

HAROLD JOHN STANDFIELD, [REDACTED], Contractor, sworn and examined:

CHAIRMAN: Have you received a summons under my hand to attend this meeting of the Committee?— A. Yes.

Q. Is there an opening statement, or have you any documents you would like to place before the Committee?— A. No. You put me in a bit of a spot to go in after Pat Knight. The thing I want you to understand is that I think I was the villain in the woodpile. This whole investigation originates around me. It originates from two very dishonest letters that were sent to the Commission on the financial management of the Kyogle Shire. Then those letters were made public in Sydney and Kyogle. On receiving them I immediately took legal action against Brown and Davis. That legal action was in full swing when I got word that the Kyogle shire in their wisdom had sent those two letters to the ICAC. It appears to me that the ICAC acted on those two letters, because that is all they have ever questioned me on — that is, those two letters. The figures that are in those two letters, which were that far wrong it is not funny, are what they published and printed about me in this little book, and also in this book.

Q. That is the magazine that Mr Knight referred to?— A. Yes.

Q. I do not know how someone made those figures up — whether Sandra Davis is totally incapable of adding up figures, and totally out of touch with the world. What it has cost me to learn the lesson and prove those figures wrong is a bit unreal, but I am under a difficulty today. My solicitor is not really happy for me even to talk to you. He seems to think this might be another racket to get me into more trouble. He is honest about it.

Q. There is no compulsion for you to give evidence?— A. I have told him that I would like to give evidence. If you like to read those tape records and so forth you will know that I cannot go any lower. I am at the bottom, so why worry?

Q. You mentioned you had legal proceedings on foot, against a couple of councillors? Is that the situation?— A. No, Brown the contractor. Councillor Davies is the councillor who wrote the letters. They are in the filing cabinet. I think that was what Collins was referring to, when he said he would not go back. The thing that rocked me in all this inquiry is that he never called councillor Davies to the box. I think if councillor Davies had been called she would have had to lie her head off to stay in the witness box. I do not know how many miles I have travelled and how much money I have spent, when in a matter of two days I was able to prove that both letters were completely wrong. If you see my handwriting, with my education, once I write something no-one else can.

Q. As I said, we cannot reconsider the findings or determinations, but simply see whether the practices and procedures of ICAC can be improved. You heard the evidence of Mr Knight earlier. Is there anything you want to add to that?— A. His evidence was a hard act to follow.

Mr MUTCH: Have you any legal action at all pending in relation to these hearings in any form or fashion? Have you or your solicitor issued any proceedings

against another person?— A. It all depends whether I have money to continue it. This editor here asked me nicely not to proceed against him. I went to Brisbane to look at another thing, and when I walked up to the receptionist she said 'Who do you want to see?' and I said 'Mr So and so'. She said, 'I don't think he wants to see you any more'. I said 'What has happened to me? He had better see me'. She said, 'I will ask him'. So when I walked in he handed me this book. He said 'I don't want to talk to you'. I had not seen the book. When I read it through I said 'How do you know it's me?' He said 'I know you were caught down there'. So I came straight home and I rang this editor and he told me straight out that he was given it by ICAC to print but in his wisdom he said 'I have taken all your names out of it: I thought it was a terrible criminal thing to say about anyone'. This is an Australian magazine and this was Australia-wide. So he admitted that he took my name and the shire's name out of it. I said, 'Where did you get the letters?' He said ICAC and me mucked around with it and we got those'. I said 'At least you could have got the right machines to put in'. That is a 762A. It says here that I bought a new machine. I have over the years bought two or three new machines, but that machine came from Warwick Shire and it was eight years old. I have, I suppose, over the time, bought five or six hundred machines. I do not know what this little article will cost me: people do not want to talk to me, because they still think, and Mr Collins still says, that I am guilty.

Q. I saw the recommendation?— A. I have not been cleared of those.

Q. They are still outstanding?— A. The other thing I want to make sure, if you will really understand, I have not spoken to Pat Knight, only asking to be sure and come forward, because I have been pestering David to get you gentlemen up here. What Pat says is exactly what I wrote down last night. The only thing is I am sure I could answer a lot of questions that Pat Knight cannot, or did not today properly, because after 45 years of experience in the field I know exactly what happens on the job. Pat Knight was caught with his pants down because he is in the office and we go out on the job. We have a foreman and an overseer and all these blokes, and if there is something wrong we usually solve it ourselves. If it gets really serious and there is going to be a lot of money involved, we will then ask Pat Knight to come and have a look. I have worked on shires from Newcastle to Drayton, west to St George, Glen Innes, and Inverell: I have worked on a lot of shires and I have never struck a shire that is run as hard as this one. I wish you would get down to using the word 'plant hire'. There is such a difference between plant hire and plant tender that it is not funny. When you call a tender you are buying and you are in trouble, but when you want plant hire, I suppose every second week I have filled in a plant hire form. It is only a hire. I was involved in the railway one here. They ask you for plant hire and you give them a price. There is nothing binding in it. He rings and if I am in a bad mood and think 'I don't want to work for you', I just say 'I am busy'. There is nothing illegal about putting in a thousand plant hire quotes on any machines you want. This is what Mr Collins could not seem to understand. I am an ordinary contractor and I do tenders. In my time, as far as I know, there have been three actual quotes for plant and gravel haulage ever called by Kyogle shire, and I have won the three of them. That may be a coincidence or

it may be I am going broke, but if you win a quote you are no hero. You are probably the most worried bloke in town because of the fact that once you win it you have to do it. This is what the whole thing revolves around. You cannot have someone like Collins coming around. He questioned Phil Thew the shire clerk for some six or seven hours about how a job operates, about how the job at Wiangaree was done. Phil Thew had never seen the original little docket that starts the whole thing off when you go off on a plant hire, the pay slips you get, and so on.

CHAIRMAN: We cannot re-hear the issues?— **A.** I definitely think that this ICAC was a really good idea, but you certainly cannot give it to people who are not nice people to run it. It is hard to believe. Do you know what an elevator scraper is or an open bowl scraper? Do you know what a twin power is?

Mr MUTCH: The point you are making is that the people presiding should at least have expertise available to them?— **A.** At least people who have been on the job. I do not think that at any time you can have a barrister coming from the city and riding over the top of you. I think we had 14 days of this drivel going on before he called me. I have still never been excused from being called. I feel like a deserter. When complaints are put in, pretty bad complaints, by people like Sandra Davis, Mat Brown, Noel Piggott, and Berwen Smith, ICAC should spend a few hours investigating these complaints and letters. I am sure they would find that these people are very dishonest people, which has been proven. I have spent a lot of money but I have proved that everything they have said is absolutely wrong. If you read Mr Collins's book, if you can read between the lines, of all the things I have been accused of I have been acquitted, bar the two that are at the back. This could have saved thousands and thousands of dollars. I would say that the shire has done half a million on it, and is still doing money on it, because it is a stupid thing. The other one, I had to go to court and I went, and he kept me for some 14 days. I could not leave. I asked a couple of times if I could leave, and he said 'You cannot leave'. I have not sent in an expense sheet yet, and I am still wondering what he will offer me for those 14 days of hell, listening to your name going down the drain, and reading it in the paper in the morning was not nice. In all fairness to anyone, there should not be any publication of personal papers or financial statements or anything of that kind, until you are proved guilty. None of that should come out in the public until you are proved guilty or they have a charge on you. As I have told a few people, Hitler if he found you were a Jew put you in the gas chamber, and that finished it. This has not been finished. It is going on and on and on and I am still suffering for it.

Q. Can I ask you about the recommendation here, that consideration be given to charging you with offences under the ICAC legislation. It is eight months since this report was published in February 1992. Have you received any indication as to what might now happen?— **A.** We are desperately trying to force that one way or the other. We have been for months. I am sick of it. There is definite proof there on the whole thing. We hope he would charge me.

Q. So you have written letters to the ICAC asking to know your position, or your solicitor has written?— **A.** The legal man. That is the bit he is upset about.

Q. What is their response?— A. The last he told me was that ICAC still has had nothing to say. They had to put in a submission, which they have not done yet.

Q. You are still being kept in suspense?— A. They will not even send me —. You see these pay slips, daily docketts, you fill them in. Your operator and overseer sign them. Those forms are where all the stupidity came from.

Q. Were you saying that documents had not been returned from ICAC?— A. I had to pay to have the shire reproduce these. I gave them all these so that they would understand. On the heading it shows what machine, and it has the job numbers on it. This ICAC, Sandra Davies and them, did not have enough sense to look there and take off the other machines. I have more than one machine.

CHAIRMAN: I think Mr Mutch asked you whether as far as you know you have not been charged as yet?— A. No, I have not.

Q. Have you a document there?— A. No, this is what I wrote down to remind myself. Everything I have here, Pat raised. He got all the wickets.

Mr GAUDRY: You turned somewhat on the difference between plant hire and tender. You might explain that?— A. Page 10, quotation was received on Friday for an open-bowl scraper, approximately 15 metres. If you wanted to put that hire in, and you read down a little further, you had to get what the job was for. That to the average contractor meant nothing. There is no saying where that job was. The only way I could find out anything was to go the shire, and first up I went to Harry Grayson. Harry and I disagreed on it, because what I was looking at, when you talk about a 14 metre scraper, you are talking of a 200 or 300 horsepower tractor, and I know there is not one around. So when I pointed that out to Harry, when he started telling me the specs, he asked me if I would tell Pat Knight. I told him, and in the finish Pat said more or less, 'Well, put in what you think'. Every other one put in small plant, and there are a couple of big ones. How did they all find out they did not do the same as I did? Mr Collins wanted to make out that I had inside information. I did the same as anyone else did, and put in quotes for it.

Q. The difference between hire and tender?— A. Yes. The tender is only a quote. It is not a tender.

The Hon. J. BURNSWOODS: It is not subject to the legal requirements of a tender?— A. It is subject to nothing.

Q. They go into a box and the box will be opened under supervision?— A. Yes. The quote was put in properly.

Q. You lost the bid? Was the bid crucial?— A. I could have dropped out of that next morning, as soon as I received that letter to say that I had it, I could have said 'Look, go and get someone else. I have heard your job is no good or you are not paying, or something'. I possibly should have dropped out of it, because the weather was too wet. It was a shocking time to start the job. I think we would start the job on the 14th or the 15th, the day of the meeting. When you went to see Harry, that was part of the job. We had to start

immediately and had to have the machine on in five days from the acceptance, to start.

The Hon. S. MUTCH: That is a tremendously rapid start time? Had that to do with the fact of spending that money quickly?— **A.** You should ask Pat that. My greatest time in life is the last three or four months for government contracts, because we know they have to spend the money and we usually put ourselves up 10 or 20 per cent. We know they have to use us. It is too stupid. I have been on a lot of forestry jobs where they come and ask us to spend the money. Naturally when someone comes and asks us nicely we put the money up. We are always friendly with the engineers.

Q. If we go off that for a moment to the actual way in which you were contacted and investigated, did you feel you were dealt with fairly in the investigation phase?— **A.** It would be a lie to say Yes.

Q. I expected you to say how you felt about it?— **A.** The first notification I got — I do go to the bowling club now and again — was that I got word at a quarter to six that I had to be home and not run away, the ICAC wanted me. I thought they were going to put an end to Davidson and Brown's letters. So I rushed away home. He arrived at about 20 past six, the investigator, and he started questioning me, and I made a statement then in Kyogle Chambers. He was asking me stupid questions, but he was reading a bit of paper. He asked me how did the Kyogle shire come to give me free diesel and lubricants for the Wiangaree job. I said 'You are joking, aren't you?' He said 'Didn't you get it?' I said 'I think the shire owes me a 20-litre drum of oil which they never replaced'. Their machine broke down and I gave them 20 litres of oil. I did not tell Pat about that. When I finally got the statement through the Court, he was reading out of Piggott's statement that he got the day before, and he was asking me the questions out of that. I would answer them. So there is no way in the world they were not investigating on the two letters and Piggott's report. That is what they investigated me on. I know Mr Piggott. He has always been the greatest dobber and trouble-maker. He always comes to the job after you have started it and he will go to the boss and say 'I could do that for half that price. I could have had it all done now', or something like that. He is bred that way. You don't take any notice. That is where ICAC has become a great thing for a chap like Piggott, or Davies and Brown. They want to cut loose. They might want to ruin your business. All they have to do is put in a very bad statement to ICAC as far as I can see, and they will come and investigate what it is all about.

Q. You feel that there is enough done to investigate the truth of that sort of allegation or statement, by the ICAC?— **A.** To investigate them? I certainly would not be spending the money I have been spending on legal fees if I did not think it was damaging, the first two about me.

Q. What you are saying is that in a business sense the ICAC could be used to discredit other business people? Do you feel that?— **A.** I don't know. I was invited by the army for six weeks as a consultant to two thirds of the Australian Engineering course, as a consultant to advise them, just a few months

before this job started. I was on top of the world. But now people do not want to talk to me. I missed it. I just regarded it as an embargo on the RTA job. All those engineers wanted to talk to me about was 'How the hell did you get caught with this ICAC? What have you got to watch out for?' That is all they want out of me now. They are very nervous about going on the job, and they are still afraid as ICAC is still following me. I am too.

Q. You are concerned about the veracity of the original information provided to ICAC being never tested in an open forum?— A. They demanded everything. I gave them a couple of box-fulls. I went to the solicitor and got a copy of my legal proceedings that I had started. I went to the accountant and got all the accounting figures, and gave it all to them.

Q. Did your solicitor appear with you?— A. After three days.

Q. Did he tell you to be forthcoming, or did he tell you basically not to give anything away? How did he tell you to approach the court?— A. I did not know I was going to be investigated. If you read the first day, what Mr Collins and Mr Maxwell said, I nearly died; I could not believe it. I was just sitting there listening to it, and I heard what he said about Bonalbo. I know Bonalbo pretty well. I thought this could not be true. So on the second day it went on again with Geoff Zodiac, and I walked outside — I am probably dobbing the solicitor in now — and Mr Norrish and the solicitor were standing outside, and I said to them 'Listen, this seems to be a bit of trouble coming up here for me'. The solicitor said 'You can't talk to me'. I said, 'Bull. You are the solicitor I was using'. He called Norrish back, and Norrish looked at the solicitor and said 'Listen mate, you don't need a solicitor: you need a QC'. So I went then and rang a solicitor from Lismore whom I had handling this matter in the first place, and he came over next day and he nearly died. It was going on for about ten days, with all these remarks being made. So I got in the witness box, and the first thing they hit me with was that bank statement, and they thought they had a winner there. I am denying it. It was not a true statement. I borrowed money not long ago, and when I went to borrow the money, what the bank manager said about me at that time, to get that bank document I have to get a court order. It is not for publication, and that is the document that is printed in that book. It is an internal bank document. If some time you want to borrow money, it is what the bank manager writes to his boss about you.

Q. Are you saying that you have not been able to get a copy of the statements referred to, in full?— A. I have a photostat of it right now. To get these original documents, I have to have a court order. If you go down to the bank and ask for them, you do not get them.

Mr TURNER: You referred to figures?— A. That book, if you read the figures in it, how Sandra Davies came up with those figures I'll never know. They are in her letter there. This book is so far wrong. It is absolutely ridiculous.

Mr ZAMMIT: You had a solicitor and a barrister or a QC?— A. No, after three days I had a solicitor. We are getting advice from a barrister.

Q. You had a solicitor at the hearing?— A. After three days.

Q. Who was that?— A. Mat Riley, from Lismore. He did not instruct a barrister? He just appeared for you?— A. Yes.

Q. Did he at any time say you needed a barrister?— A. We certainly did not discuss it. We did not realise for the first. We felt there must be a turning point somewhere. You cannot believe that so much dishonesty and rot can go on without an end to it.

Q. Did you say that you were in the witness box for three days?— A. No. Part of one day and the next day and part of the next day.

Q. So you were for three part days in the witness box?— A. One full day.

Q. Your solicitor was with you only on the full day?— A. I was the second last one called. I was called on the second last day. They had gone on with all this about me for ten days or so before they gave me a chance. I was sitting there like a sitting duck.

Q. Perhaps you can help me. You went to court and sat there and heard your name being mentioned. Did you not at any time go and see a solicitor and say 'This looks serious'?— A. On the third day I did.

Q. Your solicitor came on the third day and stayed with you and listened to what was going on?— A. There were a few days he did not come because solicitors do not come for nothing.

Q. I understand that. He was with you for most of the time, was he?— A. I would say half the time.

Q. Did he at any time say to you, 'This looks pretty serious, perhaps you'd better get some help'?— A. No, he did not. We had all the proof. We had already done the case before the ICAC ever came into it. We had all the proof, we had witnesses and all lined up for the case I had already started. Mat knew exactly. He had all the documents. I had to prove to Mat beforehand that what I was telling about when I bought the scraper — you see, the scraper, apparently to some people, came here three or four weeks before I ever bought it. So I must have been lucky I got in one night on it. I had gone over to Dave Rosenberg, and I have an account at four o'clock in the morning to take a bank cheque and give me an agreement to remove the scraper out of a yard, and his name was Dave Rosenberg. We had all we wanted. We had the evidence.

Q. Suppose we come back onto the track. I am trying to understand why your solicitor may not have said to you 'This is building up into a pretty serious case; you may need additional help apart from myself'. Did he say that at any stage?— A. I cannot see why he would say it to me.

Q. How much do you think this is going to cost you, or has cost you so far?— A. Counting the days, it is \$170,000.

Q. It has cost you \$170,000?— A. No, he told me. Talking to Mat the other day I said 'I will sell my house'. He said, 'I have not charged you yet'. This is a fact.

Q. Do you mean the loss of contracts and that type of thing?— A. The accountant said I am down \$170,000 now in loss, without any legal expenses. Reilly has told me not to sell my house but to wait until I have a bit more. That is how serious it has become for me. I have sold my vehicles, and I have

sold the scraper; I thought I had better get it out of the district. I bought it for \$51,000 and I sold it for \$57,000.

Q. Can you keep separate the cost of running your business and the cost of your legal representation?— A. He has not charged me.

Q. Have you any idea how much it is going to cost you?— A. \$20,000 — perhaps more than \$30,000 — a week's work for those barristers and lawyers sitting there.

Mr TURNER: You say you were there for three days before it dawned upon you that a case might be building against you?— A. Yes.

Q. Before that three days or immediately prior to the hearing did any representative of ICAC come up and talk to you, that you may need legal advice, or that you may be wise to seek out legal counsel?— A. As far as ICAC and I went, I thought I had AIDS. They definitely did not seem to want to come near me. And another thing —

Q. You are saying to me that nobody from ICAC in the three days you sat there or immediately prior to the hearing, after the hearing was advertised for instance, nobody from ICAC came to you and said that you should consider legal representation?— A. Never. They still have not said it.

CHAIRMAN: Did they explain to you your status in terms of the hearing, that you were an affected person?— A. There was no mention of that anywhere. There are a couple of letters there, just telling me that I had to appear. You have just done exactly the same thing; that is what is making me suspicious. You have done exactly the same thing. You have hit me with an order that I had. After he did finally give me that privilege; because he reckoned I was telling lies, during the hearing he gave me that. That is another thing. I seemed to be treated — I am sure that Collins and Maxwell said that I was a criminal, and they came here with the precise reason that I had been bribing Pat Knight. Harry Grayson, I wish he was here, was the main bloke. He was a plant hire man or works overseer or that. When you go in to see him you do not go to Pat, you go to Harry. They seemed to think we had something going, and I can tell you now that I have had three beers in my life, and that was that night, and here goes for the next one. I did not find out, but Harry was a bloke that had an alcohol problem and would not drink with you.

Q. In this finding here, they actually find that in terms of the whole scraper thing, you were just pursuing business interests?— A. If you can read that into that, I have been cleared anyway of what you have just said, you are reading pretty good.

Q. It said:

Nevertheless, the part that Murphy Standfield plays prior to the selection of a scraper and subsequently in continuing to work the scraper, apparently with the satisfaction of all concerned, cannot be criticised.

?— A. The one thing that really annoys me about this whole job, and Pat too, is that the job came in at \$220,000 under DMR estimates. Where has the credit been given in any article anywhere, that maybe we did a pretty fair job? He says in there that the scraper was never in that hire. I did the five weeks.

I took the scraper voluntarily off this job because of the wet weather. If you doubt me, just look at the time sheets. I took it off myself. There was \$2,500 or something left, and on the job there is a bad set of pipes. I knew if we went away and it flooded those pipes it would wash away, so I went to Harry Grayson and said 'Put me off B rate' — which is what you are paid when you are doing nothing: a lot of people get that. I went off it so that I could go back and cover these pipes. When I went back someone had let all my tyres down, after seven or eight days — a temporary machine. I went back and covered them. That is how the job came to flow on. In the meantime Ron Smythe — I did not know Ron then but I do now — came up and gave Shire me the DMR rates rest of the money to finish the earthworks. I was the only plant on there that was not under hire. All the rest was all hired but not under a quote. I was probably the only one that was on DMR rates under the plant hire schedule.

There is one other thing I want to bring up to show you what can happen in these things. About half way through it I go home at night and my wife has a letter on the table and she said, 'You have a very funny letter there'. I went to read it, and I could see it was rather a funny sort of letter, so I picked it up and put on the light better so that I could see it, and I read it. It was a threatening letter. It had a hacksaw blade across 'Bleed your bloody self with this' and 'Destroy yourself' and so on. The letter is there if you want to read it, if you can read it. I immediately rang the police and got the police out. He picked it up and took it. I went straight next morning to ICAC and it happened to be a day in the week, I think Thursday, when they took off. I went to Jan Daley and I said 'What's going on here?' and she said 'Go and see Mr Herman'. I went and saw Mr Herman and Herman said 'I'll ring the police'. I said, 'What's the good of ring the police? I have gone to the police. I got the police last night. I want some action here. This is threatening'. I have one gentleman in town who has had four goes at killing me. This has been through court. He said 'I'll ring the police'. I said 'Don't be stupid. I've already been to the police.' I walked outside and ran into the local D, and the local D said 'I don't know what we can do about this'. I said, 'I'm sitting up there as a sitting duck. He could walk into the room and shoot me. He would do anything.' They did nothing more about that letter, and the next thing I saw the police and he walked up to me and said 'You're still alive! We've got a book going that Matt Brown will shoot you'.

Q. Who said that?— A. The police. Two days after I walked in, in front of three or four police, and one bloke real smart came out and said 'Oh, you're still alive! Brown hasn't shot you. I'm losing my bet.' I told him then that I did not really appreciate these goings on. On the second page of the newspaper clippings that Pat gave you, he promised that in no way would witnesses be threatened or anything like that, yet I am still wearing that. I was going to bring you the hacksaw blade.

Q. You got a threatening letter, and ICAC did not take any action? The police treated it jokingly. That is what you are saying, is it not?— A. I have spent quite a lot of money on that case too. I still want that case solved.

Q. Is there anything else you would like to add to this?— A. I would hate to see ICAC get torn up. I would like to see you get someone in with these cases. I am quite sure that the average reasonably intelligent person could have solved the Kyogle case in one day by just going to the witnesses, to the dobbers, and say 'Listen, have you got any proof whatsoever of any of this you have written?' They would have had to admit that they were total lies. It is all there.

CHAIRMAN: Thank you, Mr Standfield.

(The witness retired)

DAVID WILLIAM LOVELL, of [REDACTED] farmer, sworn and examined:

CHAIRMAN: Is there an opening statement you would like to make?— **A.** I have a statement I would like to read.

Q. Would you read that now?— **A.** Yes. I would like to ensure that I acknowledge that I have received a summons from the Chairman of the Joint Committee.

Statement follows, 13 pages.

Statement was extended by interpolated reading of letters referred to in the statement. Page 10 of the submission, where copy was unreadable, and page 11, appear as a transcribed page 10 of the submission.

Thursday, 1st October, 1992

Witness: D.W. Lovell

My name is David William Lozell, I live at [REDACTED]
[REDACTED] I am a farmer. Prior to
becoming a farmer I practised as a Barrister and Solicitor
principally in Papua New Guinea for a number of years.
I served as an elected Councillor of Kyoale Shire from
1983 to 1991 during which period I occupied the position
of Shire President and Deputy President on a number of
occasions. I was President at the time of the Wanganie
deviation construction and Deputy President at the time
of the ICAC hearing. I attended all days of the hearing
including the week in Sydney. I note from the Newspaper
report of yesterday's date that I am listed as a
complainant rather than an independent observer -
at some time I would be interested to have the
distinction explained.

At the outset, it should be stated that it is difficult
to encapsulate 4 weeks of ^{ICAC} hearings into 5 hours of this
Committee's time.

I feel very strongly about the procedures and practices of
the ICAC but I do not believe that anyone can fully
understand the destructive capacity of that body unless
they have seen it in operation in relation to persons and
events which ~~you know well~~ the observer knows well.

I would like to make a few points about Pat Knight's evidence before this Committee. I was never contacted by the ICAC despite the fact that I was the then President at the time of the scraper hire - evidence was given at the hearing of a conversation between myself & Pat Knight about the scraper. I prepared a ~~the~~ sworn statement which is referred to in the ~~original~~ ICAC report, but which the Commission appears to have ignored.

Why did the ICAC investigate Kyogle Shire Council
I ~~remember~~ recall reading somewhere that ICAC only investigate 3% of complaints received. So what was it about the complaints received about Kyogle Shire Council that elevated it to this statistic. Some person or persons made the decision that it was in the public interest to send this puledriver to pound a peanut. Somebody, presumably Mr Tenby decided that it was worth a million or so dollars in brief fees and lost time. I want to seriously bring this decision into question and, in the light or obscurity of the findings, feel that this decision should be fully documented and justified.

Kyogle Shire was one of the most open Councils in this state - public meetings of Council and all its committees, public access at all meetings, public involvement in its decision making process, public accountability. Residents could attend Council meetings and put their concerns without even the formality of an appointment - and hear the Councillors' views and see the decision made in front of them. Post ICAC there has been a noticeable change, brought about, I suggest, by fear.

Any matter that was reported to Council was investigated. Council had demonstrated by action to dismiss a senior Council officer and reprimanding its most senior officer that it would not tolerate less than full responsibility by its staff. Any matters alleging corruption were immediately referred to the police or ICAC and if sufficient information was given a full Council investigation was carried out. I can recall the Shire Clerk asking Councillors if they had any information which should be investigated to make it available. This was immediately following a local government Commission of Inquiry into the financial affairs of Council where ~~complaints~~ allegations were made by ~~as~~ Councillors which were referred to the ICAC by the then President Stuart Johnston. I believe these allegations formed the initial basis for the ICAC investigation but those Councillors that made them were not prepared to

make them available for investigation. Of course we don't really know what ICAC was told or the extent of what was alleged. Why not?

Had an officer of ICAC or any competent investigator been sent to bring these matters before Council the record was there to show they would not be ignored or brushed aside. Did those persons who convinced Mr Temby to instigate a full blown enquiry know anything about Kyogle Council except from an extremely narrow and thwarted point of view.

Was it really necessary to pull out the entrails only to belatedly discover that the beast was reasonably healthy. Did ICAC have any understanding of the impact of the hearings on a small country town and its even smaller satellite? I suppose in the marble offices in Cleveland St Redfern the lifelong destruction of many innocent peoples reputations - just by being elected to or employed by - the Kyogle Shire Council during this period - was not a consideration. You can't just move to another suburb in Kyogle or Bonalbo - nor is the choice of employment very great.

The method of inquiry where noone knew of what they were accused or if they were indeed accused at all. Of allowing unsubstantiated allegations to be made in a packed courtroom - even when basic investigation would have proved them false or in the worst cases had already proved them false and even scurrilous must be deplored. The gravel haulage contract is a prime example of this but there are many others. The cult of the whistleblower, invariably described as a "reliable witness" despite evidence to the contrary and obvious vested interest. The abysmal lack of proper investigation which would have disclosed the political and social background to both people and events.

The continuing dilemma - as expounded by Cl. Bowen Smith and as fostered by ICAC as follows. Firstly that any allegation of corruption must be reported to ICAC

and no other body & secondly that after such reporting the complainant must not discuss or advise competent authorities of the allegation. This theory admits only one logical conclusion and that is that ICAC will hold hearings into every local government body in NSW every few years.

Council Staff As Witnesses

During the 4 weeks of the ICAC hearing and for some 2 weeks prior to the hearing the day to day business of Kyogle Shire Council virtually ceased. Various lightning raids by ICAC investigators seized cartloads of Council documents both from Kyogle and Bonalbo offices of the Council. Most of these documents related to Councils accounts and the persons who seized them had no knowledge of the or experience of the local government accountancy methods. Originals were taken as there was no possibility of photo copying the mountain of piles of paper. Having seized these documents ICAC then had to approach Council and request that the Deputy Shire Clerk be allowed to go to Sydney to explain local government accountancy methods to investigators with no expertise in this area.

The methods were entirely inappropriate to the circumstances. The documents themselves formed ^{the} ~~no~~ part of the subsequent hearing and the lack of knowledge of ICAC officers caused numerous red herrings which were eventually abandoned. A competent local government auditor could have obtained whatever documents ~~documents~~ were required, ^{with no disruption to Council business} the allegations, as I understand them, referred to institutionalized corruption over a number of years and the ^{operation} ~~requirements~~ of Ordinance 26 ~~material~~ would require many thousands of documents to be destroyed or lost to cover ~~red up~~ such corruption.

When simultaneous raids were carried out at Bonalbo & Kyogle the person in charge at Bonalbo, who is a motor mechanic, was required to produce & hand over documents and was not allowed to contact Kyogle offices. He had no idea who ICAC was and no one he could ask. The methods used were totally inappropriate & heavy handed.

During the course of the hearing some 17 Council employees were summoned. Others were

Council Staff as Witnesses

required to produce documents. Many of these witnesses were kept languishing around the court in Kyogle for day after day after day. Some never gave evidence, some gave evidence for 1/2 an hour, some had eventually to be taken to Sydney. There was absolutely no need for this - Bonalbo is only 1 hour away - despite our lousy roads - and witnesses were not called in any logical sequence. In fact a number of witnesses went backwards and forwards to the witness box a number of times.

Despite the large numbers of lawyers, investigators and other ICAC staff the hearing was run incompetently with no consideration whatever for the witnesses or for the carrying out of Councils day to day operations.

The letter of Deborah Sweeney, dated 7 July 1992 and addressed to this Committee contains lies and excuses. As far as I am aware the person in charge of running the witnesses was Ms Jan Daly - I was not aware of Mrs. Sweeney's presence. There is no possible reason for having 6 to 7 witnesses outside the court for days.

For the full course of the hearing the RTA was represented by a barrister, a solicitor, a senior engineer and for part of the time had the assistance of a 6 man audit team. A considerable part of the hearing had nothing to do with the RTA so their attendance, at public expense, could have been considerably reduced. An indication of the RTA's concern in relation to money spent on the wrong category of road & the amounts involved can be presumed from the fact they have made no representations or demands in relation to this matter from Kyogle Council.

Following the hearing claims for ^{witnesses} expenses were submitted by the Council ^{to ICAC} totalling \$15697.74. ICAC decided to pay \$5233.91. No one has calculated the total financial cost of the ICAC hearing to the ratepayers of Kyogle Shire but these costs could have been significantly reduced had the preceding investigation been carried out competently and the hearing had been run with a modicum of efficiency.

Bob Standfield's Expenses.

The ICAC, as we saw it in action from 22 July 1991 to 16th August 1991, requires an extremely high standard of diligence and attention to detail in persons holding public office. In respect of human nature, or the circumstances or of the sometimes troubling nature of the incidents into which it enquired the same harsh legal spotlight was brought to bear. An authority which requires such efficiency, such meticulous attention to detail, such absolute and unwavering adherence to rule and regulation should obviously itself be a model of such conduct. The staff of ICAC should be dedicated to this end. During the 3 weeks hearing in Kyogle there were 22 persons employed by ICAC ~~involved~~ involved in the hearing - it could hardly be said that any deficiencies could be blamed on a lack of manpower. But deficiencies there were.

The payment of witnesses expenses may seem a troubling matter but I assure you it is not.

Mr. Bob Standfield is known in this community as a straight shooter - a truly honest man.

~~Mr. Standfield~~ I wish to read two letters - one from Bob Standfield & one from ICAC. There are other, preliminary letters but I omit them for the sake of brevity.

You may think this a petty squabble about a few hundred dollars - it is not. Bob will gladly donate ^{any} money forthcoming to charity - with ICAC as the ^{alleged} donor.

This matter is about adherence to the rules and honesty. The summons states the rules. The letter from ICAC ^{states} lies, and the writer knew them to be lies. A further letter, dated 7th July signed Deborah Sweeney further compounds these lies and attempts a cover up.

Even if you do not believe the assertions made by Bob Standfield in his letter ~~on~~ ^{his} ~~conversations~~ ^{conversations} with ICAC officers, ~~when he asked~~ ^{when he asked} to be allowed to leave the hearing for a few hours on two occasions this does not alter the situation.

The summons specifically states 'You must not fail to appear unless you have been excused from attending by the person presiding at the hearing'. This is a formal matter, dealt with in the hearing and thus recorded on the transcript. There is no such reference - in fact the Commissioner ~~also~~ makes remark on Bob Handfield's daily attendance at the hearing. He is not even excused at the end of his evidence.

It may appear that I am making a mountain out of a molehill, after all what is this - just a bit of untidy housekeeping. Just an unsophisticated rural Councillor with an avuncular streak. No - it is not.

We wanted the ICAC castigate some tribute done employees for not putting every little job they did in a day on their timesheets.

The lies in these letters disgusted & enraged Bob Handfield as they disgust and enrage me.

They make a mockery and a farce of the principles which ICAC espouses.

I now wish to deal quickly with some specific instances relating to the ICAC. The first shows the continuing shadow cast by the inquiry. It relates to Mr Harry Grayson, previously the council's works engineer, and a man who has spent his life in local government with a reputation, until this enquiry, second to none.

Allegations of bribery were made against him by one Matthew Brown about whom all I wish to say is that this Committee should read his evidence in the transcript and make up its own mind.

Mr Commissioner Collins on page 46 of the report makes a finding of 'not proved' in relation to these allegations. On pages 75 and 76 Commissioner Collins again deals with Grayson and again makes no adverse finding. But reading both these passages he has successfully destroyed Harry Grayson's reputation, mainly by insinuation and casting aspersions.

I realise we can do nothing here or indeed anywhere else about these findings. In June this year the council engineer, Pat Knight, put on Harry Grayson for a number of days to set up the pavement management system rating for 1992. This is a highly technical activity required by the RTA and which Mr Grayson had set up for the previous two years. The information that he gathered was then to be passed on to a junior engineer.

On reporting this matter, as a matter of course, to council, the majority of whom were not elected councillors at the time of the ICAC inquiry, the engineer was directed to immediately sack Harry Grayson, and never to employ him again, and presumably strongly criticised in a close session immediately following. So the effect of the ICAC hearing in relation to Harry Grayson was not only to ruin his reputation, but to deprive him of the ability to earn a living — and all this when the inquiry made no adverse finding concerning him.

The most basic maxim of common law is that a man is innocent until proved guilty and it is disappointing to see the council follow the lead of ICAC in abandoning this principle.

[Faint handwritten notes]

[Faint handwritten notes]

The second matter relates to the statement by Mr Patrick Knight to the Council re the ~~road~~ scrape hire. Mr Bowen Smith made a statement that Mr Knight had said that the quote could not be readvertised because he had already awarded the contract to Mr Standfield & that he had already purchased the machine. (P19) Statements were tendered by 3 other Councillors disputing this statement of Mr. Mr Smith. by Commissioner Collins avoids this direct contradiction & merely asserts Mr Smith is a 'reliable witness' (p21 bottom)

A matter ignored by C. Collins is the legal liability of Council if, having accepted, ^{implying} Mr Standfield's ~~to~~ quote I then turned around & readvertised. This matter was certainly paramount in my mind at the time.

A further matter is the conclusion drawn by C. Collins from the evidence of the discussion between Miss Grayson Standfield & Knight. The evidence plainly shows that Knight was dismissive of Standfield (page 27 para 2 - read) and C. Collins accepts this evidence but then draws incredible conclusions from it. Quote p.29 para 4.

This ~~was~~ most peculiar conclusion from evidence that clearly shows Mr Knight politely telling Mr Standfield to piss off. Further proof of this invention of C. Collins is the undisputed fact that a number of other non-copying quotes were received. It should also be noted that the original advertisement indicated that prospective hires should contact Lyopie Stene^{p 10} & there is no evidence that this did not happen.

While I realize the conclusions came to by C. Collins cannot be canvassed by this Committee the whole passage of evidence is a clear indication of bias.

Conclusion

The hearings of ICAC in Kyogle were traumatic for everyone concerned even those only on the periphery of the investigation. They were carried out in a way that showed no regard whatever for peoples feelings or reputations or for the psychology of a small country town. It was a travelling circus that allowed a small group of frustrated and disaffected people to vent their spleen on their business competitors or political enemies, and be lauded and protected by big brother ICAC.

A gross injustice occurred in Kyogle and its effects continue.

* It is a truism to say that if you give an authority great powers and a large budget and tell it to ~~find~~ go forth & find corruption then it will do so. It is equally true to say that once an organization like ICAC is ~~once~~ committed to a hearing on the basis of accepting a series of allegations then it will do its best to justify its decision to embark on this course of action.

This aspect of human nature is further exacerbated when the ordinary rules of law and evidence are put aside.

I can understand why, when dealing with organized crime or sophisticated institutionalized corruption the common law rules should be set aside but not in this case.

These rules of ^{jurisprudence} ~~law~~ were developed over hundreds of years to protect the innocent or at least require guilt to be proved. When ^{these rules} they are removed then the door is opened for bias and prejudice. This is what happened in Kyogle.

ICAC's findings must be made the subject of judicial review. Currently there is no way that ordinary people can achieve any form of justice when damaged by the ICAC process.

* It is true that some incidents of what the ICAC act refers to as corrupt conduct were found during the 4 week hearing but there is no reason to believe that K.S.C. would not have corrected these matters had they been given the chance. The damage done by ICAC far outweighed any public good that it achieved.

CHAIRMAN: I was interested in your opening comments about the conduct of the inquiry. Do you think it was appropriate that it was held in the Court House? Did you get the feeling that it was a court of law?— **A.** The reason I stated that I used to practise was to indicate that I had some basic knowledge. It probably did not impress me greatly. Certainly when you are dealing with an unsophisticated audience that does not see this kind of thing every day, yes, it impressed them greatly.

Q. If the same inquiry had been held in Strathfield or a suburb of Newcastle?— **A.** By 'the same inquiry' you mean this specific inquiry related to the Kyogle Council?

Q. Is it the social impacts that are so difficult to grasp and adjust to in a small country town, and is the methodology itself the major problem?— **A.** I think it is fair to say that people in a town like Kyogle do not understand the methodology. They do not see the difference between a court hearing and an ICAC hearing. This can be shown in a number of instances. For example, when Mr Maxwell, counsel assisting the Commission, put his closing arguments, which of course were to try to persuade Mr Commissioner Collins to find corrupt conduct in a number of cases, and those arguments were published in the paper, a very high percentage of the community thought that was the ICAC report. They thought those were the conclusions that Commissioner Collins had come to, particularly as this final report did not come out until January 1992. As I said, the hearings concluded in August. I think that is the kind of mix-up that can happen in a country town. Are you referring more to the psychology of the whole thing?

Q. No, just to the fact that the exposure in a country town atmosphere, and also the lack of understanding of the process itself, may create a far greater impact and a more enduring impact on peoples' reputation than in a city environment?— **A.** That is certainly true where people know their neighbours. They know most of the people in town. This is not a big town, and Bonalbo is even smaller. The kind of waves that this thing creates puts people against other people. Some people believe one way and some the other way, and their belief is not the result of examining all the elements carefully to make a decision. It might be some unconscious remark they heard in the golf club. I don't suppose you can do anything about that subconscious thought anywhere. In a country town it is a lot different from a city where you probably do not know the people one street away.

Q. Going back to the procedural matter of ICAC, and coming from that background of the law yourself, where do you see that major changes are required?— **A.** Do you mean in relation to my criticism of the way witnesses were handled?

Q. Yes?— **A.** I cannot see that there is any real problem. I could not see any point in the way large numbers of witnesses were kept hanging around for days and days. As I said, Bonalbo is only an hour away. It is not usually difficult to organise your witnesses. Certainly there were quite a few in this case, nevertheless they did not come forward one witness at a time passing the

bucket from hand to hand. It was a matter of jumping all over the place anyway. So what was the point of having lots of people standing around when they could have been at home or working on their job? It seemed to me to be typical of the way ICAC treated people. They did not care that those people were standing outside the court day after day after day. It did not matter to them. The prime object was to prosecute this case, and it was prosecuted.

Q. As an observer with legal background, do you feel that the people at the hearing were adequately represented?— A. The short answer is No. The long answer is that they did not know what they were accused of. They did not know whether they required legal counsel. From day to day, from hour to hour, their position may change from what they thought was being an independent witness, and all of a sudden they were accused. Legal costs are very high, and no doubt in relation to one particular employee of council, Lex Moss, I would not be able to afford his costs without selling my farm. People are frightened to go out and grab a solicitor, and grabbing a barrister from Sydney as well. You do not do that unless your life is threatened: perhaps it was. They did not understand that.

Mr ZAMMIT: What costs did Mr Moss incur?— A. His wife is here and I am sure she will be able to tell you. I presume they would exceed \$20,000 and perhaps exceed \$30,000.

Q. When you were reading your statement you said that you were going to say more about Mr Mat Brown. I don't remember that you did?—

CHAIRMAN: You suggested that the Committee read the transcript of his evidence?— A. I am quite prepared to make specific remarks about Mr Brown's evidence. The allegation of bribery that was made against Mr Harry Grayson, the then works engineer of the council, was made by contractor Mr Mat Brown. All I am saying is that in the report Mr Commissioner Collins indicates that he found Mr Brown to be a witness of truth, from time to time. But in fact if you read the transcript you will find that Mr Brown was caught out in an awful lot of things that were not the truth, whether from time to time or otherwise, and yet despite that, although there was no definite finding against Mr Grayson, all I ask you to do is to read the report in relation to what he said about Mr Grayson, and if you do not come away with a belief that Mr Grayson had some guilt, despite the fact that Mr Collins says that he will not make a finding, then I think that you are lacking in understanding.

Q. So for any future matter that may arise in any country town, what is the advice that you would like to give to the Committee, that we can consider?— A. I would certainly say, in relation to a matter that involves local government, one of the first things to look at would be, What is the basic nature of the council in that country town? I have tried to suggest that the nature of the Kyogle Shire Council was one of being extremely open. I thoroughly believe that. I have tried to suggest that had any allegations of any form of corrupt conduct been provided to the council, the council would have investigated them. That was not done. The allegations were hidden. The councillors making those allegations sat around the table for some years after making the allegations,

without telling any of the other councillors or indeed anyone except the ICAC, that they were making these allegations. It seems to me that the use of ICAC in relation to a situation like this was basically inappropriate in relation to the way that ICAC conducts inquiries. I think that there are many far cheaper and far better ways that these matters could be dealt with.

Mr TURNER: I think, Mr Lovell, that when Mr Maxwell made his submissions, and they were reported, they would be taken to be the findings of the Commission. So I take it the counsel's submissions were made in public?— A. Yes.

Q. It simply represented the lawyers' points of view, whether they appeared as counsel assisting or for the parties?— A. Of course.

Q. It would have been better if those submissions had been reduced to writing?— A. It seems to me that I recall the closing submissions made by Mr Maxwell were made in an open situation, and verbally. I think that the submissions made by the other legal counsel were made in writing and simply handed up. As far as I understand it, it made little difference I suppose in that the submissions were made in Sydney at the end of the hearing, and Mr Maxwell's final submissions were made available to the press and they were published the next day in the paper.

Q. It makes a difference if the submissions are made in writing, and not published until the report is made by the Commissioner?— A. Yes. I would certainly think that would be preferable.

Q. We have been handed a copy of the Express Examiner of 3/9/91. You would have had a copy of it. 'The barrister assisting the Independent Commission against Corruption has recommended a range of actions against Kyogle Shire Council staff and certain shire residents'?— A. Even reading that paragraph — 'The barrister assisting the Independent Commission against Corruption', it almost makes it appear that that is the finding.

CHAIRMAN: Are there any further questions arising from that? Thank you very much Mr Lovell.

(The witness retired)

ANTHONY LAZAREDES, of [REDACTED], practising pharmacist, sworn and examined:

CHAIRMAN: Do you acknowledge receipt of the summons?— **A.** Yes. I have been a former councillor of the Kyogle Shire Council and I would like to place on record now that I appreciate the fact that this Parliamentary inquiry is being held in Kyogle. It is a necessary thing. I concur with the remarks of the previous witness David Lovell. I am not quite as verbose as David; I have a reputation for being short and to the point.

In reference to the Kyogle inquiry, the ICAC would have finished earlier if all concerned had knowledge of local government. It was fully obvious to all from the outset that they had none. A preliminary hearing should have been held first. With all due respect to the legal profession, if business people or those people concerned with local government — engineers or shire clerks and auditors — could have been co-opted to be in charge, with particular business expertise, then hearings could have been shorter. We all know that time is important and costly to all concerned. The money would have been much better spent on our road system.

It is quite obvious that citizens could make wild accusations without proof, thereby tarnishing reputations which can only be cleared in a court. The above preliminary hearings should have been closed to the public, to establish first if the hearing should continue.

In Kyogle's case the engineer should have been commended for finishing the Wiangaree deviation under budget, and for making the correct decisions in regard to plant. His subsequent actions were endorsed by council at the time after his report to council.

All this time through this inquiry, at about the second meeting, I had just been elected as a councillor and this business came up. I am a practising pharmacist and I have always been of the opinion that I have a lot of expertise in accounting and so forth. When it came to engineering, and especially buying plant, I had to listen to professionals, people who were concerned with this type of thing. Bob Standfield was a fellow councillor. His brother Murphy had over the time done a lot of work for Kyogle Shire Council, and everyone in the room knew the whole association of Bob and his brother. It is a small country town. Everybody knows everybody's business — probably too much so — and in great depth. Everybody knew that, and the charges of pecuniary interest against Bob I found totally disgusting.

In reference to that, Bob had a lot more to put into that discussion than I would have done, and I appreciated his views, because he dealt with machinery and I did not. I listened to the engineer's report, and as I said earlier he should have been commended for his results. It is a pity that we did not have a preliminary hearing with someone who had knowledge of local government, engineering plant hire, and all that. If we had that, it would all have been discussed, and I am quite sure that whoever might have been part of that procedure, it would have been over and done with in a day. The engineer

Thursday, 1st October, 1992

Witness: A. Lazaredes

should have been commended, and not subjected to the remarks made in that report.

Before any similar future hearings, preliminary hearings should be held, and people should be accountable for their actions. It was totally deplorable to me to find out that I was working with councillors while they were continually I thought stabbing us in the back when we were supposed to be working as a team.

CHAIRMAN: Thank you very much for your submissions to the Committee.

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(The witness withdrew)
(Submission follows, two pages)

NOTES FOR THE PARLIAMENTARY JOINT
COMMITTEE AT KYOGLE. OCTOBER 1ST.

IN REFERENCE TO THE KYOGLE INQUIRY, THE ICAC
WOULD HAVE FINISHED EARLIER IF ALL CONCERNED
HAD KNOWLEDGE OF LOCAL GOVERNMENT. PAINFULLY
OBVIOUS THEY HAD NONE.

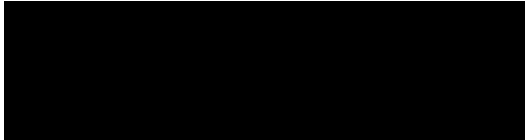
PRELIMINARY HEARING SHOULD HAVE BEEN HELD FIRST,
WITH ALL DUE RESPECT TO THE LEGAL PROFESSION, IF
BUSINESS PEOPLE COULD BE CO OPTED TO BE IN CHARGE
WITH PARTICULAR BUSINESS EXPERTISE THEN HEARINGS
COULD BE SHORTER, WE ALL KNOW TIME IS IMPORTANT
AND COSTLY TO ALL CONCERNED.

QUITE OBVIOUS THAT CITIZENS COULD MAKE WILD
ACCUSATIONS WITHOUT PROOF, THEREBY TARNISHING
REPUTATIONS WHICH CAN ONLY BE CLEARED IN A COURT.
ABOVE PRELIMINARY HEARINGS TO BE CLOSED TO THE
PUBLIC AND FIRST ESTABLISH IF THE HEARING SHOULD
CONTINUE.

IN KYOGLE'S CASE THE ENGINEER SHOULD HAVE BEEN
COMMENDED FOR FINISHING THE WIANGARIE DEVIATION

UNDER BUDGET AND MAKING THE CORRECT DECISIONS RE
PLANT, HIS SUBSEQUENT ACTION BEING ENDORSED BY
COUNCIL AT THE TIME AFTER HIS REPORT TO COUNCIL.

A LAZAREDES



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