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PUBLIC 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 WEDNESDAY 15 AUGUST, 2012

AT 10.22AM

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

THE COMMISSIONER: Yes, Mr Andronos.

MR ANDRONOS: Commissioner, with your leave I appear today for Mr Grubisic.

THE COMMISSIONER: Yes. There's nothing - that's all you - you have leave. At this stage there's nothing else you want to say now?

MR ANDRONOS: The only other thing that I probably should say now is
10 I've been informed by my friend Counsel Assisting that Mr Grubisic is not expected to be called till after lunch today.

THE COMMISSIONER: Yes.

MR ANDRONOS: And I would ask having been granted leave if I may be excused until 2.00pm?

THE COMMISSIONER: Yes, that will be easiest decision today. Yes.

20 MR ANDRONOS: May it please the, please the Commission.

MR VINCENT: Commissioner, Vincent, I appear for IPP Consulting and also Mr La Greca. Commissioner, in light of your comments concerning representation of Q Video employees and pursuant to the email received from legal representatives from Counsel Assisting the Commission and for abundant precaution I and my instructing solicitors seek leave to withdraw from the hearing for Mr La Greca and this inquiry. Counsel has been retained to appear for Mr La Greca and he will appear when La Greca gives evidence.

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THE COMMISSIONER: With a separate solicitor?

MR VINCENT: I understand that to be direct access from Mr La Greca to that counsel.

THE COMMISSIONER: I understand. Yes, that's entirely satisfactory.

MR VINCENT: May it please the Commission.

40 THE COMMISSIONER: And so you have leave to appear for IPP Consulting?

MR VINCENT: I presently have leave to appear for both, I seek leave to withdraw from (not transcribable)

THE COMMISSIONER: Yes, you have leave.

MR VINCENT: I and my instructing solicitors.

15/08/2012 1832T

THE COMMISSIONER: Yes, thank you. Yes, you may be seated, Mr Anderson. Ms Lonergan.

15/08/2012 1833T

MS LONERGAN: Mr Anderson, you were asked a question yesterday by me in relation to training that was provided to your knowledge to Mr Huskic in how to manage invoices?---Yes.

You remember that question. Do you want to elaborate on the answer you gave yesterday in terms of training you understand was provided?---Yes, my answer yesterday referred to the actual supply manual that we, we were talking about but there has been training given to Mr Huskic and other members of the security team in regards to WebRec which is a Health purchasing system.

And the training was given by you was it?---No, it was a representative from Health Support Services from the purchasing branch.

And did that training involve a description of how Mr Huskic needs to manage the invoices within the system?---Yes.

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Thank you, Commissioner.

THE COMMISSIONER: Mr Lloyd?

MR LLOYD: I have no questions, Commissioner.

THE COMMISSIONER: Yes. Ms Furness?

MS FURNESS: There's nothing, thank you, Commissioner.

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MR LORKIN: I'm sorry, Commissioner, yesterday I misled the Commission, I asked a question, I, I had the factual background wrong. I seek leave to ask two questions.

THE COMMISSIONER: Yes.

MR LORKIN: Mr Anderson, my name is Lorkin I represent Mr Creary. Yesterday I put to you that the milk run was purchased prior to Mr Creary going on leave but the assertion on behalf was in correct. What I wanted to assert to you was the milk run was purchased after Mr Creary went on leave in September. Are you aware of that?---No, I'm not.

Just in relation to the question counsel assisting just asked you in relation to the invoice of the training - - -?---Yes.

--- those invoices would then ultimately come to you for approval would they not?---Not all the invoices.

But they weren't approved by Mr Huskic or any of the other - - - ?---No.

--- security - no. So it'd either go to you or someone else for approval? ---Yes.

Thank you, sir.

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THE COMMISSIONER: Mr Lorkin, while you're there, thank you for your list relating to the witnesses you wish to have called. Counsel assisting, if you give your telephone number to counsel assisting and you'll be informed after 5 o'clock this evening what the Commission's attitude is to that.

MR LORKIN: Thank you, Commissioner.

THE COMMISSIONER: Mr Anderson may be discharged from the summons.

MS LONERGAN: Yes, he may, Commissioner.

THE COMMISSIONER: Yes, thank you. Mr Anderson, you're discharged from the summons.

#### THE WITNESS EXCUSED

[10.27am]

MR STRICKLAND: I call Cameron Creary.

THE COMMISSIONER: Mr Lorkin, I think at this stage you better come forward and take a seat at the front bar table.

MR LORKIN: Thank you, Commissioner.

THE COMMISSIONER: Do you wish me to make a section 38 order? Please be seated, Mr Creary.

MR LORKIN: Yes, please, Commissioner.

THE COMMISSIONER: Have you explained to Mr Creary what the affect 40 of that order is?

MR LORKIN: Yes, I have, Commissioner.

THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by Mr Creary 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.

PURSUANT TO SECTION 38 OF THE INDEPENDENT
COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT
ALL ANSWERS GIVEN BY MR CREARY 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: Now, Mr Creary, as has been explained to you the affect of that order is that the evidence you give today cannot be used against you in any criminal or civil or disciplinary proceedings but it doesn't protect you against false evidence. You heard me tell other - you've been in the hearing, you understand from what I said before that you - that if false evidence is given at this public inquiry the person giving false evidence can be prosecuted and face a penalty of five years imprisonment for that. Do you understand all of that?

MR CREARY: Yes, Commissioner.

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THE COMMISSIONER: I don't need to elaborate on that?

MR CREARY: Yes, Commissioner.

30 THE COMMISSIONER: Do you wish to give your evidence under oath or do you - - -

MR CREARY: Under oath, please.

THE COMMISSIONER: Yes, all right. Would you swear Mr Creary in, please.

15/08/2012 1836T

THE COMMISSIONER: Yes, Mr Strickland.

MR STRICKLAND: If I could ask you to speak up because everything you say will be recorded?---Sure, yeah.

10 What's your full name?---Cameron James Creary.

And what's your occupation?---With Northern Sydney's security system administrator.

Right. And how long have you been employed in that capacity?---In that capacity think it's about six years.

Were you in court when a film was shown of Mr Charlie Diekman visiting your house?---No, sir, I wasn't.

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Were you aware of that film being played?---I was told afterwards, yes.

All right. Do you recall that occasion?---I didn't recall actually until I was told about it that there was - that he came to my house. I, I do have recollection of that.

Is that the first time he'd ever been to your house?---I believe so, yes.

And were you surprised to see him?---I was, yes.

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Did he make any arrangement beforehand to come and see you?---No.

And how long did he stay at your house for?---Well, in testimony I've heard that it was an hour but my recollection was, like, only 15, 20 minutes, but I didn't have a good memory of it so- - -

And did he talk about the subject of this inquiry?---Not this inquiry, we, we talked about my car, that was about it, and we were in our, in my front driveway. I've heard testimony that he was, he came into my home but I don't actually remember him ever coming into my home.

Just slow down a bit because everything you say has to be recorded? ---Okay. Sorry.

So you talked about the car?---Yes.

Is that, is that correct?---Yes.

And what car was that?---A Holden Commodore.

Right. That's the Holden Commodore that he provided to you, if I can put it neutrally?---That I purchased from him, that's right.

You dropped your voice and I didn't hear you?---That I purchased from him, that's right.

And, and what was the discussion you had about the car with Mr Diekman when he visited you?---He asked me about, if I still had the receipt for the vehicle.

Yes?---If he gave, if, actually first he asked me if I had one and I said I'm sure I've got one, and asked me if I still had it, I said I would look for it and that was pretty much all the discussion was around the car. He just had a – both of us had a very vague recollection of the receipt of it at the time.

Again I'll ask you not to drop your voice at the end of your sentences- --? ---Okay.

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- - -so you can be transcribed?---Sure.

What did you understand was the purpose of him coming to see you? ---Just about the vehicle.

About the car?---Yeah. He, he told me he was in the area on other business and he just dropped in and that's why it was a surprise to me and then he just general chat, he was just talking to me about how I was going, knew I was on leave and just asked me about how things were going with the family, the business and things like that, and then he got onto the subject about the car and that was all he really asked me so I had, didn't think anything suspicious with anything why he turned up or anything like that.

So did he tell you that he had given you a receipt for the cash that you had given him?---Don't recall about a receipt for the cash I'd given him, he just gave me a receipt for the car.

What do you mean by a receipt for the car?---Well, to say that I'd paid in full the money on the car.

40

Okay. And he, he told you he had given you that?---He asked me if I had, if he had given me, he couldn't recall if he had or not. I said I'm sure I did because I'm sure I would have taken it to the RTA and given one to the RTA. So I only just said that to him, that was all.

Right. And did you actually give him a receipt for the car?---No, he, I didn't give him a receipt, he gave me a receipt.

Did he give you a receipt for the car?---I believe he did, yes.

And was it something he'd written out in hand?---I don't really recall whether it was written out by hand or not.

What did the receipt say?---To the effect of that I'd purchased that vehicle from him, that there was no money owing on the car and it was fully paid.

10 And he gave that to you?---I believe he did, yes.

Right. And what did you do with it?---Oh, I don't know.

You don't know what you did- - -

THE COMMISSIONER: Did you say you showed it to the RTA? ---I believe I would have because I think you need a receipt to take to the RTA so I'm sure I, I think I said that before to you guys as well, that I probably gave it to the RTA when I transferred the registration across.

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MR STRICKLAND: And so you believe that you gave the receipt Mr Diekman had written out to you, is that right?---That's correct.

And did you keep a copy of that receipt?---I thought I did, I can't find it but I thought I did.

But you've looked for it, have you?---I have looked for it, yes.

So Mr Diekman came over and it's recorded that he came over on 25

October last year. Did he actually ask you if he could, if you could give him a copy of the receipt- - -?---Um- - -

- - - or just asked you whether there was a receipt?---Yeah, I, I don't recall the conversation exactly so I don't recall if he did ask me for a copy of it or not.

So the receipt said that there was nothing owing on the car. Is that correct? ---Yes.

40 And that- -- ?--- Well, I believe so, yes.

And that's because on your evidence you paid the full value of the car? --- That's correct.

And, and how much was that?---I think it was six and a half or seven, I can't remember exactly, it was around that,

Six and a half or \$7,000?---That's right, yes.

Paid in cash?---Yes.

I'll come back to that at another time?---Okay.

Now, you are currently stood down from Area Health, is that correct?---I believe so, yes.

And when you say you believe so you're not sure or - - -?---Well, I was given a letter, a letter in December saying I was stood down from duties.

So when you were at Area Health what were your, what was your position, your title?---Security system administrator.

And when, when did you commence at security systems administrator?---I think it was, I think it was 2006, July 2006, something around that, July/August.

And what, what was, what did you do before that? What was your position?

Were you at Area Health before that?---Yes, yeah, I've been there for 17 years.

What was your position before that?---I was with the IT department, in the information, yeah, technology department.

And as the security systems administrator what were your responsibilities? ---When I first went there it was just to look after the internal security system so basically all the internal security computers and the, I guess you'd call it the ID system.

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You said that's what happened when you were first there?---That's right.

And did that, did those responsibilities change?---It did change because my role sort of crossed over with what the project officers were doing in that I was supporting a system and that I needed to be aware of what the project officers were recommending, the equipment and things like that so it made sense that their roles would sort of come under me so that I could just make sure that the equipment that was being recommended at the Area I could support internally.

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And by equipment you mean the security equipment?---That's correct, yes.

So access control?---That's correct.

Security, CCTV?---Yes, everything, yeah.

Everything?---Yeah.

So it was your responsibility - how would you describe your responsibility in relation to AHS's purchase of that equipment?---Ah - - -

And the installation of that equipment?---I didn't have any responsibility in actually purchasing it as such. I would make recommendations if we needed a computer or something like that or a computer needed replacing. Normally if, if equipment was purchased there'd be a risk review done by security and there would be recommendations at a risk review as to whether they needed additional security implemented and then that would come to us to go down and look at what was required and then facilitate getting a quotation for that and handing it to the Department for approval.

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So if, if a significant amount of security equipment, say beyond \$30,000 was being purchased, did you have a role in recommending the purchase of that equipment?---I don't recommend - - -

And which contractor would be, I'm sorry, and which contractor would be used to supply it and install it?---Yeah, I never knew about the dollar, the actual dollar figures as to what, if there was any levels of restriction anywhere like that. We would mark up a plan and put in what we thought was a minimum security requirement or best suited as part of that risk review, the risk review would also nominate what security was required where. We would then go through that and just review plans of the area and, and mark up like where a camera was going or the door access control and then we would just put that on a plan and submit that either for a quotation or if it was through Capital Works it would go back to Capital Works.

When you say you never knew about figures can you explain what you meant by that?---I've heard, I've heard in the testimony, other testimonies that there was a procurement guideline, I've never actually read the procurement guideline so I don't know of any figures to where they say, you know, this is the ceiling for, for quotation and then it goes off to, to get three quotations or if it becomes a tender or what it is, I wasn't really aware of any of that sort of stuff in terms of dollar figures.

Could the witness please be given Exhibit 153. That's the purchasing and supply manual for public health organisations, it's an extract from it and the document bears the date of January 2006. Sorry can I just, looking at the front page, this is page 46, you were not familiar with this document, is that what you say?---No, sir, I wasn't.

THE COMMISSIONER: You've never seen it before?---I've never read it, no, I've never seen it.

MR STRICKLAND: Now, if you just go to page 106. I accept you haven't seen this document. What I want to ask you about is whether- - -?---I don't have page numbers here.

CREARY

(STRICKLAND)

In the top right-hand corner?

THE COMMISSIONER: No, there's no page numbers?---No.

MR STRICKLAND: Okay. Well, just go to the next page?---Okay.

It's got Chapter 2, Simple Procurement, 2.4, you see at the top of the page? ---Sorry, say that again?

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I'll just get – someone will assist you as to what page?---Okay, yeah, chapter 2. I haven't got a chapter 2.

Well, it's okay, we can, I'll – this is sufficient. I haven't been – I think the problem's with the document that I've got. Could I have Exhibit, could I have a copy of Exhibit 153. Okay. That's fine. If the witness could have that document?---Thank you.

I understand you haven't seen this particular document so I just want to ask you about the actual information contained in it rather than the document itself?---Sure.

Do you understand?---Yeah.

If you just go to the bottom of the page and it's got 1.6.3 – "Goods and Services over 30,000 up to 250,000, a minimum of three quotations must be obtained in writing if they're available"?---Yes.

Were you aware that that was a requirement of AHS from 2006 on?---No, I wasn't actually. Like I said, I didn't know an actual dollar figure of what the ceiling was for two or three quotes.

MS FURNESS: Commissioner, I might just indicate that Exhibit 153, while dated January 2006 is a document that's updated from time to time and the copy that I have indicates in the bottom right-hand corner an update in 2010 and the figures that appear are those that were relevant from 2009/2010, prior to that, that is from 2006 on, the figure of 250 was 150.

MR STRICKLAND: Yes. And can I say- - -

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THE COMMISSIONER: Sorry, the figure 250, I'm---

MR STRICKLAND: Was 150. That's accepted, Mr Commissioner.

THE COMMISSIONER: Yes.

MR STRICKLAND: That's accepted.

THE COMMISSIONER: Thank you, Ms Furness.

MR STRICKLAND: So---

THE COMMISSIONER: I think you'd better just explain that to Mr Creary.

MR STRICKLAND: So what, in 2007 and 2008, and they're, they're what I'm going to ask you about in a moment- - -?---Sure.

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---what was required was a minimum of three quotes if the quotation was \$150,000 or more. Were you aware of that?---Ah, no, I wasn't, no.

Were you aware that over a given figure – if you just go over the page – were you aware that over a certain figure, forget the figure for the moment, but that there needed to be a tender process?---I guess I would say yes. I know there was tenders put out there for, for what reasons or, I sort of really didn't know about a dollar figure but I knew that Capital Works, 'cause we in our division never looked after tenders, it was- - -

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Could you say that again, please?---In our division of security we never actually looked after tenders so, we never asked for tenders, we never submitted tenders, so if there was a tender going out it was always done through Capital Works or Health Infrastructure.

THE COMMISSIONER: So as far as you were concerned, when would Capital Works be involved?---I'm not sure actually, when, whenever they came to us with a project, that's the only time we'd ever hear, if something was going on, if they were building a new building for instance or- --

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But I take it that for small contracts you would arrange for the contracting to occur?---For, for small projects that involved Capital Works it may just be a small refurbishment.

Yes?---They would, they had two different – from what I've read with their things, two different- - -

No. But I'm just asking you what happened in practice?---Yeah. In practice, if they came to us and said we're doing a refurbishment we want you to go out and get a quote or design security for this area we would just design the security for that area and give them back that scope and they would either go out and get the quotation themselves or they would ask us for the quotation and we give it to them for approval.

So you, you would obtain the quotation yourselves?---Yes, sometimes.

Send, send it to Capital Works?---Yes, correct.

Is that for all contracts?---Not for all contracts, no.

So what other - under what circumstances would a different procedure be followed?---It just depends what was asked of us at the time. So if they came to - it was depended on what they asked of us at the time so - - -

So, so you just responded to what Capital Works asked you?---That's correct.

10 So - - -?---If they'd asked us to go get a quote, sorry (not transcribable)

You never initiated any work, any contracting work done?---We did for small jobs if a department had a risk review and wanted to get say an access controlled door included in their area we would then go off, that wouldn't have anything to do with Capital Works. We would go and seek a - - -

So what were the limits of that?---It could be one door, it could be just one sensor through to being 10 doors.

Well those sound like really minor matters?---They are mostly, that's what we dealt with mostly day to day was minor, minor works, like one door, two doors, maybe one camera.

But no dollar value you say was put on that, no - you would have given no dollar value?---No, not to what we could work towards, no.

MR STRICKLAND: So can I just some general questions about your relationship with Kings Security?---Sure.

You dealt with Charlie Diekman on a regular basis, is that right?---Yes, very often, yes.

And you had meetings on site with him?---On, on our site?

Yes?---Yes, yeah.

And also with other employees from Kings?---Correct.

Such as Mr McMicking?---Yes, that's correct.

40 And others as well?---That's correct, yeah.

And is it the case that you would either call someone from Kings or email them asking them for a quote?---Correct.

And when - and did you - was there a system by which - when a quote was sent and the quote was accepted, was there a system of purchase orders?---Yes, there was.

And can you describe that system, please?---We have a system called WebRec.

Could you, could you say that again, please?---We got a system called WebRec which came in only I think a couple of years ago or two or three years ago it came in, prior to that that we used paper based requisitions.

Okay. We'll let's just talk about the first one?---Sure.

10 Paper based requisition?---Yes.

How did that work?---Um - - -

Just describe the system from the time you wanted to get a quote - - -?---

- - - until - - -?---Okay.

- - - the requisition?---We would, we would see the department, get their needs, what they wanted to put in there, we would then - - -

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Rather than we just describe what you yourself did, okay?---Okay. I would go to the Department look at what they required in terms of what was then identified in the risk review if they're a tier one or a tier two risk review, we would then look at the distances back to where things were running, we would then call Kings or Sielox or email them and ask them either a quote over, over the phone just giving them basic distances 'cause they - both sites - both companies knew our sites and we would say look it's roughly 80 metres, 100 metres back to here, we require x, y, z in terms of t he equipment and they would either just send a quote through or if they needed a site visit they would organise to come out and have a look at the site just in case there's any firewall penetrations and things like that that need to occur. And we would get the quote, we would hand that to the department that requested the works to be done and sometimes they may not go ahead with it. It could be six months, a year they might come back to us and say look we have the budget for this now can we go ahead with this and we say

When you say they, whose they?---The department managers that requested the works. And they, they will come back to us and say look we've got the budget for this now, how do we proceed with this. We would then sometimes or in most cases it was a long time after the quote was done we'd go back to them and say does this quote still stand, are there any changes in prices and things like that and in most cases they say no, that's fine. The department manager would then fill in a requisition, that would go off to accounts to raise a purchase order, accounts would send the purchase order through to Kings or Sielox for the works to proceed. So we would sort of lose track of it at that point until we got a call from the, the installers saying that you know we've given a purchase order to proceed with this job can we

start this on whatever day it is and we'd make sure the contractors were assigned in through engineering and things like that, everything was ready to proceed. In some cases we were given the cost centre from the department and we would fill in the requisition, that would go to my boss for sign off.

Your boss being?---Scott Anderson.

Yes?---That would then go off to accounts and it'd follow the same process in terms of raising the purchase order and things like that and then we would (not transcribable) a spreadsheet of the works including the Department's cost centre and then my boss Scott Anderson would journal that back from the Department's costs centre.

Now, that description you've given evidence about, would that apply for small contracts as well as larger contracts and by larger I mean anything over \$100,000?---Ah - - -

Did it apply equally no matter what the size of the contract?---Pretty much, yeah, I didn't have much to do with the, the larger side, like I was certainly involved with, with Capital Works in terms of sitting on technical meetings. In terms of actually raising purchase orders and things like that I' not sure what they did in those sort of larger amounts but certainly in the smaller jobs if it was one door, two, three that was certainly the process that was followed, yes. I'd add one thing to that, sometimes there was an urgent job that might go through so there may not have been a purchase order raised at that time, we may just have to call the company and say look, we've just had an accident or an incident, we need someone out here urgently to come and put access control on the door and secure it or do something with a camera or something like that. So in that, in that case the company was just called, it was like basically they'd do it and charge.

Now, I just want to ask you about some evidence that Mr Diekman gave on that subject, this is at page 65 and 66. He said - - -?---I don't know.

I know?---I'm sorry. Okay.

I can read you the precise answer if you need to - - -?---No problems.

40 --- but it's not necessary I don't think?---Yeah.

But what he said was he described the system of orders as, in his words, a bit of a debacle and that we were always trying to get order numbers and then he said this, and this is, and I will quote you this, page 66, he said, "Often we didn't get order numbers or it was a bit of a debacle. We were prone to pressure to get on the, onto the site because the builders may be there or something. It may have just been an email to us saying, you know, we confirm your quotation, can you please proceed and an order will be

forthcoming. Many a time the orders were never forthcoming which caused a lot of angst with our accounts department when they were trying to chase money"?---Yeah, I would say that's correct, yes.

Is it, okay?---Especially in the early days that happened a lot.

And what do you mean by the early days, 2007, 2008?---Yeah, pretty much until probably the last couple of years when WebRec came in and we had a bit more control over it, it certainly fixed a lot of those sort of issues.

Mr Diekman might be referring to some things where it's done through a builder as he's mentioned in his testimony there, that's out of our control so if he didn't, wasn't given a purchase order from the builder for his works well, it was out of our control, it wasn't anything to do with us. We would sometimes try and help because we always wanted our contractors to be paid because we need prompt resolution of issues on our site.

Just slow down a bit for the transcription writer?---Sorry, yeah, yeah. And so we would try and assist where we could to get all our contractors paid on time.

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Okay. Now did you, if I can just ask you generally, did you ever give Kings assistance or help in getting them contracts with AHS?---In what way, sorry?

Well, in any way, in terms of recommending, in terms of making arrangements to the process to ensure that they were the most likely company to get the job, in any way?---No, not really. No, I wouldn't say we did, well, I did.

- No, I'm talking about you?---Or I did, yeah. We only had two companies to deal with and I would say on my personal knowledge of it that Kings were a better company to deal with in terms of their work performance, quality, installation and pricing so they are definitely a company that we like to deal with whereas the other company that we were first with, with Sielox, they dropped the ball a lot and well, inevitably over time sort of Kings did get more work but in many cases it was a, it was between the two where we'd get quotes from both of them and, and the best man wins basically, it was out of our control.
- Given the evidence you've just given that Sielox dropped the ball a bit and Kings were more reliable- -?---Yeah.
  - ---did it ever concern you that there wasn't a true competitive process by which Kings would get large contracts?---Large contracts it was equally between the two of them, they could both submit quotations and if it was large contracts it was through Capital Works or through the builder, the builder would approach them directly, it was out of, totally out of our hands. We, we'd just say to them, these are our two nominated contractors or

preferred contractors and it was up to them whichever one they wanted to get quotes from or, or use. I have heard back that some builders didn't want to deal with particular companies and so they would only maybe approach one or something like that.

I just want to show you some documents that relate to a particular contract being for the Wyong Hospital security upgrade in early 2007?---Yes.

Do you have a recollection of that?---I do, yes, yep.

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Okay?---I don't have a recollection of the contract, I know, but I have a recollection of the works, yes.

Of the works?---Yes.

That's what I mean, thank you?---Yeah.

So could I – excuse me, please. I tender a bundle of documents which I think could just be described as Wyong Hospital security upgrade 2007? ---Do you want this one back?

Yes, thank you?---Is there a particular tab you want me to go to?

Oh, yes, I'm just, I'm just- - -?---Okay.

- - waiting for the Commissioner to- -?---Oh, sorry.
- - give it a number.
- THE COMMISSIONER: The bundle of documents relating to Wyong Hospital security upgrade 2007 is Exhibit 191.

# #EXHIBIT 191 - BUNDLE OF DOCUMENTS RELATING TO WYONG SECURITY UPGRADE

MR STRICKLAND: So I'll just take you thought this, and there's only a couple of documents I want to ask you about, but I'll just – just to give you the context, if you just go to tab 1 in Exhibit 191?---Yes.

You'll see there's a letter, I'm sorry, I beg your pardon, an email from Mr Huskic to Mr Diekman attaching a scope of works for the Wyong Hospital of 12 January, '07 and then stating that, "The quote must be sent to us by no later than 1.00pm Wednesday, 17 January." Do you see that?---Yes.

And then if you go to tab 2 you will see that there is a quote provided by Kings of \$257,000 and plus an additional item of \$23,000. It's undated but

if you can accept that the – on the Kings computer system this is a date generated in January 2007. So this document was sent, sent to Area Health. Could you just accept that for the moment?---Okay.

Yeah. And then if you go to tab 3 there is a---

MS FURNESS: Sorry, Commissioner, I don't have tabs. Could my friend refer to pages?

MR STRICKLAND: Thank you, I beg your pardon, I'll do that. So I'll just – I'm sorry about that, I'd forgotten. So the – I'll just revise it very quickly. The email from Mr Huskic to Mr Diekman is pages 1 to 3, the quote from Kings is pages 4 to 6, and that's where I got up to. Now, then if you go to pages 7 and 8 there is a quote from Sielox for \$351,000 and then if you go to 4, and this is the first document I want to ask you about – if you go down to the bottom of the page- -

THE COMMISSIONER: No, no, you've got to say the page number.

MR STRICKLAND: Oh, I'm sorry, I beg your pardon, I'm sorry, page 9, I'll just get rid of these. Page 9 there's an email from you to Mr Diekman finding attached your acceptance letter in relation to the above project?

---Yes.

And then if you go to page 11 you can see, although your signature is not there, you can see that you have authored a letter to Mr Diekman advising that their lump sum price of \$308,000 for the supply et cetera in relation to Wyong Hospital has been accepted?---Yes, sir, yeah.

What I wanted to ask you is there is a discrepancy between the quote on page 4 and 5 and the actual acceptance, the actual lump sum price and it was accepted on page 11. Do you see that?---Yes, I, I'll just go back to that, sorry.

And although the - - -

THE COMMISSIONER: Just hang on a moment. Are we ready for the next question, Mr Creary?---Just one, one - 30 seconds, sorry I'll just quickly - yes.

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MR STRICKLAND: So in other words the, the price at page 11 which is the acceptance letter is \$308,000 but the actual quote is, if you add the 257 and the 23 - - -?---Yeah.

--- is some \$280,000?---Yeah. I think it was including GST. In the letter that's gone out it says ex GST but I think it was actually meant to say including GST.

I see. Okay. So, so that's a mistake is it?---I think so, yes. Just quickly adding those sums up there's 280 plus GST 10 per cent it would take it up to 308.

Yeah, I understand. Okay, righto. Now if I could then take you, please to page 14. There's an invoice that's been supplied and that's for 50 per cent progress payment. Do you see that?---Yes, sir.

And then if you go, please to - if you go please to page 15 there's a quote from - I beg your pardon. There's a letter from Mr Huskic to Sangeetha Arrabothy. Do you know who she is?---No, sir, I've never heard of her.

Someone on, on the letterhead works - from Area Health. And she says, "Please find attached quote from Kings Security." Then if you go to page 17 you'll see there's a quote which is \$308,000 then it says excluding GST, ex GST?---Yeah, yeah.

So the quote appears - well the quote on its face says that that figure was excluding GST not including?---Yeah, I can see that, yes, yeah.

So what I want to ask you is the Commission, the Commission's data and they have sought compulsory notices for all relevant documents about this particular matter - - -?---Sure, yeah.

- - - there is no other - the only quotes from Kings about this project is the one at pages 4 and 5 for two - which total 280 and then the one at pages 16, pages 16 and 17 for 308?---Yeah.

Can you - do you have an explanation as to why there are those different quotes for what appear to be the same works?---Yeah, it definitely looks like the same works. Actually is it? Are they dated the same? I, I do recall two quotes given to us. Well weren't given to us, he had - Charlie had two quotes prepared and we were all sitting at a table and he goes mmm, which one shall I give you and it's like well, this is the first time I've ever met him, I hadn't even met Charlie prior to that date I don't think.

No, but don't speak too fast, please?---Okay.

20

Go on – you never – just slow down?---Sure. I don't think I'd ever met

40 Charlie before that point and he had two quotes, there was myself, Eric
Kuiper, Robert Huskic and a couple of his tradespeople there and we just
said, well, give us your best, best price, make sure it's your best one, and he
handed us a quote. So I don't know whether the other quote that you have is
the one that he had generated on his system and we received the 308 one,
but certainly the one that we put through was the 308 one.

So you saw, you met Mr Diekman, you think it's one of the first time you'd met him?---Yes, sir, yeah.

And you saw two quotes - is that right – two different quotes?---I didn't, didn't see two quotes, we know that he had two quotes with him.

Because he told you?---He told us, yes.

And then he was what, saying in a jovial fashion, was it- --?---That's correct, yeah.

10 -- which one of these quotes should I give you?---Yeah, he was sort of shuffling around, which one should I give you. And ah, we just said, oh, you know, give us your best one, 'cause he knew other people were quoting on the works.

THE COMMISSIONER: Sorry, I couldn't hear. I beg your pardon? ---He knew that other people were quoting on the works (not transcribable) Sielox.

MR STRICKLAND: So do I understand your evidence that he gave you the quote that appears at pages 4 and 5 was the best quote but then the quote
that he was actually paid upon was the second quote. Is that, is that your
evidence?---No, I'm not saying that, I'm saying- - -

Well, obviously I don't understand it then?---You know, the, what I'm saying is, the quote that we received would have been the 308 quote 'cause that's the one we've given the acceptance letter on the very next day.

Right. But you were saying earlier that the 308 one was including GST but that appears to be incorrect, doesn't it?---I was only assuming that based on the, when I added the figures together and you said there was a discrepancy with the figures, it was 28,000- - -

Yeah---?- - - which equalled 308, so unless the other one's a mistake, ex GST, I don't know, it probably should have said including GST – I don't know if his quote was correct in that point either, whether it was inc or ex.

Just slow down, Mr Creary, otherwise we just won't get your evidence. ---Oh, okay, sure.

40 Slow down. Speak at the space I am speaking now?---Okay.

Go to page 14, please, and you can see I have referred you to this document before, it's a quote for 50 per cent of the progress payment, isn't it?---Ah, yes, sir, yep.

And do you see the subtotal is 154, isn't it?---Ah, yes.

And a half, if you double 154 it's 308, isn't it?---Yes.

But this quote adds the GST on, doesn't it?---Yes.

So it's quite clear that what they have, what they are seeking payment on, on 13 February 2007, is 308,000 plus GST?---Plus GST.

That's what they're, there's no doubt about that, is there?---From what I'm reading, that's correct.

And yet the first actual quote that appears which contains a quote of 308 excluding GST is the one the day after they submit this tax invoice?---Sorry, sorry, which one was that, sorry?

What I'm saying to you is the, on the documents received by the Commission- --?---Yep.

- - the first time that Kings submit a quote for 308,000- -?---Is, sorry.
- - -is that- -?---Oh, yeah, yeah, sorry.

20 --- on page 16- -- ?--- Yeah.

- - - the day after the tax invoice. Do you follow what I'm saying or not? ---Not yet, sorry.

Okay. Well, I'm happy to go through it slowly?---I've just got to familiarise myself with these dates 'cause I'm, you're just mentioning dates so- - -

Mr Creary, just listen and I will take you through it very slowly?---Yep.

30

First if you go to page 4 and, fine, let's start with that?---Yep.

That is a quote for \$280,000?---Correct.

Right. And that was in January 2008, 2007, it doesn't bear a date for that? ---Sorry, can I, can I just ask, I'm not, I don't know if we received this one or whether Robert received it. I certainly haven't, it doesn't look like.

Excuse me. Documentation will be provided which demonstrates that that document was received by AHS?---Okay.

And I want you to, I want you to assume that fact?---Yeah, sure, sure.

Okay. In January '07?---Yep. But we, we don't know exactly what date in '07, do we, or we do?

Well, I think it's 5 January 2007?---Okay.

And then the next relevant date, document, sorry, is on page 11 on 18 January, your letter accepting the price of 308,000 excluding GST. Do you see that?---Ah, yes.

That's 18 January?---Yes.

Now, but what I'm asking you is that the first time the quote for 308,000 excluding GST was actually submitted was not until 14 February, 2007 and that's the quote at page 16 and 17?---(No Audible Reply)

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Do, do you understand?---Yes, I understand.

Right?---I just don't know if that's a date in error or not to - - -

I beg your pardon?---I don't know if that's an error with the date or not but ---

Well, just have a look at, look at page 15?---Page 15.

20 Mr Robert Huskic sends a letter to Ms Arrabothy or Mr Arrabothy?---Yes.

Ms Arrabothy on 14 February, '07 attaching another, attaching a quote from Kings on 14 February, '07 so unless both have made a mistake you can assume the date's 14 February, '07. Do you understand that?---I do understand what you're saying, yes.

Okay. So my question is how is it that you have accepted a quote for \$308,000 excluding GST - --?--Yeah.

30 --- when there is, when the only quote in existence at that time was for \$280,000?---Well, there must have been another quote for 380 at that time.

But there is no document whatsoever that is consistent with what you've just said?

THE COMMISSIONER: Well, why would there be another document if you, if there is a quote on 14 February, 2007 at page 16?---I, I don't know. What I'm saying is this date, 18<sup>th</sup> of the 1st, that was sent to, my acceptance of it, that's come from my bosses saying okay, we've accepted this because that was a capital works expenditure so Capital Works had the money to spend so they've, we've given the quotations to them, they've given the approval to proceed so our letter is just saying to them we accept your quotation so it's saying here on the 17<sup>th</sup> of the 1<sup>st</sup>, was their proposal so there must have been one dated the 17<sup>th</sup> of the 1<sup>st</sup>, 2007 so whether you have that or not, I don't know but if you're saying you don't, then there was one at the 17<sup>th</sup> of the 1<sup>st</sup>.

MR STRICKLAND: Well, the other explanation is you accepted a quote for 308 when the only quote in existence was for 280 and there was some verbal discussion between you and Mr Diekman where he said the quote's actually 308?---No. The only, the only time we ever sat down was that one time at the table and he handed us a quote. That's the only quote I ever received, I only received once.

Do you have, do you have any explanation, assuming there's only the one quote as at the date of your 18 January letter, which is page 12, I'm sorry, page 11 - - -

THE COMMISSIONER: Page 11.

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MR STRICKLAND: --- assuming there is only the one quote for the 280,000 do you have an explanation why you would have accepted the quote for 308?---My, my testimony right now is that we would have had a quote for 308,000 as of that date, the 17<sup>th</sup> of the 1<sup>st</sup> and that's what my letter is accepting.

I understand that's your evidence and I am indicating to you that there is no document whatsoever, either from the Area Health Service who have provided, that supports what you said?---Yeah.

So my question is assuming there is no such document - - -?---Yeah.

--- no such quote for 308 as at 18 January, do you have an explanation why you would have accepted a quote for 308?---No. That's why I'm saying there would have been a quote for 308 and the person who was in charge of that quote or who received it and accepted the authorisation of that was Sue Stubbs.

Sue?---Stubbs, she was the director of Capital Works at that time and she's where all the quotes went to and she was the one that approved it to go ahead.

But you recommended it didn't you?---Pardon?

You made the recommendation in relation to this particular quote didn't you?---No, I didn't, no.

Are you sure, are you sure of that?---Yeah, I'm correct, yes, sure.

Okay?---We've sent both quotes off to Sue Stubbs, through my director at the time.

But you recommended it though, you recommended that Kings be awarded this contract didn't you?---I don't recall if there was a brief written to her or not with, with the quotes, I don't know.

15/08/2012 E09/350 That's not my question. My question - - -?---Well, I don't recall whether I recommended it or not.

Well, I thought you said, I asked you that before, that you recommended it, and you said you did not?---Did not what?

I asked you two minutes again that you recommended the quote and you initially denied you recommended it?---But, well, I, I don't know if I recommended it or not, I don't recall that. All I know is that we gave the quotes to Capital Works and the director of Capital Works and they've accepted the quote and asked us to go ahead with the works.

Well, go to page 20, please.

THE COMMISSIONER: Mr Strickland, can I just - I don't want to interrupt but - let's just see. Page 20. You're still on this point.

MR STRICKLAND: Still on this point.

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THE COMMISSIONER: Yes. Proceed.

MR STRICKLAND: Yes.

Now do you recognise that document from the Northern Sydney Central Coast and non order voucher?---Sorry, what page was that, 20?

Page 20. No, I'm not aware of that document, no.

30 Okay. I'll just go through some of it, some of the information on it. You can see there that there is a - this is in relation to a - this is in relation to the invoice number 23815?---Sorry, I'm just trying to find that. Yeah, sorry, yeah, 23815.

Yeah. And that's the invoice at page 14. Do you see that?---Page 14. Yes.

Okay. And what I wanted to ask you is there is a, there's a number 7 or in, in item 7 there is a certification of a requesting officer Sarah McDonald. Do you know who she is?---No. Oh, the name rings a bell, I think it was someone in Capital Works or with the executive, I'm not exactly sure at the time.

And then the - then below that, "I certify that I have the appropriate delegation to authorise this expenditure and then, then there's an authorisation officer Sue Stubbs. See, see that and again dated 14 February 2007?---Yes, I do, yes.

**CREARY** 

Director of Capital Strategy and Works?---Yes.

So this is a contract that was oversighted by Capital Works is that how you described it?---No. At that time they had some money left over. We approached by Capital Works asking us if there was anything to do at any of the major facilities. At the time the Central Coast was on a different access control system. So the money was decided to be spent on Wyong Hospital to cut them over so Capital Works funded it and we got, we got the contractors in to do the work. So all, sorry, all the approval and the expenditure, yes, was done through Capital Works.

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Now if you could then go, please to the next page contract commitment. And again there's a project number then 58 the Wyong Emergency refurbishment and you can see both the description, the scope of works and the contract commitment value. We're talking about the same contract aren't we?---Correct, yes.

And, now have you seen this document, are you familiar with contract commitment document?---No, sir, I've never seen one before.

Okay. You can see under the heading recommendation, it's got project director Cameron Creary?---Correct.

So you were the project director?---I was the one that was based up there working with the guys, yes.

Do you, do you - - -?---I wasn't a project director as such I was security systems administrator.

So you - what's the difference between a project director for this particular project and a security systems administrator?---Well I, I guess she's only just put that in there as myself sort of managing the contractors on site, that those works would get done. So I think that's just the terminology she's put down as that I'm the project director, no-one from her team.

So then I want to ask you is in relation to procurement and it's got refer New South Wales Health purchasing and supply manual and then it's got state contract up to 1500 - sorry, I beg your pardon. One verbal proposal up to 1500 one written proposal 200 to 3000 and then at least three written proposals including specifications et cetera 30,000 to 150,000?---Ah hmm.

40

You're saying that you did not know that at the time that if there was a procurement for Area Health Service between 30,000 to 150,000 you needed at least three written proposals?---I didn't know the exact amount, no, plus I don't have anything to do with going out to tenders or anything like that.

Yes, but you, but you do have a lot to do with organising the quotations, don't you?---For a requesting department who are the ones that approve it,

so they're the ones that if they want three quotes they ask for three quotes, they get it, if they have to go to tender then that's up to them, it's nothing to do with me at all, that process. Nothing to do with security. We don't work with tenders whatsoever or contracts.

I'm not, I'm not talking about tenders at this stage. You see the next thing is full tender procedure is over \$150,000. You say you weren't familiar with that either. Is that right?---That's correct, I wasn't sure of the dollar figure on that, no.

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But as either the project director which you're described here or the security systems administrator- --?---Yep.

- - -your job was to arrange with contractors to do what's described in this project as the Wyong emergency refurbishment for the security?---No, my, my role- - -

That was your job, wasn't it?---No. My role was to make the works happen, to guide the contractor's onsite. It wasn't anything to do with any approvals, it was to get the quotations, we were asked to get two quotations from our preferred suppliers – we did that – and that was given to Capital Works for their approval. They've approved Kings and then all we did was manage the process of the contractor's onsite, the actual manpower.

And so you say you had absolutely no role in the recommendation of Kings. Is that right?---I don't believe so, no. We gave quotes to Capital Works, it was their decision. This was the first, I think one of the very first access or Honeywell projects that Kings had done for us so I had no recommendation as far as I know either way.

30

On your own evidence you were, you were the contact point between Kings and AHS in relation to the quotations that they provided because you've described a meeting you had with Mr Diekman?---I was probably one of the contact people. As you see, most of the emails have been addressed to Robert, so if there was anything in regards to specification of terms of equipment or anything like that or what needed to be done in terms of the actual scope of works, yes, then I would be one of the main contact people as well as the other team members.

Can I suggest this. You were aware that Kings put in a quote for 280. They then submitted an invoice which indicated a price of 308 and then you realised and Mr Huskic realised that you'd better have a quote to support that invoice and then you arranged for another quote from Kings after the submission of the tax invoice?---No, I have no knowledge of that.

Because you knew that without a quote for 308 there were going to be problems with paying the 308?---No, that's incorrect.

Well, that last proposition must be true, mustn't it? In other words, without a written quote for 308 Kings would not be paid the 308. Do you agree with that?---I, yeah, of course.

Of course?---Yeah.

THE COMMISSIONER: Mr Strickland, if you turn please to page 11 there is a reference there on the first line to a proposal dated 17 January and page 12 on the first line there is the same.

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MR STRICKLAND: Yes.

THE COMMISSIONER: Which is that proposal?

THE WITNESS: That's what I'm asking, that's what I said before, there's one dated 17 somewhere.

THE COMMISSIONER: Yes, all right, Mr---

20 MR STRICKLAND: I think the missing, what we'll need to do is, I think the critical thing is the date of the document on page 4.

THE COMMISSIONER: Yes.

MR STRICKLAND: And we will provide that.

THE COMMISSIONER: But, well, I think the critical thing- - -

MR STRICKLAND: The answer is I don't know the answer to that question.

THE COMMISSIONER: I mean because on this – when – that proposal presumably is for doing the work at \$308,000 ex GST?

MR STRICKLAND: That's correct.

THE COMMISSIONER: Well, we need to see that?

MR STRICKLAND: I beg your pardon?

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THE COMMISSIONER: One needs to see that.

MR STRICKLAND: Yes, I accept that.

THE COMMISSIONER: Mmm.

MR STRICKLAND: Now, you - so that project actually went ahead didn't it?---Yes, sir, yeah.

Now, a few months after that project went ahead you got a, you received a TV and I think speakers from Kings, is that right?---I purchased a TV and speakers through Kings, that's correct. I don't remember the dates though.

When you say you purchased it through Kings, can, can you just think about that, what, what do you mean by you purchased it through Kings?---Yeah. I remember Charlie talking to me about TVs and technology and things like that. We had discussions, I said that I was after a TV, he asked me what I was after and I told him the particular TV I was after and he said well, he's after something similar, asked me if they were good and I said of course they are, that's why I'm looking at it.

Slow down please?---Okay, that's why I'm looking at it and I said do you have any manufacturers or, sorry, suppliers that you use that are able to supply one. I'd been out looking and got my prices. He said leave it with him, I'll have a look and it was probably, I don't know, a few weeks later he called me and gave me a price on a, on a TV and he said if I grab one and you grab one we'll get a better price. I said okay, grab me one.

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And the house was delivered, sorry, the TV - so what was actually delivered to your house, a television?---That's correct, yes.

And was it a plasma TV?---Yes, it was, yes.

And there was another item wasn't there?---The speakers, yes.

All right. And was that speakers for the TV?---It was, yes.

30 And that was actually delivered to your house - - -?---Yes.

- - - at Berkeley Vale?---That's correct.

And I'll just show you this document. I tender a statement from Victoria Estacio which annexes the relevant invoices dated 27 July, 2012. Now, if you just go, I'll just - - -

THE COMMISSIONER: Just a moment.

40 MR STRICKLAND: I'm sorry, I beg your pardon.

THE COMMISSIONER: Exhibit 192 is the statement of Victoria Estacio with annexure and which is dated 22 July, 2012, sorry, 27 July, 2012.

## #EXHIBIT 192 - STATEMENT OF VICTORIA ESTACIO DATED 27 JULY 2012

MR STRICKLAND: Now, could I just get you to go to page, there are pages on the top right-hand corner, could you just go to page 888.

THE COMMISSIONER: Well, I think you better explain who she is.

MR STRICKLAND: Right. She is the assistant manager of Harvey Norman and she's been asked to look at various records in relation to purchases by Kings where there's been a delivery to you. Do you understand that?---Yes, yes.

So what's important about her statement is just the documents she annexes to it so if you just go to page 888?---Yeah, I'm there now, yeah.

This is a Harvey Norman Superstore tax invoice and you can see at halfway down the page it's got "del details" with your address and number?---Yes.

MR LORKIN: Excuse me, Commissioner, could I, Lorkin for Mr Creary, could I please have a suppression order on Mr Creary's home address?

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THE COMMISSIONER: Yes.

MR LORKIN: Thank you.

THE COMMISSIONER: Yes, Mr Naylor.

MR NAYLOR: May I make a similar application in relation to Mr Diekman's home address?

30 THE COMMISSIONER: Yes.

MR NAYLOR: Thank you.

MR LORKIN: And Counsel Assist has informed me there's a mobile number in there as well for Mr Creary.

THE COMMISSIONER: Well, the mobile number of Mr Creary will be suppressed.

40

THERE WILL BE A SUPPRESSION ORDER ON THE MOBILE NUMBER AND ADDRESS OF MR CREARY AND THE ADDRESS OF MR DIEKMAN

MR STRICKLAND: So this is - - -

THE COMMISSIONER: What point are you making from the delivery notice, Mr Strickland?

MR STRICKLAND: I'm just asking you, this is, this is the TV and the speakers that you received?---Correct, sir, yes.

And did you, you say you actually purchased this, is that correct, through Mr Diekman?---Correct, yes.

10 How did you purchase it?---I gave him cash.

And how much cash did you give him?---It was actually an, an amount, I think in my last testimony I said it was three and a half to four and a half, something like that but I didn't have an exactly recollection of it but those figures there look about right, the 44.

Okay. So you're saying you gave Mr Diekman 4400 cash?---Yes, sir, yeah.

And where did you give it to him?---Not - don't recall exactly, I can't remember if it was the office at Royal North Shore when he came in one day, I, I just don't recall when. Like where, sorry.

I just didn't quite hear that. You have to repeat that?---I, I don't recall exactly where.

Yeah. It's either?---Whether it was at my office at Royal North Shore or when I was in Sydney or whether he came up the coast I don't, I don't recall.

And when you asked him to buy it for you did you indicate a price that you would be prepared to pay for it?---No, I told him that I had sought prices elsewhere and I wanted to see what he could do and when he came back to me with a price I do recall it was around probably five or \$600 cheaper than my best price. He indicated to me that he was buying one at the same time that he would be able to get a better deal if we both buy, sorry buy both together at the same time.

And why did you give him cash for it?---I just - I don't know, I had cash there so I gave him the cash.

I beg your pardon?---I had cash there so I just gave him the cash.

You had cash where?---At home.

40

All right. How much cash did you have at home at the time you gave him \$4400?---I don't know, I had a lot of money there.

Well approximately how much money did you have there?---Approximately over \$ ...

, in cash?---That's correct.

At your home?---Yes, correct.

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MR LORKIN: Excuse me, Commissioner, I'm sorry to interrupt, I'm seeking a suppression order on the amount of money found at his home. I know I've been at pains with you before, Commissioner, will you briefly hear me on this? There's an associated investigation at the moment. There's some suggestion of some risk and danger to Mr Creary. He's assisting authorities in relation to this matter. There have been some incidents which I don't want to go in for the open hearing here but his and his young family's safety, he has two young daughters, a young wife. Although I don't mind the evidence being led in the inquiry those matters may put Mr Creary and his family at risk in relation to some matters that came about as a result of this inquiry but not associated with this inquiry bar what counsel assisting intends to lead on the cash found or the cash that he allegedly has there. If I'm not making myself - - -

THE COMMISSIONER: No, you are. I understand that you're saying. Can you explain how the knowledge of the amount puts Mr Creary at risk?

MR LORKIN: Well - - -

THE COMMISSIONER: Because it's only what he had at the time, it doesn't - it's not what he's got now.

MR LORKIN: Well I don't make a submission lightly that the - this nature of that money at home, if that was to get out of to a transcript that people looked at there'd be - obviously be a target for a type of person who may want to visit Mr Creary's home address in the hope that there'd be other funds there when he goes there - when they go there.

THE COMMISSIONER: All right. I'll grant you your suppression order.

## SUPPRESSION ORDER IN RELATION TO MR CREARY'S HOME 40 ADDRESS AND REFERENCE TO MONEY

MR LORKIN: Thank you.

THE COMMISSIONER: I think we'll adjourn for 10 minutes.

#### SHORT ADJOURNMENT

[11.33am]

MR STRICKLAND: So you say at the time you purchased – you gave \$4,400 in cash to Mr Diekman that you had \$ in your house? ---That's correct, or just over, yes.

Just over. Whereabouts in your house did you have that?---In my father's bedroom.

What under the bed?---Yes, it was, yes.

Under the bed?---Yes, it was.

What was it contained in?---Like a keyboard road case.

How long had that amount of money been under the bed in your father's bedroom for?---Well, he gave it to me before he passed away so he passed away in 2005 so from, I'm not sure how long he had, had it before that point till now, till, till this point.

20

THE COMMISSIONER: Sorry, if I may just interrupt, Mr Strickland. Mr Lorkin, I've just been thinking about the suppression order. There can be – there – you do understand that when the Commission issues its report on these matters it will have to refer to at the very least a very substantial sum of cash. You understand that?

MR LORKIN: Yes, Commissioner, I will make some submissions to---

THE COMMISSIONER: We've got to do that. I don't see how that can be avoided. We might not – we won't identify the amount.

MR LORKIN: Yes.

THE COMMISSIONER: But we'll have to say that there's a, there was a, that Mr Creary was in possession of a substantial amount of cash.

MR LORKIN: Yes.

THE COMMISSIONER: Because otherwise the reasons, whatever the reasons are, I have no idea what the reasons will be, but to understand the reasons we're going to have to say that.

MR LORKIN: I don't wish to interrupt Mr Strickland now but I'm just wondering what, what is the relevance of the \$ , to this particular inquiry?

THE COMMISSIONER: Well, I would have thought they were obvious, it's obvious because whether the money was used to pay for the television

set and car is, is closely linked to whether Mr Creary had a sum of money available in cash. I mean that's obvious.

MR LORKIN: I heard you Commissioner and I understand what you're saying but I will no doubt write to you, to the Commission in any case about the full amount or how – I've heard your, you, Commissioner but- - -

THE COMMISSIONER: No, I didn't say that we would mention the amount.

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MR LORKIN: No, but even a large amount, I don't - I heard you and I don't wish to interrupt the proceedings any longer but whether that is relevant, the largeness- - -

THE COMMISSIONER: All right. No, I appreciate that. I'm not stopping you from making any more submissions but you're on notice now.

MR LORKIN: Yes.

20 THE COMMISSIONER: Yes, Mr Strickland.

MR STRICKLAND: So you say your father had over , , , in cash in his bedroom since his death in about 2005. Is that correct? ---That's correct, yes.

And did he ever tell you why he was keeping , , , dollars in cash in his bedroom?---My father always had money, he didn't believe in banking systems and, or anything like that so he- - -

He did not believe in banking systems?---No. He'd always take - whatever money he had in the bank he'd always try and get out as quickly as possible and keep it at home or just make it so – I don't know, it was his reasons so

I mean he didn't live a very flash life, did he, in the last couple of years of his life?---He lived a good life, yeah. I don't – what do you mean by flash?

Well, he didn't- - -?---He bought, he had whatever he wanted and bought whatever he wanted and- - -

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I see. Isn't it the case that a couple of weeks after his death you told your sister, Lani, that at the time he died he only had \$10,000 in the bank? ---No, that's not true.

It's not true, is it?---No.

And you told her that you spent that \$10,000 on the funeral?---I didn't tell her that at all, the statement's completely false. There was \$27,000 in my father's bank account when he passed away.

I see. But that , , dollars- -- ?--- Yeah.

- - - after he died, you just took it yourself, did you?---He gave it to me before he passed way. He said to me, "I want you to use this", 'cause he wasn't well for probably the last couple of months of his life.

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THE COMMISSIONER: I beg your pardon?---He wasn't well for the last couple of months of his life, he did have some, a lot of medical issues and he just said to me, "If anything ever happens, this is yours (not transcribable) have it", he explicitly said to me many times, "Don't tell your sister, don't tell your brother, they've got their inheritance. Both my sister and brother are heroin addicts.

I beg your pardon?---Both my brother and sister are heroin addicts and they've been heroin addicts for 15, 20 years and they stole a lot from my father and things like that so as far as he was concerned they got their inheritance and he didn't want them any, knowing anything about this money for the fear, the fact that he was always, also worried about who they might speak to and if he ever got robbed and things like that so, yeah.

MR STRICKLAND: So you say that he gave you , , , dollars before he passed away, is that correct?---Yes, it was just overa , , , that's right, yeah. I didn't know exactly how much there was at that time, he just told me he had money there, that it was all mine, don't tell anybody about it and he, he, he just, I knew it would be a reasonable sum of money, I, I knew that but I didn't think that there was as much as what there was there at that time.

But as I understand it, I mean, what, what your evidence is that he gave you , , , before he passed away and then by the time he died he didn't have any remaining cash, is that correct?---Say that again, sorry?

I'm just repeating your evidence. You say he gave you the cash - - -?---Yes.

- - - that you kept in your house and he gave that to you before he died? ---That's correct. He told me where it was.

And so by the time he died - - -?---Yeah.

- - - he had already given you the cash?---That's correct, yes.

Right. And so when, and it is the case isn't it - - -?---Sorry, can I just, just say one thing? He didn't physically hand me the cash and say there it is, he

just told me where it was and said if anything happens to me, that's where it is, it's yours.

You're speaking too quickly and so I can't hear you. Say that again, please? ---I said he didn't physically just hand it to me and say there you go, it's yours right now, take it, he just told me where it was and said that it's here if anything happens to me or if you need something just come and see it, come and grab it and it's fine. I said to him it's your money, you, you use it, need, get what you need to get and, but he had money in the bank that he was using so he didn't want to touch that money and he just told me where it was and - - -

Well, you just, you told me a minute ago, you told the Commission a minute ago that he'd, he'd given you the cash - - -?---That's right.

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- - - before he died?---That's right but I meant - - -
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Is that true or not?---Yes, it is true. I'm saying he didn't physically hand it to me.

Yeah, what did he - - -?--- - - like do you understand, physically handed, like he didn't actually give me the case of money and go there you go.

THE COMMISSIONER: He gave you control, you're saying he gave you control of the cash?---That's correct and told me where it was and, and things like that.

You had access to that?---I had access to that, yes, sir.

MR STRICKLAND: So after he died did he leave a will?---He had a will before he passed away, he had an operation on his leg, he had his leg amputated and he made a will at that point before he went in for the operation. I can't find that will, I do know the people that signed it as a, I guess as the witnesses to that, however, I've never raised the matter with them.

Okay. Well, he, you see, he had - how many children did he have at the time of his death?---Ah, there's myself and my brother and there's a half sister, Lani.

And what's your brother's name?---Lincoln.

And so at the time he died he had , , , in his estate, is that right?---More than that, yes, yeah.

More than that. So how was that - - -

THE COMMISSIONER: That's not necessarily so and that's a question of law.

MR STRICKLAND: Look, I accept that and I withdraw that question. Well, well, put it this way, the more than \_\_\_\_\_, \_\_\_, when you say, you keep saying more, how much was it, let's give it a figure?---I, I don't know exactly, it was about \_\_\_\_\_, or \_\_\_\_, he gave me \$10,000, was it 10 or probably a little bit more just before that in 2004, early 2005 when my first daughter was born so yeah, but when he, when he passed away, when I counted the money it was just over \_\_\_\_\_, it was about \_\_\_\_\_, or \_\_\_\_\_, or something like that.

Okay. We'll call it ,. When he passed away he had, he had \$ ,under his bed?---Correct.

So was that money, why wasn't that money distributed to his other children or parts of it?---Because he - - -

THE COMMISSIONER: Mr Strickland, I won't allow that, he's explained why. He says that he was given the ,before, either that's true or not true, if it is true then that's why it's not distributed.

MR STRICKLAND: I understand. Well, well, can I say - so you say - do I understand you this way, that you were given the , or , before in the sense that you weren't physically given it but it was, the ownership of it was transferred to you, is that your understanding?---Correct, it was in my control, yes.

Okay. I understand?---Yes, sir.

30 I'm sorry, I missed that?---It was in my control, yes, sir.

Right, thank you. Well, by which you owned it?---In a sense that's why, that's why I thought, yes, that's what I was led to believe.

Did your - did either your sister or your brother ask for what - like what money was remaining?---Yes.

They did?---Yes.

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And you told them did you?---My sister asked me the day after he passed away whether she needed to pay anything for the funeral I said no, the funeral costs were covered, our father had some money there and I used that and I used, I had - said I had some other money there from him to pay bills and things like that but she didn't ask exactly what amount there was. I asked her at the funeral if she wanted anything she could come up and help me go through anything and she could take what she wanted, she never turned up and about Christmas that year she called again and I said I want

our father's computer and his iPod and I said well they're already gone which they were and I never heard from her again since.

My brother was in prison at the time so no-one ever had communication with him, so.

Did you tell your sister at any stage that your father had given you \$ ,before he died?---No, I didn't, no. My father asked me not to tell her or my brother.

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I see. And your sister says that she was told by her - she still had communications with her father before he died didn't she?---She did, she wouldn't call him but he would call her from time to time, yes.

And she says that her father told her very shortly before his death that he only had \$30,000 left?---Yeah, he had approximately, well actually I told her that, I think I told her - there was a discussion about his funeral costs and things like that and I did tell her a figure, I don't recall exactly what I said in terms of what was in the bank but there was 27,000 in there when he passed away or 26 something I think, something like that.

You gave, you gave evidence before this Commission in a private session didn't you?---Yes, sir, yeah.

And that was late last year 20, 20 August - 20 December last year?---I believe so, yes.

Okay. If the witness just could be shown a copy of that and I seek a variation of a suppression order in relation to that.

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THE COMMISSIONER: Yes. The suppression is vacated.

#### SUPPRESSION ORDER VACATED

MR STRICKLAND: Just before I ask you about that can I just ask you what did your father do, what was his job or what - how did he earn his livelihood?---Well he was a professional musician and he had his own business doing marine trimming and upholstery.

I beg your pardon?---He had his own business doing marine trimming and upholstery and he was a professional musician.

I see. And over what period had he collected , and , - , or \$ ,?---I don't know probably over his whole life. He - as far as I know he never paid taxes and things like that. He worked in the marine game where there was a lot of money with boats and he'd make a lot of money, he made

a lot of money through that. He had collections of guitars and, and other things. I do know that he had an extensive collection of guitars that were worth a lot money. Those guitars weren't there when he passed away so, through (not transcribable) assets that he sold, I don't know it's, it's (not transcribable) owed that money.

Now if you just go please to page 336 of that transcript?---Sorry, was it 336?

336. And you were - I'll just give you the context. You were asked at line 33, "Do you have some Plasma televisions in your house, home?" and you said, "Yeah. How many do you have?" answer, "One." Do you see that?---Sir, I'm just trying to find it, sorry.

Page 336 line 32?---I don't have that here.

THE COMMISSIONER: I don't see that.

THE WITNESS: No, I don't have that either.

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THE COMMISSIONER: It's not 336 line 32.

MR STRICKLAND: I'm afraid it is on my copy so I'm not sure why that is the case. I may have a different copy. Excuse me for amount.

I think there's - just bear with me for a second.

THE COMMISSIONER: It's page 337 in mine as well.

30 MR STRICKLAND: I'm afraid there appears to be strangely two different copies of this transcript. I can't explain that. I'm happy to go, that is odd. Well, I'll go, I'll go with your copy, Mr Creary?---Okay, sure.

THE COMMISSIONER: I think you'd better take mine, Mr Strickland. Give Mr Strickland- - -

MR STRICKLAND: And I'll give you a copy, Commissioner.

MR LORKIN: Excuse me, Commissioner, Lorkin once again for Creary.

There's an address in this document that Mr Creary's asking to suppress.

THE COMMISSIONER: Yes. Mr Creary's address will be suppressed.

### SUPPRESSION OF MR CREARY'S HOME ADDRESS

MR LORKIN: Thank you.

THE WITNESS: Thank you.

MR STRICKLAND: Okay. So at 337, line 32, "Okay, do you have some plasma televisions in your home?" "Yep, yep." Do you see that?---I don't have a 32 so I'm just trying to find it, sorry.

Page- - -?--Oh, yeah, sorry. Yes, I do, yep, yep.

Between 30 and 40. Okay. "How many do you have?" "Oh, one." Okay. 10 And then you- - -

THE COMMISSIONER: Have you got – is that on – is this reference to the plasma television in your copy of the transcript?---Yes, sir, yes, it is, sir.

MR STRICKLAND: And you were then asked some questions which I don't intend to take you to about how you came to acquire that television, and then if you go please to line 339?

20 THE COMMISSIONER: Page.

> MR STRICKLAND: Page 339, line 39 or line 38. He said, "Why do you have that at home?" And you're asked another question, "How much was the TV, sorry?" Answer, "I don't recall exactly whether it was 2,800 or 3,800 plus the 500 for the speakers on top?---I'm, I'm sorry, I'm just trying to find that.

339 line 38?---I don't have that as 38.

30 Mr Commissioner – I have an idea. Could I adjourn for two minutes and I'll mark up a copy that he's got so I can, it'll speed things up.

## **SHORT ADJOURNMENT**

[12.10pm]

MR STRICKLAND: (not transcribable) how much was the TV, you see I've highlighted it?---Yes, sir, yeah.

40 "I don't recall exactly whether it was 2800 or 3800 plus the 500 for the speakers on top." "So 3200, you have 3200 in cash lying around the home?" "Yeah." So you now, you say now it was 4400 you gave, is that right?---Well, I was just working off figures off the top of my head at the time.

I'm just asking. So you now say it was 4400?---It was around that yes, yeah. I don't remember the exact figure is what I'm saying to you.

CREARY

I see?---It was around that 4,000-odd mark.

So what you're saying is you may not have reimbursed the total cost of the TV, is that what you're saying?---No, I thought I reimbursed everything that was purchased, so, yeah.

THE COMMISSIONER: Sorry, I can't hear you, you're speaking too quickly?---Oh, sorry. I thought I reimbursed everything that it cost.

10 In one, on one payment?---In one payment, yes, sir.

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MR STRICKLAND: Then at the bottom of 339, "Do you often, do you keep large amounts of cash?" "I did have large amounts of cash at the time" and then you say you gave it, you got it from your father. You say, this is at line 8, "He had lots of money, he passed away in late, in 2006 but he" but he, it should be had "large amounts of cash that he had given me." The Assistant Commissioner, "What do you mean, he passed over large amounts of cash?" "He passed, he died." Question, "Yes, well I presume he didn't hand you cash after he died. You mean he left you money?" Answer, "He gave me \$50,000 before he passed away." "In cash?" "Yes. And then he left me large amounts of money when he did pass away." Do you see that? ---Yes, sir.

And what did you mean, I, I assume you didn't mean literally he left you large, he left you large amounts of money when he passed away meant what?---I mean that he had, I had money when he passed away, that's what I mean, from him.

But your evidence at line 12 was that what he'd actually given you before he died was \$50,000, not the \$,?---Where it's, like I said before he gave me money when my first daughter was born, he did give me some money earlier, I couldn't remember the sum but back then it was around, it must have been around 50,000 like I've said there.

But what you were intending to convey as I suggest in that answer is that you were given \$50,000 before he passed away and the remainder of it you acquired after his death?---No, well, it's not what I actually - - -

Well, that's what you, that's what you said there isn't it?---But it's not what I'm probably actually meaning. He, he gave me the money before he passed away, he told me where it was. Now part of the 50,000, I remember him giving money for the air conditioning, to put air conditioning in the house which we never actually ended up eventuating to do but he did give me lots of different moneys at different times so when I'm saying he's gave me \$50,000 before he passed away I mean like it could have been a year, six months before that, just over the recent knowledge at that time, when I gave this transcript, that I was, I just, off the top of my head just went oh, it was probably about \$50,000.

Now - your house was the subject of a search warrant wasn't it?---Yes, sir, yeah.

And at the time of the search warrant there was no cash there was there? ---No, there wasn't, no.

What had you done with the \$,?---I had bought a milk run.

10 THE COMMISSIONER: I beg your pardon?---I bought a milk run.

MR STRICKLAND: What, you paid for it in cash?---No, I got vendor finance on part of it and cash on the rest of it.

So you paid, what was the cash component of the purchase?---It was about ,

And who did you pay that cash to, what's, what's the name of the person you gave that cash to?---Pat, Pat Di Marco.

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Right. And what, did he have a business?---Yes, he did, yes, sir.

What was the name of the business that you purchased?---It was Di Marco Distribution, that was his business so it was a Dairy Farmers milk run.

And where does, where does he live?---Now he's in Tasmania.

Did you have any other source of cash apart from the money you say your father left you?---Well, I have sold numerous items before he passed away or after he passed away.

THE COMMISSIONER: What, belonging to him?---After he passed away belonging to him, yeah, like his car, his boat, he had, he had several boats, what else did he have, oh just, just numerous items.

Other than from his father - your, your father did you have any other source of income? Other than from your father or from your employment at AHS did you have any other source of cash?---Only the items that I sold myself, like my other bikes and cars, I got cash from those. I was selling some energy drinks, that was about it really from what I can recall.

MR STRICKLAND: Did you have any, did you have any other business legal or otherwise from which you derived income?---Actually I was buying in security equipment and things from overseas, like cameras and sport action cameras and things like that and selling them here.

Were you?---Yeah.

And apart from that do you have any business legal or otherwise from which you derived income?---No.

Are you sure about that?---Yes. As far as I'm aware, yes.

Wish to tender a bundle of documents. Commissioner, I wonder if this could be called, I know it's got Gosford Mental Health Unit on the front but it actually covers a little more than that, I wonder if it could be called Area Health Service documents-Mr Creary or Creary, I can't think off the top of my head of a - - -

THE COMMISSIONER: Well we've got Exhibits 145A and B. I think we should - should we not make - well whatever, all right. 193 is a bundle of, of - are these documents derived from Area Health Service?

MR STRICKLAND: That's correct.

THE COMMISSIONER: Of Area Health Service documents relating to Mr Creary.

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# #EXHIBIT 193 - BUNDLE OF AREA HEALTH SERVICE DOCUMENTS RELATING TO MR CREARY

MR STRICKLAND: Thank you. And, Commissioner, in, in relation to the three pages that I took this witness to could I tender those three pages. Pages 336 through to 339.

30 THE COMMISSIONER: Yes. Exhibit 194 will be pages 136 to 139 of Mr Creary's compulsory examination.

# #EXHIBIT 194 - PAGES 336-339 OF MR CREARY'S EVIDENCE GIVEN IN COMPULSORY EXAMINATION ON 20 DECEMBER 2011

MR STRICKLAND: Just a second, please.

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MR MAHER: Commissioner, I think you said 136, I think it's 336.

THE COMMISSIONER: I beg your pardon?

MR MAHER: I think you said 136 it's 336, Commissioner.

THE COMMISSIONER: 336 to 338. Thank you.

MR STRICKLAND: Now these - I hope - these are - I'm sorry, we both missed the exhibit number for the large bundle, I'm sorry.

THE COMMISSIONER: 194.

MR STRICKLAND: 194. 194 is divided into tabs. 193 is divided into tabs. So if I just ask you please to go to tab one. So tab 1 is pages 1 to 3 on the top right-hand corner. I'll just inquire, Commissioner, is that what you have in your bundle?

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THE COMMISSIONER: Yes.

MR STRICKLAND: Thank you.

THE COMMISSIONER: Yes.

MR STRICKLAND: Now, if you just, if you just go to page 3?---Yes.

There is an email from Sarah Macdonald. This is, she's described as the business manager for Capital Strategy and Works?---Yes.

I think you said you had some difficulty remembering who she was? ---Yeah.

But now being reminded is that correct?---Yeah, I said that I think she was from Capital Works, yes.

Yes. And she, this is the email on page 3 on 11 October, which is, "As per discussion the other day by phone with Sue, can you please confirm that the following commitments for Central Coast security infrastructure are accurate and there's nothing else you are aware of ." And then there are three figures and three different- - -?--Three different projects.

Different projects. And to your knowledge were, were Kings the contractor on all three of those projects?---Yes, they were.

And if you then go to page 2.

THE COMMISSIONER: Page 2.

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MR STRICKLAND: Page, did I say that, page 2, there's an email---

THE COMMISSIONER: Do you want to go to tab 2 or page 2?

MR STRICKLAND: Page, page, sorry, I'm all on tab 1 at the moment? ---Okay. Yeah.

THE COMMISSIONER: Right.

THE WITNESS: I'm with you, yeah.

MR STRICKLAND: There's this email chain and- --?---It's working back to front, is it, sorry, yeah.

That's right, it goes back to front?---Okay, yes.

On page 1 is the most recent and on page 3 is the oldest?---Yep.

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So on page 2 there is an email from you – this is about two-thirds of the way down the page – on 11 October at 11.36, "Hi Sarah." Do you see that? ---Yes, I do.

And you give an explanation and you answer her query on her early email that day. Do you see that?---Yes, I do, yes.

And then some weeks later – so at the top of page 2 – on 30 October at 4.02pm she says, "Cameron, I'm just doing the briefing papers now for Sue to sign off. Can you please advise did the 437 BP for Gosford get signed off? Are Kings the preferred supplier or did they win a tender for the works?" Do you see that?---Yes.

Now, that, that job, did that job – that job related to Gosford including Mandala and Kallaroo, was that in relation to a car park?---No, it was in relation to the access control cutover, like what happened at Wyong.

Okay. In the hospital?---Yes, the main hospital, yes.

30 Okay. Kallaroo and Mandala are just external buildings off that site in the same street.

And then if you, in response to that email you wrote on – this is now on page 1 – you wrote, "The Gosford project BP" – that's the briefing paper? –--Yes.

"Was signed off by Sue then I received an email from her stating that it was approved to proceed and for me to order all the equipment in before 30 June. Do you see that?---Yes, I do, yes.

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"Kings and Sielox were asked to provide quotations based on the scope of works and site walk around. Kings were cheaper than Sielox and met all requirements"?---Yes.

And that's your response to her question about Gosford. Correct?---That's correct, yes.

So do I take it then that there was not a tender for the works- - -?---No.

- - -in relation to that project?---No, there was no tender.

Right. And did you, did you ever understand that there was required to be a tender for the works, given that the value of the project was \$437,000? ---No, sir, 'cause I was, I was requested to by the director of that Capital Works division at the time so it's my understanding they know all the legalities and the requirements around tendering and quotations and so forth.

But you were the project officer for that Gosford project, were you? ---Ah, well, yes, you could say that. I know the system so I knew was involved.

You – sorry for interrupting?---Sorry. I know the system, I know what was involved with the project, yes.

And did you recommend that Kings get the job because their quote was cheaper?---I gave both quotes to them and I just mentioned to Sarah, 'cause it was some three months later I think, that, just remind her that Kings were cheaper, that's why they got it, but both quotes were submitted to Capital Works at the time.

And submitted to who?---Sue Stubbs.

I see. And was there any – did anyone say to you, you needed to get a third quote?---No, sir, no. I think somewhere in her email here it says here, "Tender is required for over 150K, were they both preferred suppliers therefore we didn't need to go to tender."

- 30 I understand that - -?---So - -
  - --- but that's, that's different. Going to tender is different from getting do you understand there's a difference between going to tender and having a competitive bidding process?---Yes. Well we got two, two people on board to, to bid for that job so.

But you didn't understand that you should get a third one?---I wasn't told I had to get a third one, no.

Okay. Were you every told that you needed to get three quotes for jobs over a certain value?---No.

Have you heard - were you here when there was evidence about the Gosford car park?---No, I was only here on the first day.

Were you - are you familiar with the Gosford car park job in 2010?---I was aware of it but I was not involved with it.

Okay, okay. Being aware of it did you know three quotes were obtained for that job?---No, I wasn't. I'm sure I would have been in some email chain but as the, the project had nothing to do with me it would have just gone straight into a folder in our email system.

Now in response to your email - I'm now back on tab 1 page 1 - - -?---Yeah.

- - - you were asked - Sarah McDonald writes you, "Cameron, thanks. Do you have email from Sue and do you have quotes from Sielox re tenders required over 150K were they both preferred suppliers therefore we didn't have to go to tender? Trying to write the BPs and get all the facts in." And then you reply to her, "I'm off work today however back at my office on Thursday, so I can look for the Sielox quote there. They were more expensive and didn't meet all the requirements. Kings and Sielox are both preferred suppliers. I will search the emails relating to the approval. However I think they were via phone." Well does that mean that you approved - who - when you say they were via phone what did you mean by that?---The approval like to go ahead and proceed with the works was via phone so - - -

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From Sue to you?---From Sue to me it probably would have been done by phone or email but from me to the, the winning supplier I'm just saying there that it may have been by phone that I gave the approval to proceed.

I see. So I beg your pardon. So via phone was - you didn't put in writing to the, to the winning tenderer which was Kings, correct?---Well I may have, I don't recall but if it says there I may have done it via phone that may have been the case.

30 Well it says I think they were via phone?---That's right, and it may have been the case. Not like I did with Wyong where I wrote an email to Charlie saying you know you're successful, I may have done that, it's something I would normally but it may have been by phone it's not saying - I'm not discounting that.

So do you ever recall finding the email for the quote from Sielox?---I don't recall, no.

Was there an - was there a quote from Sielox?---Yes, there was.

40

A written quote?---Yes, there was, yeah.

Why wouldn't you for a contract of this value why wouldn't you put in writing to the winning tenderer that they had won the quote or they had won the job?---I'm saying I might have, I don't know, I don't recall.

CREARY

(STRICKLAND)

But you, you put here - you haven't said I might have you said I think they were via phone, that's all you put?---yeah, well, that's what I put at the time so.

Yeah. Well why wouldn't you put it in writing?---I may have, that's what I'm saying I may have I don't know. That's what I'm saying I'll go back and look through my email and see but however it may have been by phone.

I see?---That's what I saying I will search for the emails relating to the approval, however I think they were by phone. So I don't know if it's the approval to Kings or whether it was Sue's approval to me. I, I'm not sure which way it was.

Do you agree that as at this stage October 2007 there was very little documentation relating to the awarding of contracts to Kings?---I wouldn't agree or disagree, I don't know, 'cause I don't have those records in front of me to, to dispute or - - -

Well, I'm asking from your memory back at your practice, back in 2007?

---Yeah. I, I don't recall. If you look at my email, I've got 30 odd thousand emails in there so I do keep a lot of records so - - -

But this was a pretty important - - -?---If it's coming, if it's coming from myself then there would have been a lot email trace with any project I work on.

437,000 was, was a pretty significant job wasn't it?---As it seems so, yes, yeah, of course.

Just go to tab 2 which is page - on page 4?---Tab 2, yes.

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8 April 2008 you have asked Eric Kuiper and Robert Huskic to send - to ensure that they forward you scope of works, sorry. "If you need to see quotations can you please forward your scope of works - I'm sorry. If you need to see quotations from any of our security installers can you please forward your scope of works including hardware that is required to me. I will then send out for quotations and assess these when they return." And do you remember why you sent that email?---Yes, I do, yeah.

Yeah, and why is that?---Because there was works being done by the project officers that I was trying to get a standard specification within the Area Health Service so there was things being recommended that didn't really fit that specification and there was works going on that I wasn't aware of so when I was getting asked about them I had no answer and I didn't like going there without an answer so I asked for it to be channelled through me because it, being their supervisor but in actual fact it never really happened so to this, well, until Christmas it still followed that we'd, I'd know about some projects but not all. So what I did was I set up a folder in my email

for every project and they would just drop their emails in that so all three of us were across a lot of projects.

And you asked them as they reported to you to ensure that the quotes from the security installers were sent directly to you?---That's correct, yeah.

Because that was your job, wasn't it, to organise quotes and manage the quotations as part of your job to get the security into the hospitals or the car parks et cetera?---No, not exactly. The idea of getting the quotes was so that I could see the, what's been quoted on is the correct information as to what is required for the job. Some jobs I, again, I had variations on the end of projects so I wanted to see the scopes before they went out to make sure it was in detail, make sure that everything was there and that whatever quotes came back in matched the works that we were asking for them to be quoted on so it was more to control that any works that we were requesting to be done met our specification and didn't include variations towards the ends of the projects.

I want to suggest that you also had a role in recommending which contractor should get the job didn't you?---Not exactly. If - - -

What do you mean by not exactly?---If there was a site that was under warranty then if we were asked by Capital Works or anything like that, we went to get some works done there, who was the preferred contractor I would tell them that this area is under warranty by Kings, therefore you need to get a quote from Kings. But they've always been told that there is two preferred suppliers. However, is their decision, if they want to use another company and they go in and void the warranty then I can't accept that.

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But are you saying you only made that, are you, are you, is your evidence yes, I did make recommendations for Kings but only if it was a particular set of works under warranty from Kings, is that your evidence?---It may have been Kings, it may have been Sielox, if there was a particular - - -

Well, you're saying you only made a recommendation if it was a warranty issue, is that what you're saying?---If the building or that area was under warranty and I knew that it was connecting to that same system then generally I would say yes, that, that Kings have that site under warranty.

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That's not an answer to my question. Do you want to listen to it?---Yeah.

Are you saying you only made a recommendation as to one contractor or another if the site was under warranty from that contractor?---Generally, yes.

Now, if you go now to tab 3, I'll just take you to page 7 and this, where there's a reference to a project name being the Gosford Mental Health Unit

and plaza car park and access work project and there is an email, this is at the bottom of page 6, from Fiona O'Donnell, Blue Vision Management. Do you know who she was?---Vaguely.

Okay. And - - -?---This, this was a Capital Works project.

I understand. And then if you go to page 6 there's an email about two-thirds of the way down the page, 6 May, 2008, 3.59 to a number of people including you, you see that?---Yes.

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Now, at the top of page 6 - - -?---Oh, page 6, sorry.

I'm at page 6?---Yes.

There's another email from Fiona O'Donnell of 6 May, 2008, "Apologies, Cameron, I just ordered the grid to add some additional names" and then if you go to page 5 there's an email from you to Brett who is Brett Brown, is that correct?---Sorry, what was that?

20 Top of page 5?---Oh, yes, yes, yes.

And who is Brett Brown?---He was the security manager at Gosford at the time.

Okay. But working for AHS?---Oh, yes, yes.

He was employed by AHS?---He was, yes, yeah.

And you said, you say, "Are you able to attend the meeting tomorrow,

Gosford Capital Works meeting." And that refers to these previous emails I just showed you to. "I'm in Sydney tomorrow and won't be able to make the meeting at this stage." Then you see, "The only concerns I have at this stage are" – and I just want to take you to number 2 – "King Security Group should be the security contractors on this project"?---Yes.

"I've been advised that the other security companies have been asked to quote on this work, however they are not our authorised installer"?---That's correct.

40 "Kings are our only authorised installer to work at Gosford." Do you see that?---That's correct, yes.

So does that mean that in relation to this project the Gosford Mental Health Unit and Plaza car park, there was only one contractor who could get the job because they were the only contractor who was authorised, an authorised installer. Is that right?---Ah, not correct. This is actually referring to the Concept side of the project, not the Honeywell side, so this project was actually done in stages so they did a car park area first, re-routed a patient

drop-off area and redesigned it so this part of the project's actually concerning that part where they've got to cut a cable 'cause they're doing road works so they had to take a building offline which was on the old Concept with all the alarms going through to it, so this part of the project was done by Kings, they were the only installer up there for Concept at that time.

I missed the last 10 words. What was that? They were the only---?--The were the only contractor doing Concept work for us at Gosford at that, or at the central coast or that time.

Concept work?---That's correct, yeah.

Sorry, just describe, Concept work I, what's Concept work?---The Inner Range Concept system.

I see?---Yep.

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That's, that's the, it's a software program, is it?---No, it's hardware as well, it's, it's all your alarms, all your duress alarms, intruder, some nurse call systems come through on it and things like that. It used to be also the access control system that was at Gosford.

Now, if you cold then go please to tab 5 and the email that I've just referred you to is contained at – I'm sorry, I beg your pardon – the same email but addressed to a different person is sent to Tracey Clifford. Do you see that? If you look at page 11?---Oh, sorry, I'm on 10.

I beg your pardon, page 11 and over to 12, on the same day as you've written to Brett Brown you also wrote, write to Tracey Clifford with, with the same message?---Yes.

Do you see that?---Ah, this is at the top of the page, is it, or---

Page 11 and go over to page 12, bottom of page 11?---Okay. Oh, sorry, bottom. Yes, that's correct.

And in response to that email, Tracey Clifford, and she's the Capital Works, she was the Capital Works manager, is that right?---Yeah, it says there that's her title, yes.

And at the, she then says at the middle of that page, "The spec that was used for stage 2", this is her email to you, "Is what has previously been provided by security et cetera." It's the next line I want to ask you about. "When did Kings become the only preferred contractor on CC" – that's Central Coast, is that right?---That's correct, yeah.

"And was CS&W, that's Capital Works- --?---Capital Strategy and Works.

--- Capital Strategy and Works, "Notified?" Do you see that?---Yes, I do, yes.

"Capital Strategy and Works currently have multiple projects on CC and it will be very disappointing if the project directors are not aware of this. I will advise them accordingly." So that was the case, wasn't it, that as at that time, mid 2008, Kings was the only preferred contractor on the central coast?---No, at that time I think we had Perkins Security as the only contractor at that time---

THE COMMISSIONER: Sorry, you had who?---Perkins Security. They were then, they wouldn't complete jobs and or they would start a job and not finish it and there was a, there was a dispute about money owing to them and things like that so they refused to work onsite, so we were left in a position to get another company in to carry on the Concept work for that site and Kings was that people.

MR STRICKLAND: And indeed, if you turn over the page to page 10 you write to Tracey, you reply to Tracey Clifford's email on 25 May, 2008 describing, as you've just said, Perkins had been terminated and you give the reason for that and you say a letter's been drafted, you said, "I've raised this at many PCG meetings in the past." What's PCG meetings?---I'm not sure exactly what the terminology means, I think it's like some meeting they have at the, where they're having any start up workshops or the start of projects or something like that, I'm just not sure of the actual, what PCG actually stands for.

You say, "I was also asked at this meeting who is the preferred contractors these works and I am informed that Kings were due to them already doing all the Concept and Pro-Watch work at Wyong and Gosford and they're reliable. We are in the process of investigating other security companies for the Central Coast, however, nothing has been finalised yet?---Yes.

And was that true, that you were investigating other security companies for the Central Coast?---Yes, it was, yes.

And did you obtain, were there any found?---There was Allpoint Security who were doing our static guard and guard work, they also had a very small group of technicians, I can't remember exactly how many, I think there was only like one or two and they weren't really able to support our requirements for the coast. However, I don't think, I don't think a lot progressed from there. When we had Kings doing the work they were a very qualified company to do it.

Well, what I want to suggest is at this time, 2007/2008, Kings were being awarded all the significant contracts for Central Coast hospitals, do you

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agree with that?---No, I wouldn't agree with that. Oh, sorry, for Central Coast, yes, I would agree with that, yes.

All right. If you go please to tab 6 you will see attached to that is, at page 19 is a Gosford Hospital Mental Health Unit electrical services performance specification. Are you familiar with that document?---I don't believe we actually received a copy, we're, we're always asking for copies of tenders before they go out but we very rarely see them.

10 What I'd like you to do is just turn to page 53?---Of the tender.

Of that, yeah, sorry, which is - of the tender, sorry. I withdraw that. Turn to page 72 on the top right-hand corner which is page 53 of the specification. Do you understand?---I'm not sure if I'm at the right one.

THE COMMISSIONER: Just look at the top right-hand corner?---Yeah, I've got 53 but - - -

MR STRICKLAND: Sorry, just forget 53, go to the top right-hand corner, 20 72?---Oh, 72, sorry, okay. Oh, yes.

And can you see 9.1.1 is nominated contractor?---Yes.

Northern Central Sydney Central Coast Health has a running contract with a specialist security services contractor to provide comprehensive installation and maintenance and security access control across all sites and that's nominated at Kings?---Yes, that says it there, yes.

And did you, well, you were aware weren't you that they were the 30 nominated contractor, is that right?---I'm not sure if I was aware at this particular point in time, no.

Right?---We, we always specified that its Kings or Sielox for any capital works projects, it doesn't matter was it is.

Well, this particular nominated contractor was Kings?---This is MJH tender documents so it's not something that was actually written by us.

No, I'm not suggesting it is but they - - -?---I think it's prepared - - -

I accept it wasn't written by you but they certainly wouldn't have included it unless they had been told by someone at AHS would they?---They could have been told by someone at AHS, that's correct.

They must have been told by some source at AHS to put this in their specification, do you agree with that?---I agree with that, yes.

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Okay. And the Gosford Hospital Mental Health Unit was a, that was a significant job wasn't it?---Oh, yeah, a huge job, yes.

In 2008?---That was the first stage of the works was in 2008. The building I don't think got done until 2010 possibly.

Yeah, yeah?---So the first part was relocating a road and car park and things like that, the front entrance to the hospital.

10 Now if you just go to page 17 of that email. The, the bottom email - - -? ---Of the email?

Sorry, page 17?---On what tab?

Still on tab 6. There's an email from Charlie Diekman to Peter Roche. Have you got that, bottom of the page?---Sorry, yes, I do, yes, yeah.

"Cameron is getting plenty of question fired at him", and then it says page 53 which is the page I've just referred you to?---Yeah.

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Do you understand that?---Yes.

Page 53 is pages (not transcribable) specs. "Here's handling them well so far, he reckons the Department of Commerce are scared of him", and then over the page, I mean it's a little bit - there's a reference to 400K job. "Jo from Sielox is barking." Do you see that?---Yes, I do, yeah.

And you knew - who, who was the person who was responsible - who was the principal at Sielox?---I'm not sure who the principal is, I think it's George Christoforou or something.

Okay. Now do you know how it was that Mr Diekman knew that you were getting plenty of questions fired at you in relation to the page 53 of the specifications?---No, no idea. He may have called me and discussed the project with me if he's the only person on the tender document he would have been the person to receive that tender.

Were you questions asked of you about how it was that Kings were the nominated contractor?---No, I don't recall (not transcribable) getting questions about it, no.

What role - what was the reference in that email to he, presumably being Cameron recommends Department of Commerce are scared of him?---Yeah, I don't understand that myself.

So you say that no-one was asking you about Kings being the nominated contactor?---As far as I'm aware I, I don't recall anything like that, no. For us with that particular project I know that we specified Kings and Sielox for the main building but if there's - this tender went out in, in one's - like it encompassed several stages, so I, I think they've put Kings in there meaning when we said Kings are our preferred contractor for the stage one works they've included that for stage 2 or how many stages 3 for the whole project.

What that - what this email is suggesting is that someone from AHS is giving Kings or giving Charlie Diekman inside information about the fact that there was some heat being put on you because Kings was the nominated contactor. That's what it suggests doesn't it?---It looks like that, yeah. I don't recall ever being asked about it. It may have been when we found out there was only Kings on it and we may have questioned why. I, I just don't recall any conversations around that.

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Did you have discussions with Mr Diekman about the fact that you promoting Kings as the preferred, as the preferred contractor, the nominated contractor?---For which project?

For, for significant projects in the Central Coast?---Not really. I guess I had discussions with both Kings and Sielox saying they were - they both know they're our preferred contractors.

Well you've just said a moment ago that in, in this period Kings was the only contractor getting significant works in the Central Coast?---Well you put that to me and I said I agree that they were 'cause they - obviously they've won most of the contracts for that area.

And my question was have you had - did you have any discussions with Mr Diekman about the fact that you were promoting Kings as being the, the preferred or nominated contractor for significant works in the Central Coast?---I don't recall having those conversations to that effect, no.

Well it's highly likely you did isn't it?---No, I disagree with that.

Well you, you were having conversations with him on a daily or on a regular basis weren't you at this time?---Sometimes it was daily, yes. I would also have the same conversations with Sielox, I'd speak to them quite regularly as well.

40 You see it was in July 2008 that you were provided a car by Kings wasn't it?---I purchased a car from Kings in 2008, yes.

I know you say you purchased it but you were, you acquired a car from them didn't you?---Yes, I've got to say again, I purchased a car from them in 2008.

Did you ever disclose to anyone at AHS that you had purchased a car from Kings?---Not that I recall.

CREARY

(STRICKLAND)

Any reason you did not do so?---No, it was, I sort of thought it beared no relevance on that at all.

I beg your pardon?---I thought it beared nothing on any relevance to them at all as a private matter I bought a car through that company.

Did you ever disclose to anyone at AHS that you had purchased a TV?---No, not that I can recall.

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And why didn't you do that?---Same reason.

Well, you got a benefit didn't you from purchasing a TV from Kings?---No, I didn't see it as being a benefit.

Well, you got a discount because on your own evidence you got a reduced price because Kings, Mr Diekman bought in bulk?---Oh - - -

It's in your own evidence isn't it?---Yeah, I'm saying that he, he was told me at the same time, if he bought the TV at the same time then it was actually cheaper than what I had been quoted but I hadn't told him that.

Well, you got a, did you or did you not get a benefit from Kings in relation to the TV?---I wouldn't look at it as a benefit no.

So you don't look at a reduced price as a benefit, is that right?---My understanding of it then, I probably, I would have said no.

I beg your pardon?---My understanding of it back then I would have no, I didn't see it as a benefit. I certainly wasn't benefiting them.

I suggest that your evidence you've given is a lie Mr Creary?---You can suggest what you like, it's not true.

I suggest that you know perfectly well that you received a benefit from Kings even on your own version it was \$500 or so reduction in price? ---Yeah, I said that was probably the cheapest price I got at the time, yes.

And you knew perfectly well, and you know perfectly well now that is a benefit to you, don't you?---Um, like I said, I still dont' see it as being a benefit, everyone shops around for a better price.

And you refused to acknowledge it's a benefit because if you do so you understand that you were obliged to disclose that to your employer that's why you refused to acknowledge it, don't you?---No, I'm not refusing to acknowledge it, no.

So how was it that you came to purchase a car from Kings?---Yeah. I was talking to the technician driving the car at the time he told me he was getting a new car, I asked him what they do with the old cars, he said well they just sell them, they sell them to their staff, they sell them onto other people and I said well, you know what's this car like 'cause I was looking at a Commodore wagon it was - this car was four years old coming out of lease, he just told me to speak to Charlie, so I spoke to Charlie just asked him what is happening with the, the cars that are coming out of lease, I said I'm looking at a station wagon, he said look I've got three or four coming out lease, I said what do you do with them he told me about a wholesaler coming around, they - I think the wholesaler come around and they just buy the cars in one hit or he offers them to staff or whoever else wants them.

And how much did you pay him?---It was about 7000, six and a half, 7000.

And how did you pay him?---Cash as I said that earlier today.

And, and, and what was the source of the cash?---Money I had at home.

And where did you pay him?---I think I went to his house from memory, I don't exactly recall whether it was my home or at the office.

Had you negotiated the price before you went to his house?---We, we did. I picked the car up. There was discussions around the other two or three coming up for lease. I was having car troubles at the time with my other car and hence why I was looking at buying another car. He asked me, come around, pick this one up, see if you like it, get it checked out, make sure you're happy with it, I've got the other two or three coming up in a little while so I did. I went and picked the car up and got it checked out and I asked him if he'd heard back on the other cars and the prices and I think I may even have the emails on that.

You've got emails on that do you?---I may have, I may have had an email on it where I've asked him to come back to me with what's happening with the other cars or, or a price on this one if he's been given everything. I (not transcribable) a ballpark, he told me it was around 6,000, the car itself.

Sorry, my question is did you, before you went to his house and you agreed on a price?---Yes, we did that, yeah.

And do you say you have emails supporting that?---I believe, well, my recollection was that I think that I may have received an email on it where I've asked him about the other cars.

And do you have that email?---I don't have access to my emails.

Have you looked for the email?---I don't have access to them.

I see, that was in your AHS - - -?--That was, yes, sir, yeah.

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I see. I want to suggest to you that you were given that car by Kings?---No, I wasn't, no.

And you were given that car in return for assistance or favours you had provided Kings in getting them significant Capital Work jobs in the Area Health Service?---No, that's incorrect.

I'm just – I'm just going to turn to tab 11, please. Just excuse me. I'm sorry, I've got the wrong number, I beg your pardon, tab 9 I'm sorry. Page 171 at the bottom of the page, an email from Wayne Burgess to Michael Bolshield, copy Amanda Anderson, subject, GMHU Kings Security contact details. "Michael, there's a lot of correspondence and discussions taking place, my issue"- - -

THE COMMISSIONER: It's page 172.

MR STRICKLAND: 172. Are you on that?---No, I wasn't, no.

The email at the bottom of 171 from Burgess, 13 May, 2010, "Michael, there's a lot of correspondence and discussion taking place like we may issue legal letter relating to the issue of Statutory Declarations, security of payment et cetera. The most important point is the completion of the project. Before HI take the legal route I would like to have by midday tomorrow all necessary codes, authorisations et cetera as may be necessary for the hospital to have total control of access and security systems. If this is not available by midday please have a number of companies including Kings attend a meeting onsite so that all parties can express their opinion and issues can resolve." Do you see that?---Yes, I do, yes.

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If you then go to page 171, at 50 minutes later on 13 May at 15.13, I'm sorry, not – a couple of hours later, three hours later you send, you send an email to Charlie Diekman, "Hi Charlie, FYI, please do not distribute to anybody, it is to be strictly confidential between us. This was sent today however I think that you may have had conversations with Wayne after this email was sent. Once I receive, once I receive your email saying that all is okay I will forward on to Capital Works and Mental Health, sorry, and Mental Health Executive." So why were you, why were you sending to Mr Diekman, why would you forward on to Mr Diekman the email chain that is referred to at 171 and 172?---Because he wasn't being paid for something and he was withholding the licences. He wasn't getting paid from Access Electrical I believe, from my recollection of the events.

You're speaking too quickly again. So Kings was not being paid by whom? ---Access Electrical, it was all Capital Works, through Capital Works, and Kings were engaged through the electrical contractor.

Yes?---The electrical contractor was refusing to pay payments saying that they weren't being paid in turn themselves, so Kings were worried about not getting paid and the withheld the licences for the access control systems so

Who withheld the licences?---Kings, well, I think it was they couldn't pass the money, sorry, they couldn't pay Honeywell for the licence.

They being Kings?---Kings couldn't pay Honeywell for the licences if they 10 hadn't received payment themselves, so it was delaying the project and there was a big issue about it so it came through to us saying that we can't release these codes or the licences until we've been paid. So we were all trying to facilitate how we can resolve the issue with Access getting paid and Access in turn paying Kings and then Honeywell.

Well, so you say there was no, there was no problem in sending, forwarding that email to Mr Diekman?---No, no.

Well, why would you then say, "Please do not distribute to anybody, it's 20 strictly, it is to be strictly confidential between us"? Why would you write that?---I don't recall at the time but I presume I just didn't want people from Access knowing or anything like that, that you know, what was happening, the process in the background.

Well - or you didn't want anyone from - any of your employers at AHS or any of your managers at AHS to know that you were forwarding internal AHS emails to a contractor?---Well, it doesn't say that I can't so I had no problem with doing it, I just probably said to them that it's, keep this between yourself, between ourselves.

30 Strictly confidential between us?---Yeah.

> And you wrote that, I suggest, because you did not want, you certainly didn't copy anyone else from within AHS into that email, did you?---No, I didn't know.

> And did you tell anyone at AHS that you were going to send, forward that email to Mr Diekman?---I don't think I would have, no.

40 No. And what business of it was yours to forward, if, if a relevant manager at AHS wanted to send Mr Diekman information about that contractual dispute what business of it was yours to email that?---Well, what business to say it's not mine, like I'm, I'm part of the project, I deal with that company and I forwarded it on trying to resolve an issue that was going on so it was delaying a project from opening so I thought well, I'll get involved, I'll try and get in there and see if we can get this issue resolved so I took it on myself to send that to him, to let him know there is things happening in the background that hopefully will resolve these issues.

Is that a convenient time?

THE COMMISSIONER: The Commission will adjourn till  $2.00 \mathrm{pm}$ .

LUNCHEON ADJOURNMENT

[1.00pm]