told you that he had paid cash for the work that was carried out at this place and his cousins place?---Yes, that's what I believe that he said, yes.

And I put it to you that that's what he told you. At no time did he ask you to lie to the Commission in that regard?---He did not say for me to lie to the Commission, no.

You've just given some evidence in relation to some quotes on pages, sorry, Commissioner, some quotes which were prepared by you for another contractor.

THE COMMISSIONER: One is at page 72 and 73?---Yes.

MS HUGHES: Yes. You said that it may have been possible Mr Huskic asked you to do those quotes (not transcribable)

10 THE COMMISSIONER: No, he said more than that. He said it was probable?---Probable.

MS HUGHES: It was possible, was that your evidence?---No. The evidence was it was probable.

Is it possible that somebody else from Kings asked you to prepare those quotes, either Mr Diekman or Mr Roche?---Mr Diekman asked me to contact MJH Security relating to that. But prior to that I believe that I received a call from Mr Huskic requesting for the additional quote.

20

And you went to Mr Diekman. Is that your evidence?---Correct.

And he requested you to contact MJH?---Correct.

I have nothing further, Commissioner.

THE COMMISSIONER: Yes, thank you. Does anyone else wish to question Mr McMicking? Ms McGlinchey, do you wish to?

30 MS McGLINCHEY: I have just one question. Just in relation to that MJH Security Installation quote, it was prepared on the letterhead of MJH Security Installations. Is that correct?---That's what I can see, yes.

Where did the letterhead come from?---I believe the letterhead came from Charlie Diekman.

And how did you get it?---It was emailed to me.

By?---Charlie Diekman.

40

Thank you. That's all Commissioner.

THE COMMISSIONER: Mr Strickland.

MR STRICKLAND: Yes, thank you. Just to take you up on that last answer, when you say emailed by Charlie Diekman is that the email I showed you earlier at page 24? Just have a look at page 24?---That's what I, that's my recollection of that, yes.

Okay. And when you said in answer to the question about whether it was possible a Kings Security person asked you to prepare that false quote you said you received a call from Robert Huskic requesting an additional quote?---Yeah, Kings were not – yes, we wouldn't have put it to anybody to supply an alternative quote without the request coming from somebody externally.

10 i.e. in this case Mr Huskic?---In this case I believe it would have been Mr Huskic.

And, and when you say an additional quote, you mean a quote other than from Kings. Is that what you mean by additional quote?---That's correct.

And your evidence as I understand it is but for that request from Mr Huskic then there would be no reason for Kings to put in an additional quote. Is that your evidence?---That's my evidence. I don't believe I've ever done it before or ever since.

20 And can I ask you this, you also – if I can take you to page 43 and page 71 - if you just go to page 71, the date of that quotation is on 3 May, 2010 for 21,780. Do you see that?---Yes, I do.

And did you prepare that quote?---I would have.

And, and just have a look at what it's for. The description is, "Supply and install access control on the multi-storey car park level 5." Do you see that? ---Yes, I do.

30 Then just look at the items, please?---Yes.

Now, then go to page 43 and that's a quote that is prepared, that is dated 13 May, 2010. And can you see it relates to the same description and items as the quote 48694 on 3 May. Do you see that?---It does, yes.

So what were the circumstances in which you created a new quote for the same items?---I can't recall that.

40 Were you asked by someone from, were you asked by anyone to prepare an additional quote for the same items?---I can only imagine so, yes.

By whom?---Again it was, I can't recall exactly but I would think Robert Huskic in this, for this, for this project.

And did he say why he wanted you to do – well, is that – are you saying that's what probably happened?---That is what's probably happened, just looking at the dates and, but I honestly have no recollection of that, that, the dates there and the chain with that.

Now, you were asked about the possibility as to why there was an increase in price between those two quotes at 43 and 71?---Ah hmm.

Do you have a recollection as to why there was a difference in price?  
---I don't have a recollection of, of it relating to these particular quotes, it is possible that within these quotes that we were asked – I do have some recollection that there may have been an inclusive part of an electrician required within the job.

10

THE COMMISSIONER: Even though nothing is said about that on the quote?---Yeah, I'm – as – Commissioner, as I mentioned, I don't know if it was related to these particular quotes but- - -

Well- - -? - - -we did have to work in with an electrician on the job.

I understand that, but would it be your practice to send out quotes which required electrical work without- - -?---No, it wouldn't.

20

- - -mentioning that?---No, it would not.

MR STRICKLAND: Was it your – do you understand that, do you understand these quotes were to be, were for the purpose of – were you ever advised or told that in relation to these particular quotes, they related to work that you would be required to do if another contractor got the job?  
---I don't recall that.

30

When you provide a quote your practice is to identify precisely what the description of the items you are, the service or the product you are providing and then to quantify it and then to add a value, and then to ascribe a value to it, is that right?---I do my best to do that, yes.

Right. So why, if that's your practice then can you explain why if there was an inclusion for the provision of electrical services or power, why that wasn't included in either of these quotes?---No, I can't.

I have nothing further, thank you.

40

THE COMMISSIONER: Yes. Can Mr McMicking now be excused?

MR STRICKLAND: Yes, thank you.

THE COMMISSIONER: Yes. Thank you, Mr McMicking, you may be excused from the summons. You're excused from the summons?---Thank you.

**THE WITNESS EXCUSED**

**[4.26pm]**

MS HUGHES: Commissioner, in relation to Exhibit 145B my client's mobile phone number appears on pages 66 through to 70, if that could be suppressed.

THE COMMISSIONER: Yes, that will be suppressed.

**THE MOBILE PHONE NUMBER APPEARING ON PAGES 66 THROUGH TO 70 IN EXHIBIT 145 IS SUPPRESSED**

10

THE COMMISSIONER: Ms Lonergan.

MS LONERGAN: Commissioner, I call Scott Anderson.

MS FURNESS: Commissioner, I would seek leave to appear on behalf of Mr Anderson.

20

THE COMMISSIONER: You have leave.

MS FURNESS: Thank you and I will ask, we seek a declaration on his behalf.

THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given - you may be seated, Mr Anderson.

MR ANDERSON: Thank you, Commissioner.

30

THE COMMISSIONER: I declare that all answers given by Mr Anderson and all documents produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection and accordingly there is no need for him to make objection in respect of any particular answer given or document produced.

40

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

THE COMMISSIONER: Ms Furness, have you explained section 38 to him?

MS FURNESS: I have, thank you, Commissioner.

THE COMMISSIONER: You understand then, Mr Anderson, that the evidence you give today cannot be used against you in any civil or criminal proceedings or in any disciplinary proceedings?

10 MR ANDERSON: Yes, Commissioner.

THE COMMISSIONER: But it does not protect you against false evidence and should you give false evidence to the Commission and you are prosecuted you can be, render yourself liable to a penalty of imprisonment of not more than five years. You understand that.

MR ANDERSON: Yes, Commissioner.

20 THE COMMISSIONER: Do you wish to be, do you wish to give your evidence under oath or do you wish to affirm the truth of your evidence?

MR ANDERSON: Under oath.

THE COMMISSIONER: Will you swear Mr Anderson in please.

THE COMMISSIONER: Yes, Ms Lonergan.

MS LONERGAN: Could you state your full name for the record, please?  
---My full name is Scott George Anderson.

10 And Mr Anderson, what's your current job title?---I'm the manager for  
Compliance and Technical Support for the Northern Sydney Local Health  
District.

And how long have you held that position?---Since May this year.

And prior to that what was your job title?---I was the area manager for  
Security Services for the Northern Sydney Central Coast Area Health  
Service.

20 And when you commenced that role as the manager of Security Services for  
Northern Health did you receive training in procurement?---No.

No formal training?---No formal training.

Did you receive any informal training or orientation regarding procedures  
that were in place relevant to your, the completion of your role?---Yes.

And what was that?---Where I could find policies and procured on the  
Health intranet site.

30 So somebody told you that they were available?---Yes.

On the intranet site?---Yes.

You weren't taken through them or formally trained in them yourself by any  
of your superiors?---No.

And were you aware of the New South Wales Health purchasing and supply  
manual for public health organisations?---Yes, I am.

40 And do you know in what circumstances you became aware of its  
existence?---Through the intranet site for the, our finance department.

And did you carry out your duties as you understand the requirements of the  
policy compliant with that policy?---Yes.

I'm going to ask you some questions about the 2010 master key agreement.  
You'll appreciate that the statements that you've prepared for the  
Commission have already been tendered and they're in evidence?---Yes.

So I'm just going to ask you a couple of additional questions in relation to the master key agreement?---Yes.

Now that key agreement was completed in 2010?---Yes.

10 And as I understand the material in your statement, please correct me if I'm wrong, that was an agreement, a continuation of which in 2010 was managed by Mr Huskic?---No, the key agreement wasn't managed by Mr Huskic, no.

Who was, who was in charge of managing that?---Ultimately it was my responsibility.

All right. Did you know whether at the time you worked on the renewal of the master key agreement whether or not you needed to refer that agreement to the Health Support Services?---No, I didn't.

20 And do you know now that it ought to have been to the Health Support Services or you don't know?---No, there was no requirement for it to go to the Health Support Services.

All right. With the renewal of the key agreement did you have an understanding as to the sums that would be involved in relation to the continuation of that agreement on a yearly basis?---Yes, I had an idea from previous years, yes.

30 Yes. And what was the sum we're talking about in terms of a yearly basis? ---Around the \$45,000 mark.

And were you kept informed as to the expenditure on that key agreement during the first year of its operation, that is the first year of the operation of the renewal so from 2010?---Yes.

And are you still in a position to remain informed as to the cost of that key agreement at the moment or not?---No, I'm not.

40 And why is that?---There was a change in the way that the purchasing was done.

And so for that 12 month period or so where you were aware of the expenditure did you oversight the expenditure or was it just reported to you or some other arrangement?---I was, I was aware of the expenditure.

And how were you made aware of it?---Through a spreadsheet that was completed each month.

Could the witness be shown Exhibit 182, please. Just moving on to some questions about the situation at your Area Health Service regarding use of Sielox and Kings as preferred suppliers?---Yes.

Yes. When you started in your role as manager of security services you were told by somebody that Sielox and Kings were already preferred suppliers. Is that right?---Yes, I was aware that they were.

All right.

10

MS FURNESS: Sorry Commissioner, the questions are in relation I take it to Mr Anderson's statement. Might we have it for him - - -

MS LONERGAN: Yes.

MS FURNESS: - - - before he's asked questions about it.

MS LONERGAN: I was under the understanding that it had been handed up. I apologise. Just have a look at paragraph 50 of your statement of 7 and 20 March, 2012?---Sorry, paragraph?

Paragraph 50?---Yes.

And you'll see that says that Sielox and Kings are the preferred suppliers for electronic security access. Do you see that?---Yes.

And who told you that it was historical practice that that arrangement was in place?---It was, excuse me, it was just something I was aware of being part of the security department.

30

But you can't recall now who told you that that was the practice or how you became aware of that fact?---No, I couldn't say who actually told me.

Did it occur to you that there ought to be an introduction of a further security company so that work could be distributed in other directions? ---Yes, I was, yes.

And at paragraph 51 you talk about making some moves in that direction by asking Robert Huskic to make contact with a firm SECAM, S-E-C-A-M? ---It's actually SECOM.

40

SECOM, S-E-C-O-M, is that right?---Yes.

And you relied on Robert to make that contact?---Yes.

Did you follow up whether Mr Huskic ever made that contact with SECOM?---No, I didn't.

Does it occur to you now that perhaps you ought to have followed that up?  
---Yes, I should have.

In paragraph 29 of that statement, if you could just turn to it, you make the comment that Robert Huskic had the sole responsibility for Kings invoices relating to both key and electronic security services, do you see that?---Yes, I do.

10 And you, you outlined how Mr Huskic goes about managing those invoices. My question to you is what training did Mr Huskic have in managing those invoices to your knowledge?---No training at all.

And in terms of oversight how was Mr Huskic's performance in that role monitored?---The monitoring of Robert's performance was by myself.

So how, how could you be aware of whether he was appropriately processing invoices or not?---If the invoices were paid it, it, it meant that the process was done correctly.

20 And where you say Robert would submit the invoices to Health Support Services for payment, was there another process that would occur there that would be a type of oversighting of Mr Huskic's referral of the invoices for payment?---Yes, they would ensure there was a correct purchase order number and, and the, the amount matched the purchase order.

In terms of examining whether the work had actually been done that related to the purchase order, was there oversight?---No, that was, that was, the person submitting the, the invoice would receive it to say that work had been completed.

30 So there was reliance on Mr Huskic that the work had actually been completed?---Yes.

40 Given that Mr Huskic, Mr Kuiper and Mr Creary were all physically located at different hospital campus to you how could you or if you - I'll withdraw that. Could you describe how you supervised their completion of their duties?---Well, by knowing that the, the, the roles that they or the tasks that they had had been completed and I had no complaints coming back from a department manager or a project manager that they hadn't been doing their work.

Is part of your responsibility as security manager keeping manuals and procedures that relate to security systems in your Area Health Service?  
---Yes.

And you are generally aware of the contents of such manuals or procedure documents?---Yes.

Could the witness be shown Exhibit 89 please?---Yes, I have that.

Now, some evidence has been given by Mr Paul that - - -

MS FURNESS: Could the document be shown on the screen, Commissioner?

THE COMMISSIONER: Yes.

10 MS FURNESS: Thank you. I have a copy, thank you. I'm not sure if my friends have a copy but I do.

THE COMMISSIONER: Is there a problem with showing it on the screen?

MS LONERGAN: Commissioner, this was a document that came through Mr Paul's legal representatives and I don't believe it's been scanned in - - -

THE COMMISSIONER: I see.

20 MS LONERGAN: - - - in the way that it could be shown on the screen.

THE COMMISSIONER: I see.

MS LONERGAN: If Ms Furness has a copy I'll proceed, Commissioner.

THE COMMISSIONER: Yes.

MS LONERGAN: Mr Anderson, have you seen this document before?  
---Not prior to these proceedings.

30 Right. You've been shown it in these proceedings or by somebody in relation to these proceedings?---Yes, I have.

Who?---ICAC investigator.

Okay. And is this the type of manual that would be run that you would be aware of if it had been provided to the Area Health Service?---Yes.

40 And you see in the top left corner there's a logo Northern Sydney Health. Do you see that?---Yes.

And as a further part of the logo, Better Health from the Harbour to the Hawkesbury. Do you see that?---Yes.

And under that Finance Shared Services and Performance. Do you see that?---Yes.

Are you able to say when that became part of the logo for Northern Sydney Health?---It was in place when I commenced my role in 2002.

Thank you. You've been in court while Mr Huskic has been questioned about the master key contract and you understand don't you that there was a 65 per cent increase in prices between the initial agreement and the 2010 renewal. Do you understand that?---Yes.

10 And were you aware at the time that that was part of the 2010 contract?  
---No.

And did you expect Mr Huskic to inform you of that?---Yes.

And did Mr Huskic have within his delegation or authority the permission to recommend contracts that had a 65 per cent increase in price?---No.

20 Mr Anderson, did Mr Huskic ever inform you that in relation to the monitoring contracts that the private organisations would be, would be removed from the arrangement in favour of Kings doing central monitoring for the whole of the Area Health Service?---No.

Those are my questions, Commissioner.

THE COMMISSIONER: Yes, thank you. Does anyone want to question Mr Anderson?

MR LLOYD: Very briefly, Commissioner. Mr Anderson in 2004 was there a Risto Haataja employed by your department?---Yes, there was.

30 And what was his position?---I think his title was risk manager.

And when did he leave the department to your knowledge?---No, I don't know exactly when he left.

Anyway he's no longer there?---No, he's not.

And where is he? Do you know?---No, I don't.

40 Thank you.

THE COMMISSIONER: Ms Furness.

MS FURNESS: Commissioner, thank you. You have Exhibit 89 in front of you, Mr Anderson. That's the document headed Key Control Operating Procedure?---Yes, I do.

Now you've given evidence that you had not seen this document prior to these proceedings. Is it in the form that was in use at the Area Network or District at any time from 2002?---Yes, it is.

Is there any part of this document that is different from the form that one would expect to have been in use during that period and being a key control operating procedure?---Yes, there is.

10 And what are those features?---There's no indication of who the author was or the contact details of the author. There's no document ID or version number or a publish date.

And would you expect those matters to be completed before a document became operative within the Area Health Service district or network?---Yes, I would.

Thank you, Commissioner.

20 THE COMMISSIONER: What, what inference does one draw from the absence of those features on this document?---That the document would never – was a – it wasn't a document that was on our intranet site, which was an operating procedure.

Thank you. Is there anyone else who wishes to – Mr Lorkin.

MR LORKIN: Commissioner, would you like me to come forward?

30 THE COMMISSIONER: Yes, please. If it's convenient for you you can question from there as long as you speak up.

MR LORKIN: Thank you, Commissioner.

THE COMMISSIONER: Just explain to Mr Anderson who you are.

MR LORKIN: Mr Anderson, I represent, my name's Lorkin, I represent Mr Creary. You've said in your statement that you were pivotal in trying to organise SECAM to come in?---SECOM.

40 SECOM. Do you recall Mr Creary making some suggestions about a third installer should come on board prior to (not transcribable)?---No, I don't.

Do you recall he and Huskic drafting a letter and bringing it to you for your approval?---No, I don't.

Was it the case when Royal North Shore Hospital had the installation done that only Sielox was the preferred installer?---Yes, that would be correct.

And Kings came on board after that?---Yes, that's correct.

Well, how is it that you understand that Kings came on board as a preferred installer?---I wasn't part of that process.

Was that part of the process started by Creary and Huskic?---I don't know the answer to that.

10 At these monthly meetings where you had your training, in-house training, do you recall those, where you discussed the Code of Conduct and the like?  
---Our monthly meetings were a, a department meeting, they weren't actually training meetings.

No, but you, you, you as the manager of Kuiper, sorry if I don't get the pronunciation right, Creary and Huskic would have the memo there regarding staff training?---Yes.

They (not transcribable) signed that they were aware of?---Yes.

20 Would you give them copies and make them sign for copies?---They were all provided copies.

Would you make them sign for those?---Yes.

I'd suggest to you that no copies were provided, the memo was there to sign and they simply signed off and left?---No, that's, that's not right.

Well, did you go through the, did you have presentations on the latest memos relating to the Code of Conduct or likewise?---Yes, we did.

30 Well, where did those occur? Where did these meetings occur?---In the security training, security training room.

How long would these meetings go on for?---They were scheduled for between 12.30pm and 3.00pm every - - -

Sorry, proceed?--- - - - once a month.

40 And these were the meetings where you'd go over the management meetings about the projects that were happening?---Yes.

Hundreds thousands of dollars contracts?---No, there was no mention of figures.

But the contracts were discussed?---No.

Well, what did you do at these meetings?---There was a set agenda that we used to follow that was put out by the Area Health Service.

I'd suggest to you that a very limited time was assigned to the training of your three staff at those meetings?---What, what training are you referring to?

There were none if any PowerPoint presentations were ever, was ever presented to Creary, Huskic or Kuiper?---No, there was PowerPoint presentations.

10 Now, did you ever do an employee appraisal of Mr Creary?---Yes, I did.

How many of those did you do?---At least one.

All right. One in how many years?---One in three years.

I'd suggest to you that Mr Creary came to you and said I'm due for a performance appraisal and you said, "Don't worry, I've already done it and sent it away"?---That's not how it happens.

20 All right. Neither of these gentlemen who were in your, underneath your management ever had any approval capabilities in relation to any of the tenders did they?---That's correct.

It was your say so or those above you?---(No Audible Reply)

It was your say so or those above you- - -?---Ah- - -

- - -who gave approval?---Depending on the project, yes, that's correct.

30 THE COMMISSIONER: It would have to be – I don't know what you mean by depending on the project?---Commissioner, if it was a project that was being run by Health Infrastructure or the Area Health Service itself there would be a project manager assigned to that. Those approvals for that particular work would not come to myself.

Who would they go to?---They would go to the, the project manager that was assigned to that particular new, new building.

40 So was Mr Huskic from time to time assigned as project manager or are you talking about somebody in a different section?---Someone from a different section. It could have, it could have been an outside project company that was engaged by Health Infrastructure or the Health Service, yes.

MR LORKIN: And you heard me earlier no doubt talk to Mr Huskic about the Wyong Hospital job (not transcribable)- - -?---Yes.

- - -when Kings first came on board. Were you on staff then?---Yes, I was.

Was that the case? Do you recall what I put to Mr Huskic about Kings had got the job on Wyong Hospital, there was an emergency department nearby, Honeywell was going into the Wyong refit and there was some query about why you were installing this other system and why you didn't want it standardised to at the emergency unit?---I answered I was on staff but I wasn't part of the central coast set-up then.

All right. But, okay, you were working in another area?---The Northern Sydney sector.

10

All right. You had nothing to do with that project?---No, I didn't.

All right. I don't know if the Commission intends to rely on any of the evidence about the milk run and the like and my client's wife's illness.

THE COMMISSIONER: Sorry, I beg your pardon?

MR LORKIN: There's some evidence in the statements that I'm just inquiring with the Commission Counsel Assisting in relation to a milk run and some illness of my wife. Are they relied on? If they do I will need to cross-examine.

20

Mr Strickland?

MR STRICKLAND: I just – I just need to know the precise paragraph number. I doubt it, but perhaps if I could just be shown the paragraph statement quickly and I can- - -

MR LORKIN: Yes.

30

MR STRICKLAND: Only just the paragraph number would be helpful.

MS FURNESS: I think it's in a different statement, Matthew.

MR LORKIN: Yes. They are in the statement dated 18 April as I understand it.

THE COMMISSIONER: I don't have that statement.

40

MR STRICKLAND: I don't either at the moment.

MR LORKIN: I have the paragraph number. The statement dated 18 May, paragraph 9 and 10. Is any of this evidence relied on by the Counsel Assisting?

THE COMMISSIONER: 9 is simply participating in an interview, Mr Lorkin. I'm not sure what you mean?

MR LORKIN: I'm sorry, I'm sorry, later on in that- - -

THE COMMISSIONER: It only goes to paragraph 12.

MR LORKIN: I'm sorry, Commissioner, I've just been- - -

THE COMMISSIONER: It must be a different statement.

10 MR LORKIN: Yeah. I've just been handed a statement, that's why I'm in a state of confusion, but within one of the statements there's some evidence that has been tendered that relates to a milk run and the illness of my client's wife. Is that relied upon by the Commission?

MR STRICKLAND: Ms Lonergan assures me that it is relied upon. I accept that assurance.

THE COMMISSIONER: Sorry, it is?

MR STRICKLAND: Is.

20

THE COMMISSIONER: Yes.

MR LORKIN: It is relied upon. I'd suggest to you, you've given some statement – you've made a statement in relation to my client purchasing a milk run within a statement?---In a statement?

MS LONERGAN: Commissioner, if the witness could be given a copy of that statement, it's the statement dated 18 May, 2012. I understand it was tendered this morning.

30

MR STRICKLAND: I think it's Exhibit 152.

MS LONERGAN: That's right.

MR LORKIN: I'm sorry – it's the statement dated 18 May and it's at paragraph 10.

THE COMMISSIONER: Yes, it's Exhibit 152.

40 MR LORKIN: Sorry, Mr Commissioner. Now, and the preceding couple of paragraphs. And you're aware that Cameron Creary's wife has been ill in 2010?---Ah, in 2011.

My apologies, yes, 2011, she had some cancer issues?---Yes, that's what - - -

You don't, you don't dispute that they are true?---No, I don't.

Now in relation to the purchase of the milk run you've been told some things in relation to that purchase by, by who?---Through these, through these proceedings.

All right. People have told you things. I'm going to suggest to you that the milk run was bought prior to my client going on leave. You can't add anything to that suggestion?---No, I can't.

All right. They are my questions, they are my questions.

10

THE COMMISSIONER: Yes, thank you Mr Lorkin. Anyone else? Yes, Mr Stewart.

MR STEWART: Thank you, Commissioner. Just a few questions. Mr Anderson, my name is Mr Stewart and I appear for Mr Kuiper?---Sorry, Mr who?

Stewart?---Yeah, but who - - -

20

Mr Kuiper?---Oh sorry.

In relation to your statement I believe you gave evidence that after you were given a Code of Conduct, Mr Kuiper disclosed to you that his Golden Oldies rugby team had obtained a sponsorship?---That's correct.

And subsequently he produced a letter from the, that club?---He did.

Showing the team as being sponsored in 2011 and 2012?---I just can't remember the dates, but I did, he did produce a letter.

30

In your statement I think you said it had been sponsored three years, four – I put it to you that it was for 2011 and 2012 and once this was raised he immediately declared it?---No I believe from what he told me they'd been sponsored prior to the meeting about the Code of Conduct.

Okay. Well I put it to you that he was – the club was sponsored in 2011 and this year, 2012. And he disclosed it to you in 2011 when this was raised? ---He did in 2011, yes.

40

And Mr Anderson, did you ever attend a State of Origin rugby league game as a guest of Kings?---No, I haven't.

You never attended any All Blacks games as a guest of Kings?---No, I haven't.

Were you aware that Mr Kuiper went to one All Blacks game as a guest of Kings?---No, I wasn't.

Never received a text from him whilst he was at that game?---I have received texts from Mr Kuiper when he's been at All Black and Wallaby games, yes.

Yes. And you're aware that he's a keen All Blacks supporter?---Yes.

And so you did receive a text?

THE COMMISSIONER: He said so.

10

MR STEWART: Yes?---Yes.

Yes, I have nothing – oh just one question. Have you ever done a review, a review of Mr Kuiper?---A performance review?

A performance review?---No, I haven't.

And he's been employed by the Health Service for some 32 years?---It's a long time, yes.

20

A long time. And you've been his direct supervisor for how long?  
---Actually I've never been Eric's direct supervisor.

In actual fact Mr Creary is his direct supervisor. Is that it?---Correct.

And once again Mr Kuiper has no authority to authorise any jobs?---No.

30

No. It has to go – and indeed when the quotes were obtained by Mr Kuiper they then have to be, they have to be given to Mr Creary for approval to vet the quote or to vet the scoping of the work?---No, that's not the practice.

But Mr Kuiper has no authority in relation to authorising anything at all on behalf of Kings, Sielox or anybody else?---No, he doesn't.

I have nothing further, Commissioner.

THE COMMISSIONER: Mr Lloyd, did I see you standing?

40

MR LLOYD: Just one issue Commissioner, raised on Exhibit 89 by my client on instructions. I may need to show another document to this witness which we don't have - - -

THE COMMISSIONER: What has it got to do with your client? What has it to do with your client?

MR LLOYD: Very briefly it's Exhibit 89 which was shown by Counsel Assisting to this witness.

THE COMMISSIONER: Yes, I know.

MR LLOYD: Which comes from my client.

THE COMMISSIONER: Well is it being used against – (not transcribable) being used against your client?

MR LLOYD: I gather it's being used against my client now otherwise the question wouldn't have been asked.

10

THE COMMISSIONER: Is it being used against Mr Paul?

MS LONERGAN: I'll take some instructions, Commissioner. I'm not able to say right now.

THE COMMISSIONER: So you're saying you want to deal with this in the morning?

20

MR LLOYD: I need to get another document I'm instructed, so I can only deal with it in the morning.

THE COMMISSIONER: All right.

MS FURNESS: Mr Anderson will be here in any event, Commissioner.

THE COMMISSIONER: Yes.

30

MR LLOYD: It may be I don't ask him a question at all, but if he's here in any event it'll be very brief if anything.

THE COMMISSIONER: Right. Is there anybody else who wants to ask Mr Anderson questions now?

MS FURNESS: I reserve my position, Commissioner, as counsel for Mr Anderson.

40

THE COMMISSIONER: We'll adjourn until tomorrow. And I should just mention that because we've sat late this afternoons transcript will only – will not uploaded until tomorrow morning.

**THE WITNESS WITHDREW [5.01pm]**

**AT 5.01pm THE MATTER WAS ADJOURNED ACCORDINGLY [5.01pm]**