

INQUIRY UNDER SECTION 438U OF THE LOCAL GOVERNMENT ACT

CENTRAL COAST CITY COUNCIL

Public Hearing

Conducted via Zoom videoconference

On Thursday, 7 October 2021 at 9.00am  
(Day 5)

Before Ms Roslyn McCulloch, Commissioner

1 THE COMMISSIONER: Good morning. The Central Coast public  
2 inquiry will now resume. Our first witness today is  
3 Ms Hogan. Ms Hogan, would you be able to come on camera,  
4 please. Thank you. Ms Annis-Brown, would you swear  
5 Ms Hogan in as a witness, please.

6  
7 <JILLIAN HOGAN, affirmed: [9.00am]

8  
9 <EXAMINATION BY THE COMMISSIONER:

10  
11 THE COMMISSIONER: Q. Thank you, Ms Hogan. Could you  
12 just tell me a little bit about your experience in Local  
13 Government? Was this your first term?

14 A. Yes, this was my first term in Local Government.  
15 However, I have lived on the coast for over 33 years and  
16 I have a lot to do with council in my position as a service  
17 manager of a non-government organisation.

18  
19 My experience in council - is that a broad question,  
20 Commissioner?

21  
22 Q. I just want an understanding. So you are  
23 a first-termer, you are a newbie, as I understand they are  
24 called?

25 A. I am a newbie, I was a newbie, yes.

26  
27 Q. Did you have any particular knowledge of the Wyong  
28 Shire Council before you joined Central Coast Council?

29 A. Yes, I did. Yes, I did.

30  
31 Q. To what extent?

32 A. I had quite a significant role within the council in  
33 terms of being a consultant on different community  
34 consultations. Because I ran a non-government organisation  
35 out of the council building I had quite a lot to do with  
36 council in that perspective, and I also ran quite a number  
37 of community events so I was quite knowledgeable on the  
38 processes and development applications to run events and  
39 the processes around funding as well. That's probably my  
40 knowledge within council. Yes, I worked with a number of  
41 staff within council, so I knew quite a number of people as  
42 well. I also watched some of the council meetings and  
43 I was abreast of who was in council and who wasn't and what  
44 they stood for and - yes.

45  
46 Q. Still an interested outsider's view of the council?

47 A. Absolutely, yes. Yes.

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Q. So when you became a councillor on Central Coast Council, what did you experience by way of handover from the former administrator to the council?

A. There was no handover at all. I don't recall a handover in terms of the monetary aspects or what had happened during administration. I was proud to be a councillor under a big council, and what was actually said quite a number of times is that we have an \$850 million budget and that we are responsible for that. But in terms of logistics and the nuances around the handover, there wasn't anything to my knowledge.

Q. There was an induction process?

A. There was an induction process, which I found really interesting. The thing that always springs to mind is the personality workshop we did to work out what types of personalities we had in the room and how we could work together, which was quite alarming in some respects. It was almost like we already had a bunch of councillors that probably wouldn't be able to work together so how are we going to make that work together, so there was that pre-assumption.

We also learned about the operational plan and the 10-year strategic plan. We had a mock meeting, which was very short. We did some bus trips. We got to know the role of the councillors, the executive team and the mayor, and we were offered an OLG capability framework kit, however wasn't overly encouraged to attend.

In terms of development applications, there was a briefing on that but quite some time after that, within probably about a good eight months, about how to conduct yourself when talking to either constituents or not talk to developers around development applications. That was probably it.

Q. So you were offered other training opportunities by the council?

A. We were, but it was - I don't recall it was a verbal thing, it was something that was just put in your locker or your post.

Q. And did you take up any of those opportunities?

A. I didn't.

1 Q. What did you observe of the --  
2 A. Oh, can I just reframe that?  
3  
4 Q. Certainly?  
5 A. I actually did. There was somebody on the hub about  
6 the capability framework and I filled out a questionnaire  
7 on it, and it was quite extensive I remember at the time,  
8 and I didn't hear anything back from the OLG, nor - I think  
9 it was sent to staff and I didn't hear anything back.  
10 So that was the end of that.  
11  
12 Q. That was a survey, was it?  
13 A. It was - it went through the framework, each  
14 individual framework, and you had to answer questions  
15 around where you felt that you sat and scored yourself, and  
16 I didn't hear anything back, so --  
17  
18 Q. So it wasn't a training module that you attended or  
19 a seminar?  
20 A. No, no. No.  
21  
22 Q. In terms of the staff at the council, what did you  
23 observe about the general culture of the staff when you  
24 started?  
25 A. I think for me the staff had been through quite  
26 a robust organisational change. There was a lot of fear  
27 around, because there was a new council, there would be  
28 a new CEO, that staff will again have another restructure  
29 and would be losing their jobs. But in terms of the  
30 overall staff, I think there was a little bit of resistance  
31 from staff to work with the councillors because they hadn't  
32 had councillors for quite some time.  
33  
34 Q. You mean during the period of administration?  
35 A. That's correct, they didn't have, yes.  
36  
37 Q. And what about staff to staff - was there what has  
38 been described as an us and them approach from your point  
39 of view?  
40 A. In some respects. I mean, personally I got on with  
41 all of the ELT. I don't think there was so much as a them  
42 and us, I think it was more so the information that they  
43 wanted to provide to the councillors and what the  
44 councillors wanted to get from the ELT. Different  
45 councillors have different ideas about what information  
46 that they needed to get on with their jobs.  
47

1 Q. I'm talking really about the relationships within the  
2 staff as opposed to staff and councillors. Did you see any  
3 division within the staff?  
4 A. No, I didn't. No. I didn't see any division there,  
5 although I'm sure there is.  
6  
7 Q. Why do you say you are sure there is?  
8 A. Well, when you have so many different leaders within  
9 an organisation, it's pretty evident that you will have  
10 that argy-bargy, and when you have so many directorates  
11 that are all trying to get, you know, a piece of the  
12 dollar to achieve what they want to achieve, I would think  
13 that there would be some tension there.  
14  
15 Q. Did you have very much knowledge of the staff who  
16 worked within the finance unit of the council?  
17 A. Only Viv Louie, and I sat next to Craig Norman at one  
18 of the budget meetings. That was all.  
19  
20 Q. And what was your experience with those two officers?  
21 A. I found Viv Louie to be very on top of her game,  
22 basically. I found her to be very honest with her  
23 assumptions on what was happening within the financial  
24 area. I thought that she actually knew what she was doing.  
25 I think once Viv Louie was taken from that role as the CFO,  
26 there was very little information. I think, by memory,  
27 Viv Louie left just after there was a \$64,000 - that we  
28 were \$64,000 in front, that particular year.  
29  
30 Q. The slight surplus budget; is that what you are  
31 referring to?  
32 A. Yes, that one.  
33  
34 Q. Were you on the selection committee for the  
35 general manager?  
36 A. Yes, I was. I was on the selection panel.  
37  
38 Q. To your observation was the process followed  
39 consistent with the guidelines that are published by the  
40 Office of Local Government?  
41 A. Absolutely. Absolutely. There were five recruitment  
42 agencies that were presented to the whole of council.  
43 There was a resolution that we would engage with McArthur  
44 as preferred agency. All councillors were asked to be on  
45 the panel and four councillors were endorsed at a meeting,  
46 which were Councillors Burke, Smith, Holstein and myself.  
47 Macarthur did the initial culling and met with the

1 recruitment agency several times. We went through all the  
2 psychometric testing and the resumes and the short list of  
3 applicants which the agency actually did. I think by  
4 memory there were seven short listed. We were presented  
5 with, by memory, five candidates that were through video,  
6 through videolink. Then we had a briefing.

7  
8 Q. Can I just stop you there. The video, was that you  
9 participating in an interview or was it --

10 A. No, no.

11  
12 Q. -- a pre-recorded video?

13 A. The recruitment agency did that. So we just viewed  
14 the videos. All the videos were actually put on the hub  
15 for all the councillors to view. We had a briefing and all  
16 councillors were invited to view those videos as well, but  
17 unfortunately, like many of the briefings, not many  
18 councillors attended.

19  
20 So we interviewed four people from those five. We  
21 went down to Sydney, we were in a private room. All  
22 candidates were given the same questions. All candidates  
23 were given the opportunity to expand on their questions.  
24 I believe that process was done extremely ethically and we  
25 scored each candidate.

26  
27 Gary was the stand-out applicant and I think for me,  
28 at the time, he was the only one that actually mentioned  
29 community and actually mentioned the residents.

30  
31 What happened then? Oh, so the recruitment panel  
32 chose Gary. Then we presented Gary to the whole of the  
33 council. I think that was at Kooindah Waters. All  
34 councillors attended and, to my knowledge, there was one  
35 councillor that didn't approve of just being presented with  
36 one councillor. But in terms of recruitment, and was that  
37 done ethically and responsibly, definitely. Definitely.

38  
39 Q. Did you have any role in the oversight of the general  
40 manager or was that solely the mayor's domain?

41 A. I was - again, I was part of the performance reviews.  
42 Because I was on the panel I felt I needed to do that. But  
43 again, all 15 councillors were invited to those, and  
44 I think possibly two other councillors came to those  
45 regularly and no other councillors did.

46  
47 Q. These were performance review meetings, were they?

1 A. Could you repeat that question, please, Commissioner.

2

3 Q. Were you attending performance review meetings?

4 A. Yes. Yes, where we would sit through and go through  
5 each KPI.

6

7 Q. Who were the other councillors in attendance?

8 A. That was Councillor Smith, Holstein, Burke, myself,  
9 who were on the panel, and often Councillor Vincent and  
10 Greenaway were there as well.

11

12 Q. And what was your relationship like with the general  
13 manager?

14 A. I had a good relationship with him. I found him very  
15 personable, very conciliatory in the way he went about his  
16 business. I found that I could go to him with anything  
17 that I was having difficulty with. He was a very quiet,  
18 unassuming man and only spoke when he needed to speak.  
19 I think he had a lot of trust in his ELT and certainly out  
20 of the candidates that we saw, he certainly demonstrated  
21 a lot of integrity at the time, yes.

22

23 Q. Now, you have written a submission, and thank you for  
24 that. That's of great assistance, so I won't ask you some  
25 of the questions that I've asked other people. When you  
26 came on to the council, were you aware of the  
27 infrastructure backlog that had been inherited from the  
28 previous councils?

29 A. Yes, I was. It's probably one of the main reasons  
30 that I did go into council. There is a few things. One of  
31 them was to bring integrity to the organisation, because  
32 I really felt that it lacked that prior to the  
33 amalgamation. And the other reason was the, yes, the  
34 actual backlog of infrastructure. You know, I know there  
35 is a lot of debate about a councillor, are they  
36 representing the Central Coast or are they representing  
37 their own wards, and I saw my role as being both, with  
38 the big ticket item, certainly it was representing the  
39 whole of the coast. However, in terms of the enormity of  
40 the council and the demographics and the geography of the  
41 area, I certainly put a lot of time into my ward.

42

43 Prior to the amalgamation, that was always one of the  
44 things that the residents in the north would say, that it  
45 was the forgotten north. So one of the I first things  
46 I wanted to do was make it the remembered north and get  
47 a lot of that infrastructure and that backlog actually

1 achieved.

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I think the disparity between the north and the south is that people up here are just asking for small things to be done. They want their potholes fixed, they want a road, they don't want goat tracks, they actually need a footpath to walk their prams on and some bike paths. So they weren't asking for major infrastructure, they were asking for things that they - obviously over, you know, decades of living in the area, that they felt they needed and that they were missing out on. Gross pollutant traps, all sorts of things that needed an upgrade.

Q. When you say they were forgotten, they were previously within Wyong Council. Were they completely forgotten by their own council?

A. That's a very good question, Roslyn, and I have lived and worked in this community, and I would have to say yes. Even at times, there were reports that had come through council, they would have a map of Wyong Shire Council and they would leave out the extremities, such as Summerland Point and Gwandalan and Mannering Park, which is the extreme north end of the Central Coast. I've also seen it in disaster management plans through the RFS - those extreme areas, the north and the south, have often been left out but absolutely more so in the north.

Q. So to some extent you were a councillor for the whole council, but you were also in to bat for your ward?

A. Absolutely, yes.

Q. Now, you say in your statement that you don't think the residents wanted the amalgamation. What was your position?

A. I really didn't have a position on the amalgamation, I have to say, prior to the amalgamation. I did understand the benefits of efficiency and having a wider net of being able to pool funding and to actually draw funding to the coast.

The residents very much did not want to be amalgamated up this way. In actual fact, the extremities that I'm talking about, they actually wanted to go into the Lake Macquarie district. They didn't want to stay within the Central Coast district because they didn't feel that they were getting their fair share.



1 In terms of the amalgamation when it actually did  
2 happen and we had this big council, my position and my view  
3 was that we can actually capitalise on this and draw more  
4 money to the coast through grants, but I actually didn't  
5 see that happen, which was very unfortunate. I think it  
6 happened in the very first year, but after that - and  
7 certainly in terms of the Snowy Hydro funding, which was  
8 loosely promised for the RPAC, once that disappeared I saw  
9 very little funding coming to the coast.

10  
11 Q. Did you ever consider demerging or was that a position  
12 you ever took?

13 A. No, I didn't take a position. I did ask questions  
14 within the chamber. One of the questions I asked was how  
15 much did the amalgamation cost, and I also asked how much  
16 would a demerger cost, because residents were asking for  
17 that. However, I think the report came back with  
18 a demerger - or whether that was just verbally said, that  
19 it would take four years and it would cost as much as it  
20 did to actually merge. Once I heard that, for me,  
21 I certainly didn't push a demerger, no.

22  
23 Q. You said in your statement that you were surprised  
24 that after the period of administration, which I think you  
25 described as two years, which was more like 16 months, that  
26 a lot of the merger activities weren't completed.

27 A. That's correct.

28  
29 Q. So do you think a longer period of administration  
30 might have been an advantage at that point?

31 A. That's a very good question. It may have been.  
32 It probably would have been. You know, hindsight is a very  
33 powerful thing, and had the amalgamation been done prior to  
34 the councillors being in there, I think we would have had  
35 a very different council. I just want to say on that, the  
36 amalgamation costs, one of the things that - everybody has  
37 spoken about the IT systems, policies and procedures.  
38 One of the words that was used in council, thrown around  
39 a lot, was the word "harmonisation", so we needed to  
40 harmonise the two councils. I think what's missing in all  
41 of that dialogue is, again, what the community wanted, what  
42 the residents wanted, and what they wanted to see out of  
43 the amalgamation.

44  
45 I will give you a really good example of where things  
46 have gone amiss that have actually been done but is not  
47 mentioned. I will give you an idea about street signs. It

1 is a simple thing, street signs. So we need to amalgamate  
2 all of our signage, all of our branding. So what we have  
3 in the coast now today is a whole lot of suburbs with no  
4 new signage. They have the old Wyong Shire or the old  
5 Gosford Shire ones. If you do the figures on that, and  
6 I just did some very, very rough figures on how many  
7 suburbs we have got across the coast, 165, what are the  
8 main townships, and did the maths on that and it works out  
9 about \$3.5 million just to do signage. So I'm not quite  
10 sure where government thought that 10 mill was okay, to  
11 actually amalgamate. We keep talking about IT systems. We  
12 know that that has cost a fortune. We know that we've  
13 probably got to where we've got to through the IT systems  
14 and not being able to harmonise the two Gosford and Wyong  
15 in terms of the financials. So I think, unfortunately,  
16 that the people that have really missed out here is our  
17 residents.

18  
19 Q. Do you think not having signs branded Central Coast  
20 Council is an important thing?

21 A. To the residents it is. To the residents. Again, to  
22 the residents. What they see - the rhetoric is there is  
23 the north and the south and the south gets everything.  
24 So when you are in a council position and you are trying to  
25 actually debunk some of that stuff, it's really actually  
26 difficult when you do see, and when residents drive around  
27 the coast and you've got bumpy roads or signage that starts  
28 and finishes in different places. So the harmonisation of  
29 the whole coast, in answer to your question, yes, should  
30 have been done prior to councillors going in.

31  
32 Q. Do you have any concept of how long the process of the  
33 complete merger would have taken, or will take?

34 A. Oh, I think in terms of financial crisis now, I think  
35 we're looking at a good probably five to ten years now,  
36 yes.

37  
38 Q. You say in your statement - this is at page 3, you are  
39 talking about the financial consequences of the governing  
40 body's decisions. You refer to the looming financial  
41 crisis, but you were aware, weren't you, when the council  
42 was delivering deficit budgets, a series of deficit  
43 budgets?

44 A. Yes, I was aware. I don't know if I was aware that  
45 there was a series of deficit budgets but I was aware that  
46 there was - because I've only been in for three years,  
47 I think there was two deficit budgets.

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Q. So in May 2019, you were aware of the IPART decision?

A. Yes.

Q. And that took a substantial amount of money out of the council coffers over several years?

A. Yes.

Q. Do you recall there being any significant reaction to that announcement?

A. No. No. I don't recall that, and that was one of your questions and I have gone through all of my notes and I've gone through minutes and I only remember the statement that there was \$39,000 that we would be losing.

Q. Million, I think?

A. Million, sorry, yes. Sorry. Millions, we are talking. But certainly I didn't hear anything about how we would recoup that money.

Q. And was there much information given to you about whether the budget had been met in the final financial statements that were released some time, say, in May the year after the budget had been delivered?

A. No. No.

Q. And when you were considering the budget for the 2020/2021 financial year, that was around February 2020, and there was a series of significant events - the bushfires, followed by the floods. Did those significant events not alert you to the need to be a bit tighter on the purse strings?

A. It certainly did because we spent two workshops actually trimming the budget. I think the first one was trimmed around 200 million and then we had a secondary one to that where the staff went away and trimmed the budget and then we were only left with a few projects to actually debate over.

Q. That was following the review by Grant Thornton?

A. Yes.

Q. So that was following COVID. But even before COVID, well, before the world knew what COVID meant --

A. Yes, that's true. I think what the problem with the - it is something I certainly have learnt through this, I think the problem with the deficit budget was that

1 sometimes it can be quite fluid, because when we talk about  
2 a backlog of infrastructure, there is a backlog also about  
3 things that couldn't be done from the previous budget.  
4 So one would assume that that would keep rolling over and  
5 rolling over, that surplus. But in that short period of  
6 time, what I saw is that, hang on a minute, that's actually  
7 not rolling over; there's something amiss here within those  
8 financials. But there was no reason for me to suspect that  
9 we couldn't get out of that deficit.

10  
11 I suppose for me, too, I constantly saw things put in  
12 a budget, taken out of a budget, and that's where we had to  
13 look at the op plan, the operational plan. There were  
14 times there where I thought I was reading a different  
15 document because I was looking for projects that were in a  
16 plan and then they were taken out and they were in a size 4  
17 font that I couldn't read. They were given another name -  
18 and, look, I can give an example of that. In the community  
19 where I work there is a playground that has been there for  
20 33 years. Now, the playground strategy is that every  
21 playground should be replaced after 20 years, and it  
22 certainly should have a bit of an upgrade after four. So  
23 there was a Coles development many years ago, I think it  
24 was around 2011, 2013. A Coles development, section 94  
25 funds, and for 15 years I had been asking council, "What  
26 did the section 94 funds go into", because we didn't get  
27 any community infrastructure. And I never got an answer on  
28 that. So of course when I got into council, I said, "Where  
29 is the playground, where is the section 94 funds?"  
30

31 That particular project was in the budget, it was out  
32 of the budget, it was in the budget, it was out of the  
33 budget, and then when we took off all of the - we stripped  
34 bare the budget, again, that particular playground was out  
35 of the budget totally.  
36

37 Then, all of a sudden, it was back in. So I asked the  
38 question: how did that get back in after we had trimmed  
39 the budget? One of the staff said to me, "Oh, Jillian,  
40 that was section 94 funds." So that was historical funds  
41 that through this crisis they actually had to put back into  
42 the coffers, and now the community has, what was rightfully  
43 theirs, a beautiful park.  
44

45 Q. Because it had been earmarked as section 94 funds?

46 A. Yes. Yes. And it should have been all those years  
47 ago. So the money, wherever it went through this whole

1 financial crisis, wherever it went, obviously it had to be  
2 put back when all money - restricted funds had to be put  
3 back.  
4  
5 Q. Yes. And you have addressed that in your statement.  
6 Thank you. You did some calculations on page 7. You went  
7 through the historical investment reports to determine what  
8 the actual deficit was.  
9 A. Yes.  
10  
11 Q. Can you tell me how you calculated those figures?  
12 A. Well, I actually went through every single financial  
13 statement on every business paper, and I would have to have  
14 a business paper in front of me, but through my memory,  
15 there was - I would have to - I'm sorry, Commissioner.  
16 I would have to look it up again. There were four figures,  
17 and I basically took one number off the other, subtracted  
18 one number from the other, which actually showed me what  
19 the actual deficit was.  
20  
21 Q. It would be of assistance to me to understand whether  
22 those numbers are useful, to understand how you got to  
23 them.  
24 A. Certainly.  
25  
26 Q. So I would invite you - and all witnesses will be  
27 given this opportunity - to make a submission following the  
28 conclusion of the inquiry, just to explain how you got  
29 those numbers.  
30 A. Okay.  
31  
32 Q. That would be useful.  
33 A. No worries.  
34  
35 Q. Just excuse me while I look through my notes.  
36 On page 8 of your statement, in the last dot point there,  
37 you say that councillors could not come to an agreement  
38 regarding the CEO. I take it that this is at the end of  
39 the reign.  
40 A. Yes.  
41  
42 Q. So what was the decision that was being sought to be  
43 made?  
44 A. The decision was to actually terminate Mr Murphy's  
45 position or pay him out the redundancy as requested by  
46 Mr Murphy.  
47

1 Q. So if you terminated, you would have had a payment,  
2 which was ultimately made by the administrator who came in?

3 A. That's correct.

4

5 Q. So what decision was taken by the council?

6 A. None.

7

8 Q. Nothing?

9 A. No. We couldn't land on anything, because if he was  
10 terminated, that would be a summary dismissal, which meant  
11 that we needed to have evidence and proof that - for us to  
12 do that. So then in terms of the redundancy, the  
13 redundancy payout, councillors couldn't land on an  
14 agreement with either one of those. In effect, the  
15 administrator then came in and then he was offered the  
16 redundancy.

17

18 Q. Why was the council considering terminating Mr Murphy?

19 A. I think they lost faith in him through the financial  
20 crisis.

21

22 Q. Were you blaming him for it, or you just didn't know,  
23 and he was at the helm?

24 A. I think it was just because he was at the helm.  
25 Personally I didn't blame him, no. But I think it was  
26 because he was at the helm.

27

28 Q. Further on that page you go on to describe the  
29 behaviour of councillors in the chamber. Can you just  
30 elaborate on that a little?

31 A. I can. Through my experience in council, I think from  
32 the very get-go, as a woman and as a leader in my  
33 community, it has been a very hard road. From the very  
34 beginning it was very combative within the chamber.  
35 I don't - I'm really cognisant that it is a public inquiry  
36 and I don't want to rename the things that have been said  
37 to myself and other colleagues, and especially women within  
38 the chamber, but I will say that in my experience, my  
39 values, my intelligence, my confidence, my professionalism,  
40 my family, my relationships and my womanhood have all been  
41 maligned in this chamber. It was very much about what  
42 people looked like, who they spoke to, "Say this, don't say  
43 this, just sit down, shut up", and that was really my  
44 experience in the chamber.

45

46 I think that there were certain councillors that came  
47 in to definitely undermine and to divide the council.

1 It was said to me one day that "I'm going to write down  
2 everything that you say and I'm going to use it against you  
3 because there is an election coming up". That was said to  
4 me, and that's exactly my experience.  
5

6 So what that actually does to a person is - and it  
7 certainly did to me and it certainly does today - it strips  
8 away your sense of yourself. It makes you tongue-tied.  
9 You lose your sense of everything that you stand for and  
10 I think I talk for quite - probably another few women that  
11 have been on our council.  
12

13 I think the behaviour in terms of inciting hysteria  
14 was deplorable. So councillors would rev up the residents,  
15 they would come in with placards, they would demand things,  
16 they would hit people, spit on people, call people names,  
17 and in the kerfuffle of trying to help another councillor,  
18 I got hit in the head. That was the type of experience we  
19 had. This wasn't all the time, but it certainly was  
20 something that I took away from council as being quite an  
21 awful part of my life.  
22

23 Having said that, Commissioner, I loved my work as a  
24 councillor. I worked full time, plus I did council, and if  
25 you look at the list of who attended, as Mr Murphy alluded  
26 to yesterday, the briefings and the amount of advisory  
27 groups I was on, I was actually third in line who went to  
28 the most briefings next to Councillor Sundstrom, and Jane,  
29 who had to be there. I was at everything.  
30

31 Unfortunately, that will probably be turned around and  
32 twisted and thrown up on some sort of social media saying,  
33 "Well, if she was at everything, why didn't she know  
34 everything." Unfortunately, we're not there to know  
35 everything. Council position is not, I don't think -  
36 moving forward it needs to be looked at, because it is  
37 a full-time position.  
38

39 Getting back to the community, I loved it.  
40 I absolutely loved it. I loved getting calls all hours of  
41 the night from different people and I felt that I could do  
42 something for these people, not even so small but even so  
43 big, and help their lives. But unfortunately the actual  
44 behaviour in the chamber certainly makes it untenable.  
45

46 Q. Was that something you think could have been  
47 controlled by the person controlling the meeting?

1 A. No, I don't. I saw both mayors try to control it, and  
2 it is extremely difficult. Extremely difficult. There are  
3 too many - see, I'm really good at just blocking this stuff  
4 out, now. I need to block it out. The way the meetings  
5 ran, we were all very distracted from the business at hand  
6 because we would get bogged down in grandstanding or points  
7 of order or things that were said, things that were thrown  
8 at each other. It was a lot of mud slinging behaviour.

9  
10 So the meetings weren't effective. The agendas were  
11 way too large. There was rescission motions, urgency  
12 motions, amendments to the nominations on the floor.

13  
14 Did I call out the behaviour? Yes, I did. Did I try  
15 and change that behaviour? Yes, I actually changed the  
16 behaviour by rewriting part of the code of conduct to  
17 include the definitions of different behaviours that  
18 I pushed through the chamber. Did it stop? No.

19  
20 Q. Just on that, you mentioned that in your statement,  
21 but I didn't understand what changes you had brought to the  
22 code of conduct. Can you tell me what they were?

23 A. In the code of conduct it mentions words such as  
24 "bullying", "intimidation" - I think there was about three  
25 or four of them but it didn't actually identify, it didn't  
26 define what that actually meant in terms of behaviour.  
27 So I just got the definitions put in to highlight, because  
28 sometimes people actually don't know that they are  
29 exhibiting those sorts of behaviours, yes.

30  
31 Q. Were those provisions ever utilised?

32 A. No. No. And there was - you know, in terms of making  
33 complaints, I didn't make any complaints and I didn't make  
34 any complaints because I think sometimes the wrath from  
35 a complaint is far greater than putting up with it, and the  
36 mechanisms - I'd seen other people make complaints and the  
37 mechanisms for anything to happen to that, any  
38 consequences, certainly just weren't there.

39  
40 Q. Mr Murphy said yesterday that he was not a fan of the  
41 code of conduct complaints because it effectively meant he  
42 had to sit in judgment on his employer. Do you see some  
43 contradiction there?

44 A. Absolutely. That is a contradiction, when it's put  
45 like that, absolutely.

46  
47 Q. So you think if there was a system, it perhaps should



1 go to a neutral third party?  
2 A. Yes, and it should be external. Definitely should be  
3 external, yes.

4  
5 Q. Now, have you ever undertaken any activity to  
6 interfere with a tender?

7 A. Sorry, what was the question? Have I?  
8

9 Q. Ever done anything to interfere with a tender?

10 A. No, but I know what you are referring to.  
11

12 Q. Can you explain what you think I'm referring to?

13 A. I think you are referring to the - oh, I will just get  
14 my paperwork. You are referring to a notice of motion that  
15 I put forward in the early days, in 2018, which was  
16 a notice of motion for the council to investigate the cost  
17 of outsourcing apprentices and trainees or directly  
18 employing apprentices and trainees, because  
19 historically - and it is one of the things that the broader  
20 community always questioned, conflict of interest. So the  
21 report came back that it was actually more cost effective  
22 for council to employ apprentices and trainees directly  
23 rather than to outsource them to I think it was three  
24 companies, or three RTOs who set up the apprentices and  
25 trainees.  
26

27 The difference was that when you outsource it, a young  
28 person does their apprentice or traineeship and there is no  
29 pathway to employment with that organisation. So what was  
30 happening over the years was that great young people got  
31 their certificate but they actually didn't have a position  
32 at the end of it.  
33

34 So what I was looking for was that council actually  
35 employ people directly. So the report came back that it  
36 was more cost effective. There was a resolution of council  
37 to actually employ - to start employing people.  
38 The contracts that they had, I think there were three, had  
39 finished in November of that year --  
40

41 Q. What year are you now talking about? 2018?

42 A. I think 2018, yes. 2018. The contracts finish  
43 in November, so we won't be renewing those contracts and  
44 that we will be employing apprentices and traineeships  
45 directly from council. Then there is a pathway to  
46 employment so young people then would have a job within the  
47 council after that.

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One part of the puzzle was that council --

Q. I'm just having some difficulty hearing. I'm sorry, Ms Hogan, your screen froze for me. I don't know if it froze for anybody else.

A. Sorry, I'm moving.

Q. Could you just go back a little?

A. Okay.

Q. So we got up to a pathway to employment.

A. Yes. So there are two parts to apprentices and trainees. One part is the on the job work experience. The other part to that is the setting up of the actual paperwork, the administration of it. Council didn't have the skill set within the organisation - this was actually what was said to me - they didn't have the skill set so they actually put that out to tender. That went out to - that tender was won by an external agency, but the actual - the work experience and on-the-job training is actually - was more cost effective by council.

So in answer to your question, did I interfere with a tender? No, I didn't. That actually went to council. There was a conflict of interest. That person removed themselves from the room and it was voted on unanimously that we would employ people directly.

Q. What about the company - you said there was a tender for the company to do the paperwork?

A. Yes.

Q. Were you involved in that tender?

A. No. No. No.

Q. Did it come to the council?

A. No. No.

Q. Was dealt with at a staff level?

A. Dealt with at a staff level and I don't - I did ask who got the tender. I was told, and I was told that they were the only one that applied. I said "Okay". And that was it. I left it then. That was fine. Yes. So did I interfere? No.

Q. Thank you.

1 A. I wanted what was best for young people and that's how  
2 I saw that it was best, and it was one of those things that  
3 my background is in youth, and it was one of those things  
4 that I believe that young people should have the  
5 opportunity to be employed after their traineeships.

6  
7 Q. Just on some more general questions, what do you  
8 understand ARIC's role to be?

9 A. Well, ARIC's role is the checks and balances,  
10 I thought, before it got to council. So I saw them as  
11 a conduit between what staff presented and what was  
12 presented to council.

13  
14 I do know that they - oh, there was a meeting once  
15 where they - the ARIC committee actually presented the  
16 reports to the council, and that they actually went through  
17 the actual auditor's report. So to me, that was ARIC's  
18 role, and I was a bit surprised to see that it wasn't their  
19 role, because it's audit, risk and improvement - audit is,  
20 you know, what the accountants do, and to look at the risk  
21 and to minimise risk. So, yes, there was definitely  
22 a meeting where - I think it was around 2018 and they  
23 presented the draft 2017/2018 financial reports, and they  
24 recommended that we adopt those reports. So in my mind,  
25 they were certainly the overseer of the accounts after they  
26 had come from the auditor and they had come from staff, and  
27 then they came to us. So I had actually no reason to  
28 believe that they weren't a true and accurate record.

29  
30 Q. And what about the role of the external auditors?

31 A. Well, their role is to actually do the checks and  
32 balances and to go through the bank statements, the  
33 reconciliation, all the accounts, and to actually check  
34 what the council staff have been putting into their  
35 program, such as Oracle, is true and correct. I was quite  
36 surprised that those things were missed.

37  
38 Q. "Those things" being?

39 A. Well, they are there to ensure there is compliance  
40 with the internal controls. They examine the records and  
41 the reports. They look at the practices and the  
42 documentation, so I was quite surprised to find that we're  
43 in this financial mess and that the auditor's reports are  
44 actually - the auditor actually missed it, I would think,  
45 when they did their checks and balances.

46  
47 Q. "It" being the way - sorry to interrupt you, but "it"

1 being the way that contributions were dealt with in the  
2 accounts?

3 A. Oh, yes, that's - I think that's definitely part of  
4 it, but I also think it's part of how the two systems were  
5 harmonised as well. I would think that the assumptions and  
6 the records aren't true and correct.

7

8 I mean, the auditor is there to express an independent  
9 and objective opinion on the financial statements and  
10 either a qualified or an unqualified opinion. The  
11 Gosford - I do remember with Gosford, early in the piece,  
12 they could not have an unqualified report. It was only  
13 qualified, because they did not have enough information.  
14 And it's all by Australian Accounting Standards. So I'm  
15 quite - it's scary.

16

17 Q. What did you see the role of the Office of Local  
18 Government to be?

19 A. Oh, that's a loaded question, Commissioner. To be  
20 honest, I didn't see that they had an active role until it  
21 came to the financial crisis, as much as - you know,  
22 obviously there is training and other bits and bobs, but  
23 I didn't - I really didn't understand the oversight that  
24 they had until it came to the financial crisis, to be  
25 honest.

26

27 Q. Ms Hogan, those are the questions that I had for you.  
28 I will just check to see if Ms Annis-Brown had any  
29 questions.

30 A. Okay.

31

32 <EXAMINATION BY MS ANNIS-BROWN :

33

34 MS ANNIS-BROWN: Thank you, Commissioner.

35

36 Q. Ms Hogan, I just wanted to take you back to something  
37 you said earlier in relation to there being no handover  
38 process from the council under administration to when the  
39 councillors were elected. Do you consider that it was the  
40 responsibility of councillors as the governing body to seek  
41 out this information?

42 A. Hindsight's a wonderful thing. What we know now, yes,  
43 absolutely. But I do remember going back to when we had  
44 the first budget meeting and I was very excited to present  
45 some of the projects that our communities wanted and to  
46 find the '17/'18 - when I did see the budget then, in that  
47 report, that we had \$580 million to actually spend, there

1 was nothing that actually raised a red flag for me, and  
2 that was early in the piece. We came in in September. We  
3 have a big break in December. We met in February.  
4 Hindsight, yes, we should have. However, that didn't  
5 happen.

6  
7 Q. You just mentioned several projects being taken out of  
8 the budget - I think you referred to it as being in and  
9 out, in and out - so I take it that you were lobbying for  
10 certain projects?

11 A. Yes.

12  
13 Q. And correct me if I'm wrong - and then, seemingly,  
14 there perhaps was more funding available and  
15 then they came back into the budget in terms of being able  
16 to be funded. I guess just around that, how was that sold  
17 to the community? Did the community understand what that  
18 process was about and, I guess more broadly, how well did  
19 council consult with and engage with the community in order  
20 to be able to take it along with it for the journey,  
21 I suppose?

22 A. So you have asked two questions there.

23  
24 Q. Yes. So, firstly, sorry, I will ask you - they were  
25 two-pronged and I apologise. Just in terms of those  
26 projects being taken in and out, if you could just  
27 elaborate a little bit more about how that process worked  
28 and was it, I guess, councillors that were lobbying for  
29 those projects or was that the community?

30 A. The ones that I have mentioned in my submission were  
31 actually myself, I will take responsibility for that. It  
32 wasn't other councillors. Did I take the community along  
33 for a ride? Absolutely. These are the things that they  
34 said they wanted, not that I wanted. That's who I was  
35 representing. Did they understand? Some of them did,  
36 definitely, because I know with the (indistinct) pathway,  
37 once it was in the budget, I remember a resident saying to  
38 me "Now we've just got to keep it in there." And it was  
39 the same with Mannering Park pathway, "We've just got to  
40 keep it in the budget". So the community was aware that  
41 things did go in the budget and then were taken out.

42  
43 They certainly are in the north. There is a lot of  
44 active community groups and there is a lot of people with  
45 a lot of smarts that have watched this for a number of  
46 years. So I think they did understand, in answer to your  
47 question, definitely. And of course there was that

1 disappointment for everybody, and then when I explained,  
2 it's out of the budget because of whatever reason - COVID.

3  
4 Q. Yes. So ultimately I guess what I'm getting at is  
5 there is only so much money in the bucket?

6 A. That's correct.

7  
8 Q. And the community may want, I don't know, say  
9 50 projects to be undertaken, but clearly only perhaps half  
10 of those, or whatever the number is, can be?

11 A. Yes.

12  
13 Q. Can be undertaken. So how well do you think the  
14 council was able to communicate that to the community?

15 A. I think they do communicate that well, and I certainly  
16 did. There was many conversations I would have with people  
17 where they wanted this, that and the other, and I'd say  
18 "That's great, but this is my priority at this time", so  
19 I was very honest and upfront with that. I didn't run out  
20 and get everything that they wanted, otherwise we would  
21 have had kerbs and gutters across the whole of the shire,  
22 which we don't have here.

23  
24 Even when it came to that, I said, "That probably  
25 won't happen." I was always honest with my residents and  
26 people would say that, "Thanks for your honesty".  
27 Certainly with bike paths, I understand the costs,  
28 I understand the engineering part of it. I would say,  
29 "This one is actually a priority and this is a priority  
30 because, for instance, we have 300 residents that can't get  
31 to a doctor or a shopping centre because there isn't  
32 a concrete path for 500 metres so they are actually  
33 stranded." So that, for me, was a priority over a nice  
34 little bike path along the lake. People do understand that  
35 for sure. Yes.

36  
37 Q. Just before I finish, just one more question. You  
38 mention in your submission about decisions to partner with  
39 the state, federal and community organisations and that  
40 this gives the council more opportunity to become  
41 financially sustainable. Could you just elaborate on that?

42 A. I think nobody does this stuff solo. We need to work  
43 together as local, state and federal in terms of funding to  
44 actually achieve what we need to achieve. You will find  
45 that with most projects, they are 50:50, dollar for dollar.  
46 It's the same in the community sector, in my sector, it's  
47 dollar for dollar. It's not always fully funded. That's

1 my point I was making.  
2  
3 I was also making the point of we can leverage far  
4 better off non-government organisations that actually have  
5 the skills and the capacity to do some of this work, and  
6 that's what I was highlighting in my submission. It was  
7 about sharing resources to get the best outcome for  
8 residents.  
9  
10 Q. So you were talking predominantly about grant funding?  
11 A. Yes, yes.  
12  
13 Q. Thank you.  
14 A. And skills. And skills - people skills.  
15  
16 MS ANNIS-BROWN: Thank you, Commissioner. That's the end  
17 of my questions.  
18  
19 THE COMMISSIONER: Thank you. Mr Simone, do you have any  
20 questions for Ms Hogan?  
21  
22 MR SIMONE: No, nothing arising, thank you, Commissioner.  
23  
24 THE COMMISSIONER: Thank you, Mr Simone. Ms Hogan, you  
25 are free to go now, thank you very much for attending.  
26  
27 THE WITNESS: Actually, could I just make one comment,  
28 please?  
29  
30 THE COMMISSIONER: You certainly may.  
31  
32 THE WITNESS: I would just like to say to the residents  
33 out there that I am sorry that it has got to this point  
34 with our council. There is always hope. And it has been  
35 an honour representing you all. Thank you. And thank you,  
36 Commissioner.  
37  
38 THE COMMISSIONER: Thank you, Ms Hogan.  
39  
40 <THE WITNESS WITHDREW  
41  
42 THE COMMISSIONER: Now, we will take a recess. Our next  
43 witness is Mr Marquart. He is scheduled for 10.40, so we  
44 will resume at 10.40am. Thank you.  
45  
46 SHORT ADJOURNMENT  
47

1 THE COMMISSIONER: Thank you, the public hearing into  
2 Central Coast Council will now resume.

3  
4 Our next witness is Mr Marquart. Is he available?  
5 Yes, I see he is in the room. Could you come on camera,  
6 please, Mr Marquart? Thank you.

7  
8 I will just have you sworn in as a witness by  
9 Ms Annis-Brown.

10  
11 <TROY MARQUART, affirmed: [10.40am]

12  
13 <EXAMINATION BY THE COMMISSIONER:

14  
15 THE COMMISSIONER: Q. Thank you, Mr Marquart. You  
16 haven't provided a statement, so I'm going to run through  
17 a series of questions with you. Is there a reason that you  
18 didn't provide a statement to the inquiry?

19 A. There is. There is. The original documentation that  
20 came through, the way I consumed it, it seemed to me that  
21 not every single councillor was going to be speaking at the  
22 public inquiry, so I wanted to make sure that - well, I did  
23 respond, as you know I did respond and I wanted to speak  
24 today. I thought that was going to be a better platform  
25 for what I wanted to say as opposed to putting it down in  
26 black and white, so that was the only reason.

27  
28 Q. Mr Marquart, I'm having a little difficulty hearing  
29 you, which suggests that the transcription service might  
30 also. Yes, if you could just move a bit closer, that's  
31 better. Let's see how we go.

32 A. Is that better?

33  
34 Q. It is for me. Hopefully it is for them as well.  
35 When you joined Central Coast Council, that was your first  
36 time in Local Government, was it?

37 A. That's correct, yes.

38  
39 Q. Did you have any experience with the council before  
40 joining?

41 A. Only in the sense that I obviously I'd been a very,  
42 very keen observer, and that was one of the reasons that  
43 I did want to run for Local Government because I seriously  
44 thought it could be done much better. Hindsight is  
45 a wonderful thing, looking back now, but yes, a very, very  
46 keen observer. That's the only experience that I held in  
47 regards to that.



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Q. Why do you say with hindsight? Do you think you were ineffective on the council?

A. I think the council itself was absolutely ineffective. The process around it was farcical, to tell you the truth. I think - that's why I wanted to speak so much today and get the truth out there, that I think there's been a lot of talk, there's been a lot of excuses, a lot of talk about blaming staff and, of course, of course, there is definitely some merit to that, but the fundamental reason that this council failed was because of the councillors. Now, I was one of those councillors, and there's things that - there's a couple of things I'd like to apologise for today and get off my chest at the very start, at the inception of this council, but the councillors are responsible for what happened. The councillors have spent my grandkids' rate money and it's going take a long time to get out of this and that's a disgrace.

It's been 345 days since Councillor Rebecca Gale and myself quit in disgust to make sure that today happens, and I'm really looking forward to pointing out exactly what happened as opposed to these excuses - iPads don't work. My God, come on, these ridiculous little petty excuses, as opposed to the absolute truth, because the absolute truth is ratepayers' money was spent hand over fist on wasteful causes.

Q. Before we get into that, you said you wanted to apologise for a couple of things. I will let you do that now.

A. Absolutely. So when you first join a council, obviously you are very green. The fundamental thing that I certainly want to apologise for to the people of the Central Coast is you only get one vote as a councillor for who the mayor is, but I made a very, very poor choice.

The reason I made that choice and voted at the time for Mayor Jane Smith, the former mayor, Jane Smith, is that I thought - I was hearing a lot of rumblings, and so were all the conservatives, we were hearing rumblings that we believed that there were certain people in the chamber, obviously predominantly the Labor Party members, that were going to try to make the amalgamation a political point, which unfortunately it still is today, but we really wanted to try to set up a platform where this amalgamation between Gosford and Wyong was going to have an opportunity to be

1 successful. For that, it didn't need to be downplayed, it  
2 didn't need to be kicked around by a political football.  
3 At the time I thought the best way to do that was going to  
4 be to put my support behind Jane Smith.  
5

6 What I should have done, and what I want to apologise  
7 for to the people of the Central Coast, is looked into the  
8 past of Jane Smith and realise that she was a 20-year  
9 environmental activist dressed up as a councillor and she  
10 had been placed there by CEN, an environmental activist  
11 group. This particular group ended up with two  
12 councillors. Eventually they obviously had the mayor, they  
13 also had about 70 per cent of the voting rights within the  
14 local community committees, which is just unbelievable. If  
15 you look at their 2018/19 information, which is available  
16 on the Web, it says that it had 51 members. So we've got  
17 360-something-thousand people on the Central Coast and an  
18 organisation with 51 members has now the power within our  
19 council. I should have looked into that, Madam  
20 Commissioner. That's what I wanted to apologise for today.  
21

22 Q. Can I stop you there, you were talking about the  
23 committees. The committees don't actually have power,  
24 though, do they?

25 A. That's what people like to say, but you when you've  
26 got - when you do - when the place is run by someone that  
27 is a political activist dressed up as a councillor, you can  
28 always bend and stretch, I'm sure you know yourself, you  
29 can bend and stretch anything. These legislations are  
30 broad, the terms of reference are broad. So what happens  
31 is, what I couldn't believe, these committees are selected  
32 by the councillors. That doesn't sound too bad. You know,  
33 that sounds okay. Why wouldn't you let the councillors  
34 select these committees? But whoever puts an expression of  
35 interest in, they literally put these expressions interest  
36 out on a big table and the voting block within those 15  
37 councillors gets to select who they like. When you have  
38 got a left leaning voting bloc, like we did, if it was any  
39 more left it would have fallen off the left side of the  
40 chair, then they selected every left wing activist they  
41 could possibly get. That's why CEN had so much power  
42 across these committees. They do have power.  
43

44 When you go through the committee meetings, they have  
45 almost as much access to the staff as we did. They request  
46 for staff to be there, ELT leaders to be there, to be at  
47 these meetings, and you read the minutes and these people

1 are taking recommendations. Our staff were taking  
2 recommendations directly from these committees.

3  
4 Q. But ultimately, they don't make the decisions, the  
5 council makes the decisions. That was my point about  
6 power?

7 A. I absolutely agree, I agree with that, eight times out  
8 of 10. It's those two times where things don't even end up  
9 going to the chamber, then the staff are influenced very  
10 heavily by these committees. Very heavily.

11  
12 Q. I see.

13 A. And they should be a broad range. They should be  
14 a big broad brush of - through the community as opposed to  
15 a left-wing echo chamber, and that's what they were. There  
16 were an absolute left wing echo chamber.

17  
18 Q. You sound disappointed, but isn't that simply a result  
19 of the balance of power in the council, and it could have  
20 gone the other way if it was a more right wing council?

21 A. Well, I suppose you are quite right there, but I don't  
22 think that makes it right. I think it's something that  
23 needs to definitely be addressed. I think my original  
24 point was, and why I apologise to the people of the Central  
25 Coast for my mayoral choice, was that Jane Smith had a lot  
26 of runs on the board. She had been sitting in - you asked  
27 me had I been involved in councils? Not directly, I hadn't  
28 sat in council meetings or been on committees for two  
29 decades; Jane had. Once we got in there, she was like  
30 white on rice. She knew exactly how it ran.

31  
32 We're trying to find out what are these committees,  
33 how do people get selected. Jane and the CEN, let's say,  
34 the CEN machine behind her, knew exactly what they needed  
35 to do, and they did it. They did it. So at the inception  
36 of the council, it was difficult from the start for that  
37 reason, and that's where it all started to go pear-shaped  
38 from day one, in my opinion.

39  
40 Q. Was your vote on mayor a deciding vote, was it?

41 A. No, no, absolutely, it wasn't a deciding vote. At the  
42 time I was obviously a liberal councillor, I was a member  
43 of the Liberal Party, so we - of course we discussed,  
44 I discussed with my liberal colleagues and other  
45 conservative colleagues, in Councillor Best and Councillor  
46 McLachlan, so of course you have a conversation before the  
47 mayoral vote. As conservatives, we decided to back

1 Jane Smith at that time, as opposed to any member of the  
2 Labor Party.

3  
4 Q. So that was the one thing. What was the other thing  
5 you wanted to apologise for?

6 A. That was one and two, to tell you the truth. That was  
7 one and two, yes.

8  
9 Q. Okay. Now, you said that you acknowledge that it  
10 wasn't entirely the fault of the council - that is, the  
11 financial difficulties that the council found itself in.  
12 Where else do you see those difficulties having arisen  
13 from?

14 A. In regards to finances, obviously the - what was  
15 happening in - well, this isn't in my opinion, anyone can  
16 go through the podcast over and over again. What the staff  
17 were getting were, they were getting big grandiose motions,  
18 huge ideas, with no costings. So that was going into -  
19 back into the backroom staff and the staff were told, "Do  
20 this", and they shouldn't have done. They shouldn't have  
21 spent, you know, they shouldn't have spent the hundreds of  
22 millions of dollars they did on it but, again, that's the  
23 councillors' fault. So out of the 15 councillors, the bloc  
24 of eight - actually, I would call it a bloc of nine most of  
25 the time - voted to do things like the climate change  
26 policy, the Cities Power Partnership, affordable housing  
27 policy, the biodiversity strategy. These huge grandiose  
28 massive motions would get put into the chamber and just  
29 waved through by the councillors in regards to no costings  
30 whatsoever.

31  
32 So for instance, the affordable housing policy, this  
33 was formulated over weeks. They wanted to have eight  
34 briefings on this. They wanted every councillor there.  
35 I went to the first one and then refused to go to another  
36 one of these briefings in disgust. They did not want to  
37 know about the dollar. You know, of course, money isn't  
38 everything when you are talking about an affordable housing  
39 policy, you have to get that balance right, but there has  
40 to be a balance, Madam Commissioner. There was no balance.  
41 Money didn't mean anything. So when the policy ends up in  
42 the back room with the staff, they have literally got  
43 a blank cheque. We've signed one of those big 10-foot  
44 commercial checks for them, but we haven't put a dollar  
45 down the bottom.

46  
47 Q. Can you just explain to me why an affordable housing

1 policy would cost the council money?  
2 A. If you go through this document, you will see that  
3 there was even things as ridiculous, in my mind, as setting  
4 up massive four-foot chess boards for homeless people in  
5 parks, and just little things like this over and over and  
6 over and over and over again. From my memory - and this  
7 was a little while ago, Madam Commissioner, I apologise if  
8 I'm incorrect - I think there were parcels of land that the  
9 council were going to put into affordable housing. That  
10 part doesn't worry me, but this document was 50 pages thick  
11 and there was spending on every single page of it without  
12 a dollar. Without a dollar.

13  
14 Q. But, Mr Marquart, wouldn't each of those decisions  
15 have ultimately come - a policy doesn't spend the money.  
16 It is the decisions of the council in putting that policy  
17 into effect that would spend the money. Isn't that the  
18 right thing?

19 A. Yes, sometimes. I think for a portion that would be  
20 correct, Madam Commissioner, when you're talking about the  
21 housing policy, but like the Cities Power Partnership would  
22 probably be a better example of what I'm talking about. So  
23 again, Mayor Smith came out and said, "We are going to join  
24 the Cities Power Partnership". All over the media she  
25 said --

26  
27 Q. Can you just first of all explain to me what that is?  
28 I don't know what it is.

29 A. It is a large, I suppose you would call it,  
30 organisation that tries to get councils - a worldwide  
31 organisation that sets up a bunch of pledges to bring down  
32 your carbon emissions, effectively. Councils sign up and  
33 I think out of the 20-something pledges you have to promise  
34 you will do six of them.

35  
36 Some of these pledges are ridiculous, that you won't  
37 allow V6 or V8 cars within the city. Silly things like  
38 that. What happened was again, Mayor Smith went and said  
39 "This won't cost us anything to sign up, it won't cost the  
40 community a cent", which - that part was sort of true, but  
41 the pledges do, and you have to pick six.

42  
43 Now, one of the pledges, for instance, one of the  
44 pledges where we said, yes, we will put solar pretty much  
45 on every one of our council buildings, we'll put solar  
46 panels. At the time I said, "Hang on, hang on, can't we  
47 get from staff a costing how much this will cost to do

1 this?" I put an amendment up. I was supported by  
2 Councillor Best, Councillor McLachlan, Pilon, Gale, Burke,  
3 but we were voted down. So what they did, they signed us  
4 up to the Cities Power Partnership, they signed us up to  
5 these pledges, without any costing for these six pledges.  
6 Now, what they did do, they said, "Listen", pretty much to  
7 shut Councillor Marquart up, because he keeps whingeing  
8 about money, "we'll say every six months we will bring  
9 a report back to the chamber". I think about eight, nine  
10 months later, I kept asking the staff, "Where's this  
11 report? Where's this report?" Eventually it came back in.  
12 The report didn't any dollars on it. The report said,  
13 "Yes, we've put solar panels on" - I think at the time it  
14 was six buildings, "we're going to put solar panels on the  
15 rest of our buildings." I asked staff within the chamber,  
16 "How many more buildings have we got?" "We don't know, we  
17 would have to get back to you, Councillor Marquart."  
18 "Well, how much have you spent?" "Oh, we can answer that."  
19 So after a little bit of toing and froing they answered  
20 that question. I said, "Okay, how much is it going to cost  
21 to put solar panels if we've got 50 buildings, how much  
22 will it cost to put it on them? How much power would we  
23 save?" The answer was, "I don't know, I don't know,  
24 I don't know". This thing was like an uncostered animal.

25  
26 Q. So what was the cost that you were given for the  
27 buildings that had had solar panels installed?

28 A. I think the way they gave the costs - again, I'm  
29 expanding my memory here, it was a long time ago - I think  
30 the costs they gave was what they had finished and what  
31 they predicted was going to be finished by the end of the  
32 year, and I think it was something along the lines of  
33 \$2 million. But that is stretching my memory, I must  
34 admit.

35  
36 Q. You didn't know at that stage what any energy savings  
37 would have been?

38 A. They could not answer me. And of course, the other  
39 one that I asked, just to get a little bit of clarity is,  
40 "How much carbon emissions will we save by doing this?" Of  
41 course, they couldn't answer that as well. So not only  
42 could they not answer how much it would cost, they couldn't  
43 answer what the benefit would be for being signed up to  
44 this thing.

45  
46 Q. Okay. Could I just ask you some more general  
47 questions. What's your professional background? You have

1 a business, I understand?

2 A. Yes. Yes, I'm a carpenter by trade, but I'm the  
3 managing director of a company called Shoreline Sports  
4 Floors.

5

6 Q. Okay. Qualifications?

7 A. Purely just a trade, yes, trade.

8

9 Q. Do you think that it's necessary to be a councillor to  
10 have any special qualifications?

11 A. I don't. I don't. For instance - I did hear  
12 yesterday with Councillor Best, I think it was, you did  
13 mention that the government asked for diversity, and I one  
14 hundred per cent agree with what you said there, they did,  
15 and I did see that press release, they are looking for  
16 diversity in Local Government. So I don't think, per se,  
17 no, you don't need anything particularly on a CV because  
18 you want to cover all angles.

19

20 But, for instance, I'm a staunch conservative, so I'm  
21 all - that's socially and fiscally, so I'm going to have  
22 a very different idea to one some of the other councillors  
23 like Councillor Smith, Councillor Greenaway. I don't have  
24 a problem with that. The environment is obviously really  
25 important to everybody, but I think what everyone needs to  
26 realise is if you don't have dollars in the bank, you can't  
27 help anybody.

28

29 So the people at CEN, for instance, should be  
30 disgusted in the two councillors they put up there, because  
31 the environment is not getting assisted now because we are  
32 broke. We can't do anything extra in regards to Tuggerah  
33 Lakes or Brisbane Waters. We can't add to COSS. We can't  
34 do anything that's going to actually help an environment  
35 because we're stone motherless broke out in the street.

36

37 So what I think, there has to be a certain amount of  
38 fiscal responsibility, and I think you need to be - I don't  
39 want to sound rude, but I think a lot of the people that  
40 were in that room were adolescent of nature. You need to  
41 be an adult. You really need to be an adult in the  
42 chamber, get the petty politics out of the place and  
43 realise sometimes you are not going to get your way but you  
44 have to think what's going to be the best possible outcome  
45 for the people you are supposed to be representing.

46

47 What I had to do - we would have a briefing before the

1 council meeting, I would have to sit in there and, you  
2 know, you would have dinner with all councillors and, you  
3 know, you watch them all gorge on their tofu and mung bean  
4 casserole, and then you go into the chamber after they are  
5 all nice and full and they would spend millions and  
6 millions and millions of the taxpayers' dollars, sometimes  
7 just rip them up or burn them up with a contract that is  
8 torn up, and you think at the end of it what was the point  
9 of that? How did that help the environment? How did that  
10 help the socialists in the chamber?  
11

12 It certainly didn't help the conservative in the  
13 chamber and it was a very frustrating process, and I think  
14 anyone that's taken at that level and takes the job  
15 on - no-one takes on the office of council for the money,  
16 that's for sure. You take it on because you care about  
17 something and I think you need to be an adult in that  
18 chamber.  
19

20 Q. Mr Marquart, generally the council's spending is  
21 governed by the budget; is that not right?

22 A. Yes. Yes.  
23

24 Q. So it's not every meeting that money is spent, and if  
25 a proposal comes up that requires spending, it is required  
26 to be costed, is it not?

27 A. Well, I don't believe so, not the way that - not my  
28 experience over the three and a half years that we were  
29 there. I mean, of course that's correct in portions.  
30 Again, I think, like I alluded to before, these things are  
31 there to be deceived upon or broadened or used. So, yes,  
32 there's part - of course, budget has items and has dots and  
33 lines and then suddenly you get to the next budget and  
34 we're over. Why were we over? Again, staff had  
35 directions, "Do this"; staff had directions "You have got  
36 to do" - again, like I said, you have got the Cities Power  
37 Partnership, you've got the biodiversity strategy, you've  
38 got the housing strategy - all these strategies were open  
39 and staff were told to do things without any costing. So  
40 you can never budget correctly. So that's why budgets were  
41 over and over and over and over every single time.  
42

43 Q. Presumably you were an opponent of deficit budgets?

44 A. Absolutely. I think I was the only councillor that  
45 voted against our very first budget because it had such  
46 a wafer thin surplus. Wouldn't a surplus be wonderful  
47 right now? But, yes, absolutely. I just can't understand



1 that. I can't understand, when you are dealing with other  
2 people's money, how you can just put savings out in the  
3 never never, it disgusts me, quite frankly. We had certain  
4 councillors in there that would say things like, "If we  
5 don't owe \$50 million we're doing things wrong". If  
6 I would speak out against that and my conservative  
7 colleagues would speak out about that, we'd get called  
8 names, like neo-liberals, and I kept getting told I wear  
9 a tin foil hat, and strange things like that. But that is  
10 a title I wear proudly now, because I think my position has  
11 been vindicated.  
12

13 Q. Were you an opponent of the merger or a supporter?  
14 A. I would say I was a supporter, absolutely a supporter.  
15 Before it happened it's not something I gave a lot of  
16 thought to, to tell you the truth. Once it was done,  
17 I sort of thought let's hit the ground running, let's get  
18 the rubber on the road, we are the Central Coast. Like  
19 I said, that is exactly why I went the way I did with my  
20 first mayoral vote because I wanted to get that out of the  
21 place. I just thought if people are talking about  
22 amalgamations from the start, and trying to kick that same  
23 old political football, that we would get nowhere.  
24 So I would say I was a supporter of the amalgamation.  
25

26 Q. Did you observe within the chamber a divide between  
27 north and south?  
28 A. Oh, not particularly. Only - to tell you the truth,  
29 I don't think that really existed. I think it was more of  
30 a bit of showmanship. There was always, you know,  
31 councillors from the north that said, you know, "We need  
32 equity, ward equity". That's an impossibility. I was in  
33 the west ward, for instance. If you look at the extra  
34 amount of kilometres we've got in roads and infrastructure,  
35 as opposed to, say, Budgewoi, it's an impossibility to have  
36 exact financial equity. But there was a lot of talk of  
37 that in the chamber every now and then, but behind closed  
38 doors I don't think it existed.  
39

40 Q. Do you think it existed at a staff level?  
41 A. Not - it's possible, but not that I saw, to tell you  
42 the truth. I never heard anyone saying, "I was Wyong  
43 council", "I was Gosford council", or anything along those  
44 lines. It is possible, but I just didn't see it.  
45

46 Q. What was your level of contact with the staff? Was it  
47 just the ELT?

1 A. Most of the time. The way it was set up, we had  
2 our - obviously, yes, if we were actually physically in the  
3 building, yes, nine times out of 10 that's exactly who we  
4 would be speaking to. If we had queries, any time of the  
5 day, we would have a certain email we would contact,  
6 councillor support, through our iPads and that. They would  
7 always - the councillor support staff would get back  
8 straightaway, but then they would direct you to - you know,  
9 they would direct your question to the relevant individual.  
10 Sometimes you didn't even know who that person was once the  
11 answer came back, but then you just corresponded through  
12 email. So that could have been anyone within the  
13 particular team.

14  
15 Q. But it was an effective method of communicating with  
16 the staff?

17 A. I wouldn't say that, no. I thought it was heinously  
18 slow. I've got to be honest, I think sometimes it was  
19 heinously slow for a reason. If I had questions - you  
20 know, one of my massive bugbears, as you have probably  
21 guessed, is huge uncoded policy. So if there was one of  
22 these policies that was coming up in the next council  
23 meeting, we had a debate about the motion, sometimes  
24 I didn't get an answer for my particular question until  
25 after meeting, which just wasn't good enough for my  
26 position.

27  
28 You've got certain information you want to hit people  
29 with, so the people of Central Coast can see the truth, and  
30 you wouldn't get that information. I can't understand,  
31 when a motion is being crafted, how that information can't  
32 be available almost automatically, but it was slow at  
33 times. I'm not sure if that was by accident or design.  
34 But it was slow at times.

35  
36 Q. You weren't on the selection committee for the general  
37 manager, I understand?

38 A. No. Actually, during the three and a half years,  
39 I managed to fall off a roof at the start. So I had five  
40 operations over the period. I think my recollection is  
41 I was in hospital at that time with the second operation,  
42 so I didn't.

43  
44 Q. I see. Did you participate in any of the meetings  
45 where the performance of the general manager was  
46 considered?

47 A. I think, yes. Yes, my recollection is I think there

1 was - I think that happened on at least two occasions.

2  
3 Q. What was your relationship with the general manager  
4 like?

5 A. I thought Gary was, from the very first time - I think  
6 Gary started as I came back. I think that second  
7 operation, I think I missed maybe six council meetings or  
8 something like that over sort of a 10-week period, and  
9 I think he was just starting as I was getting back.  
10 I found him to be a really nice guy. A really nice guy  
11 from the start. Always very approachable. Any time I had  
12 any queries, he did get back to me straight away and always  
13 helped out as much as he could.

14  
15 The very first thing I said to my colleagues is - well  
16 the thing that worried me with Gary, I just didn't feel  
17 like he was going to be assertive enough for the position.  
18 Mr Bell, for instance, and even Mr Glendenning that there  
19 were there before, they had that little bit of gumption in  
20 their personality, I suppose you would say, which led you  
21 to think that if a particular team or a particular staff  
22 member or a particular system wasn't working, they would  
23 jump all over it with that little bit of aggression.  
24 "Aggression" might be the wrong word but, again, that  
25 little bit of gumption you need to make sure that the  
26 business, this \$800 million animal, is running correctly.  
27 I personally didn't feel that Gary was going to have the  
28 qualities to achieve that, but I was certainly willing to  
29 give him the benefit of the doubt at that stage,  
30 because I --

31  
32 Q. Did your view change over time?

33 A. Again, I think it was vindicated. I think my view,  
34 the original feeling I had, I think, is what happened.  
35 I just think Gary just didn't really have the personality  
36 to run the people that were in that organisation, and could  
37 still be within that organisation for all I know.

38  
39 So I did get frustrated sometimes with Gary. When it  
40 was glaringly obvious, for instance, what was happening in  
41 the chamber in a particular motion, sometimes - and I know  
42 Councillor Best would do this quite often as well - I'd put  
43 a question to Gary, a Dorothy Dixier. The answer was  
44 obvious, and all Gary had to do was show that little bit of  
45 gumption and answer it in front of everyone so that the  
46 people of the Central Coast knew the truth, but I'm going  
47 to say he never did.

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Q. Can you give me an example?  
A. Yes. I remember when - it was one of the quarterly reports and Councillor Best gave - I sat down with Councillor Best just before we had dinner, and that's when he pointed out to me about the \$9 million in labour hire, and so we just said, "This can't be - this just can't be right, surely." So then I remember at that stage, during the to and the fro that night in the chamber, there was a couple of questions, I can't remember the exact wording but, to give you an example, it was over dollars and cents and Councillor Best said, "Is this A or is this B?" Everyone knew it was A and Gary would either say, "No, it's B", or just float in the middle and say, "I don't know". He had an opportunity then - because I know he knew the answer to the questions - he had an opportunity to put his foot down and say, "Yes, look out, this is the case", and that didn't happen. I think it is that little of gumption, that little bit of bravery, that little bit of steel in the spine that was needed at that stage, because it could have been nipped in the bud then, which could have saved the region of the Central Coast, I don't know, \$100 million, \$150 million, \$200 million, who knows.

Q. Not on that question, though?  
A. Not on the question alone, no. That's an example. You asked for an example, Madam Commissioner. It was just an example.

Q. What was your extent of knowledge about the way accounting for sewer, water and drainage contributions was handled within the council?  
A. Oh, my knowledge of the actual accounting would be - that particular item, we wouldn't have had a hell of a lot of knowledge on that. We did have briefings in regards to all things sewer and water, but the actual accounting and how it was done, the processes, the systems, I would say very limited knowledge.

Q. Did you ever have cause to go back to the financial records for the previous councils?  
A. Me - I know some of my colleagues did about different things. I definitely did a bit of investigation on a few items, yes. Yes. One of the ones I can think of is - and I know you may not know this - the Davistown Wetlands. There was a portion of - I think, off the top of my head, it was \$1.47 million that was supposed to be in an account

1 from the previous council that was for acquisition of these  
2 particular wetlands. So there was a little bit of  
3 investigation then.  
4

5 The funny thing was - I obviously don't have it in  
6 writing now, because it would have been a council email and  
7 it gets removed the second you resign - but I was promised  
8 that money was sitting in its own bank account all by  
9 itself and they told me the interest it had accrued over  
10 time. It was sitting there ready to go in its own - they  
11 even told me at the time what the name of the bank account  
12 was. I strongly doubt that was true now, obviously, again  
13 with the 20/20 hindsight. There is no way that that money  
14 was there, and it's certainly not there now, as we know.  
15 So that's the only real time that I had to delve in the  
16 previous --  
17

18 Q. Who was providing you with this information?

19 A. That was through council support. I apologise,  
20 I can't remember the name. Obviously council support again  
21 forward it on and then you get a response from an  
22 individual within the organisation. I can't remember  
23 exactly who sent me that, I'm sorry.  
24

25 Q. Could it have - [Zoom freeze].

26 A. It's frozen.  
27

28 MS ANNIS-BROWN: I'm sorry, Commissioner, your image  
29 appears to have been frozen. I don't know if you can still  
30 hear us. Just bear with us, Mr Marquart.  
31

32 THE WITNESS: Not a problem.  
33

34 MS ANNIS-BROWN: Thanks. Perhaps if I could just suggest,  
35 Mr Marquart, that we just give the Commissioner a chance to  
36 get reconnected. Perhaps if you would like to turn your  
37 camera off just for now, and we will try and reconnect her  
38 and we will be back shortly.  
39

40 THE WITNESS: Thank you.  
41

42 SHORT ADJOURNMENT  
43

44 MS ANNIS-BROWN: Hello, everybody. It looks as though  
45 there may be an internet connection problem for the  
46 Commissioner. We will try and reconnect her. In the  
47 meantime, the public hearings will adjourn until 11.30 in

1 order for us to be able to fix the difficulty.

2  
3 Thanks, Mr Marquart, we should be back at 11.30.

4  
5 SHORT ADJOURNMENT

6  
7 THE COMMISSIONER: Hello, this is Commissioner McCulloch.  
8 As you can see, we're now having difficulties. I believe  
9 it is now my personal internet account which is the  
10 problem, which I am having investigated.

11  
12 I wish to continue questioning Mr Marquart. I've only  
13 got a few more questions. I apologise, but I will have to  
14 do that with my living room in the background. We will do  
15 what we can to get this rectified before the next witness,  
16 but I will come on camera shortly and could I ask for  
17 Mr Marquart to also come back on camera.

18  
19 Q. Mr Marquart, are you on camera, because I can't see  
20 you?

21 A. Yes, yes.

22  
23 Q. Thank you. It was because you hadn't spoken. Look,  
24 I'm terribly sorry about this. I did warn on Monday that  
25 there would be problems. I did not expect them to be in my  
26 home, but anyway, we will sort that out.

27  
28 Just a few more questions. When you started with the  
29 council, were you aware of the infrastructure backlog that  
30 the council had inherited from the previous two councils?

31 A. I did hear talk of that, yes. I knew it existed.  
32 I didn't know the extent, and obviously it wasn't until the  
33 quarterlies started to come in and the first sort of  
34 budgets that I realised how significant some of that was,  
35 and how we continued to add to it.

36  
37 For example, I remember - I think it was one of the  
38 first quarterly reports or first budgets where I realised  
39 there was a 70 - I think it was a 72 per cent mark on what  
40 was the required road maintenance. So you think to  
41 yourself hang on, what are we doing? We're going to be  
42 adding 28 per cent of issues to next year.

43  
44 So it took a little while to get your head around that  
45 there were significant issues in regards to that catch-up  
46 required.

1 Q. So do you think that was a possible justification for  
2 deficit budgets in the early years of the long-term  
3 financial plan or not?

4 A. No, I don't. No, I don't. I think that was a reason  
5 to fiscally tighten up your belt and say, "Let's get this  
6 thing on track from the very start, from the get-go. Let's  
7 not spend like drunken sailors and let's be conservative  
8 with the dollars we are pumping out there." It was an  
9 opportunity, really, a missed one. So I don't take that as  
10 an excuse at all - at all. It seems to me - and this is  
11 what I meant from the very start in regards to the  
12 councillors are to blame here - it seems that the defence  
13 is plausible deniability. I'm here to tell you that it is  
14 not plausible, because every councillor had myself,  
15 Councillor Best, Councillor Pilon, Councillor McLachlan,  
16 Councillor Gale, screaming at them, "Please, at least" - we  
17 put an amendment up - "please get this thing costed before  
18 we wave it through the motion". They would either vote  
19 that down or they would bastardise it, so they would turn  
20 the amendment or the addendum into something which was  
21 obviously the opposite of the real purpose of what it was.  
22

23 So the plausible part of the plausible deniability  
24 doesn't work. They will have to stick to they didn't like  
25 iPads, because that's the only thing that is going to make  
26 sense here, or they were incompetent and they weren't up to  
27 the job.  
28

29 Q. So when you are talking there about motions you were  
30 putting up, you're not talking about budgets, you're  
31 talking about other motions that came up for business  
32 during the year?

33 A. Yes, generally. There also is the quarterly reports,  
34 and, again, you were right in what you were saying  
35 yesterday, Q4 just never happens. That's a conundrum.  
36 Figure that one out. I don't know how Q4 disappears all  
37 the time. It makes it almost impossible. You would have  
38 your quarterly reports, but what we had to do as  
39 councillors, we had to star the items we wanted to talk  
40 about, and the mayor would say, "No worries, who wants to  
41 talk about this, this or this", or it just gets pushed  
42 through en masse. If I didn't, or Councillor Best didn't,  
43 or Councillor McLachlan didn't star the quarterly reports,  
44 they would never be spoken about.  
45

46 The other side of the chamber that had the vote didn't  
47 want to talk about anything financial. You don't need to

1 believe me, go back and look through the minutes of every  
2 meeting, you will never ever find any of them that ever  
3 wanted to talk about a Q report.  
4

5 A local developer, Tony Denny, he wanted to put  
6 a Colorbond fence up. They brought that into the chamber  
7 six times, because they didn't like him. So they'd talk  
8 about ridiculous little things like that - save the Rocket  
9 Park at Long Jetty, that came in about three times under  
10 Kyle MacGregor, but they didn't want to talk about  
11 anything - anything fiscal, anything financial.  
12

13 I honestly think it got to a point where every time  
14 they looked at it they had to reflect on themselves and,  
15 you know, it's when you look at the man in the mirror and  
16 you say, "Hang on, what have we done?" I think that's  
17 where it got. They wanted to try to push it away, pretend  
18 it didn't exist. That coupled with motions going out to  
19 the back rooms for God knows who to do what with, because  
20 they were uncostered, that coupled with Mr Murphy at the top  
21 as well, just created this horrific fiscal spending  
22 hurricane that the Central Coast is going to have to live  
23 with for probably decades to come.  
24

25 Q. What did you understand the role of ARIC to be?

26 A. I understood it to be an oversight committee that was  
27 set up when the council was under administration  
28 originally, or it was obviously - I think Mr Noble set it  
29 up. I think it's supposed to be an oversight committee,  
30 but it needs to eat more carrots because its eyesight isn't  
31 very good. How in God's name could a financial oversight  
32 committee not be busting down the walls of both Wyong and  
33 Gosford chamber over the last three and a half years?  
34 That's my understanding, it was supposed to be there as  
35 a check and balance.  
36

37 Q. What do you think they didn't do that they should  
38 have done?

39 A. Well, to be honest, I don't know the exact, I suppose  
40 you would call it, terms of reference of ARIC. So surely  
41 there was something within their brief that allowed them to  
42 alert whomever they should alert. My understanding of  
43 the - my position is they should have alerted the  
44 councillors, all of them, that there is a huge issue here.  
45 They don't even need to know the exact extent of that  
46 issue, because that's a staff - that's an operational  
47 thing, but put it this way, again, the plausible



1 deniability - Madam Commissioner, on 14 September,  
2 Councillor Best, myself, Councillor McLachlan,  
3 Councillor Pilon, Councillor Gale, we all sent a letter  
4 straight to the office of OLG, straight to the minister,  
5 saying "This place is exploding". We thought the issue was  
6 about 50 million over the 19/20, but it was a lot worse.  
7 So if we knew this, how did ARIC not know this? If we knew  
8 this, how did the other councillors not know this? Of  
9 course they knew this. You did not need to know the exact  
10 figure to know that the place was drowning in debt. You  
11 did not need to know that.  
12

13 Q. What date was that letter, though?

14 A. The letter was sent - on 14 September we sent that  
15 letter. The follow-up from this was obviously that we all  
16 got a phone call - you probably heard this from the  
17 councillors - we all got a phone call from Gary Murphy on  
18 the October long weekend, 2020 I think it was, from memory,  
19 that we needed to come in for a briefing. Obviously during  
20 that meeting Mr Murphy was obviously very, very upset.  
21 I thought he was almost crying on the other end of the  
22 phone. So it was obviously very serious. So we went in  
23 there and that's when we started to hear - we started to  
24 hearing, during those closed-session meetings, always were,  
25 always were confidential with this council - we started to  
26 hear some of what was going on.  
27

28 Now, what disgusted me from the start, we heard from  
29 the investigator that was - I can't remember the  
30 gentleman's name, I'm sorry, but that was doing the  
31 original --  
32

33 Q. Mr Banicevic?

34 A. That's it, yes. He was giving us figures straight  
35 away. What the council was putting out to the public for  
36 consumption was incorrect. It's not what I had just been  
37 told. So I just couldn't believe from the start, we had  
38 already - we had spent all their money and we weren't even  
39 going to be honest with them. So I was almost ready to  
40 pull the pin then because I wasn't even believing the  
41 figures that I was being told at the time, and I was right,  
42 they were 100 per cent incorrect.  
43

44 So what happened was myself, Councillor Pilon and  
45 Councillor Gale sent another letter on, I think - it was  
46 the week before I resigned, so something like 20 October,  
47 as this was going on and on and on. Because the council

1 starting putting everything in confidential and the other  
2 councillors were putting motions up to spend money. We're  
3 being told that we're paying wages with funds we're not  
4 supposed to be using, restricted funds. These people were  
5 trying to spend more money. They were putting motions in  
6 that were spending restricted funds. Obviously I would  
7 refuse to vote. Once I'd totally left the meeting I shut  
8 my computer screen - it was all on Zoom at the time. But  
9 they just would not stop. I knew that these - again, they  
10 weren't adults, they were being adolescent about it, and  
11 they thought they could fix something. They were like  
12 a 17-year-old kid who crashed his car and was in a ditch.  
13 What they needed was their dad to help them get out of the  
14 ditch, and they were trying to get the car out themselves.  
15 But we needed --

16  
17 Q. You are another fan of the metaphor.

18 A. I like the odd one every now and then.

19

20 Q. If you can keep the language factual, that would be  
21 useful.

22 A. I will try to. Sorry.

23

24 Q. You are not suggesting that other councillors had any  
25 better information than you did, are you?

26 A. No, I'm suggesting they had the same information and  
27 that was not - it was not the same figure that was being  
28 fed to the public, is what I'm suggesting. I'm suggesting  
29 we all knew at that time it was much, much, much worse than  
30 the public thought it was, and we knew for a fact that  
31 obviously funds that should not have been spent, reserved  
32 funds, had been spent and were still being spent, and these  
33 people wanted to try to continue to do so.

34

35 We wrote a letter again - Jilly Pilon, Rebecca Gale  
36 and myself wrote another letter directly to the minister  
37 and said, "This is exactly what's happening, you need to do  
38 something." We never got a response.

39

40 Like I said, after 345 days since I resigned, this is  
41 the first time, you are the first person I'm speaking to  
42 besides a journalist regarding this issue. Nobody has  
43 called me once. Nobody has wanted this information.  
44 Nobody answered our letters, our pleas. So I thought at  
45 that stage - not just I thought, I thought and my colleague  
46 Councillor Gale thought - the only thing we can do is  
47 resign and try and blow this thing up to try to make it so

1 that the minister will come in and do what she needs to do.  
2 So that's what we did on 26 October.

3  
4 Ever since, a little bit like Councillor Best alluded  
5 to, former Councillor Greg Best, sorry, alluded to  
6 yesterday, I am disgusted in the way we have been treated  
7 since. You know, call us whistleblowers, call us what you  
8 will. I was not contacted by anyone within the government,  
9 anyone within the Liberal Party, anyone within the  
10 administration. I don't know why they wouldn't want to  
11 speak to the two people that resigned in disgust to bring  
12 this administration on, but they didn't. Nobody has spoken  
13 to us since. We've all been tarred with the same brush.  
14 If you hear the member for Terrigal talking, Adam Crouch,  
15 he just says "The councillors". He never says once, "Hang  
16 on, there are some people there who tried to save the  
17 coast". There is no differentiation between the left of  
18 the chamber or the power vote of the chamber, the bloc of  
19 nine and the people who tried to do something about it. It  
20 is extremely disappointing and it is why I really wanted to  
21 speak today as opposed to writing it down in a letter form.

22  
23 Q. Early on in your term you said you had a serious  
24 accident and you missed a lot of meetings. But you were  
25 also absent for a lot of meetings in 2020, weren't you?

26 A. Yes, I had five operations over the period.

27  
28 Q. In 2020, was it?

29 A. I had five operations in the three - in three years,  
30 yes.

31  
32 Q. I see. So they were medical leave?

33 A. Yes, that's correct. Yes.

34  
35 Q. I don't have any more questions for you but I will  
36 just check if Ms Annis-Brown has any.

37 A. Not a problem.

38  
39 MS ANNIS-BROWN: No questions, Commissioner.

40  
41 THE COMMISSIONER: Thank you. Mr Simone, do you have any  
42 questions for Mr Marquart?

43  
44 MR SIMONE: No, Commissioner. I have no questions.  
45 Thank you.

46  
47 THE COMMISSIONER: Thank you, Mr Simone. Thank you,

1 Mr Marquart. That concludes your evidence and you are free  
2 to pop off the screen.  
3  
4 THE COMMISSIONER: You didn't want to add anything more,  
5 did you?  
6  
7 THE WITNESS: No, that's fine. I really appreciate your  
8 time, thank you.  
9  
10 <THE WITNESS WITHDREW  
11  
12 THE COMMISSIONER: Our next witness is Kyle McGregor at  
13 12.50. I very much hope I will be back on my computer at  
14 that stage rather than hot-spotting on my iPad, but we will  
15 resume at 12.50 whatever the case and we will take an  
16 adjournment now. Thank you.  
17  
18 LUNCHEON ADJOURNMENT  
19  
20 THE COMMISSIONER: Good afternoon. As you can see, my  
21 issues have not resolved in terms of my internet activity,  
22 but I will try to continue the hearing. I'm very grateful  
23 to our next witness, Mr MacGregor, for delaying his  
24 evidence and also the officer assisting the administration  
25 officer for their help in trying to manage things after  
26 I was cut off.  
27  
28 I'm continuing to work from my iPad, so I apologise  
29 for my looming finger when I come back on screen. There is  
30 nothing I can do about that, I'm afraid.  
31  
32 What I will do now is call Mr MacGregor as a witness  
33 and ask him to come on camera and off mute.  
34  
35 MR MacGREGOR: Hello, can you hear me?  
36  
37 THE COMMISSIONER: The sound for me is very faint. I will  
38 turn my sound up. Ms Annis-Brown, is the sound okay for  
39 you?  
40  
41 MS ANNIS-BROWN: It is very faint for me also.  
42 Mr MacGregor, are you as close as you can be to the camera  
43 and the microphone?  
44  
45 MR MacGREGOR: Look, I'm sitting at my desk, I can try to  
46 get closer, does that make any difference?  
47

1 THE COMMISSIONER: It is still very faint. Can I just ask  
2 the transcription service whether they are able to pick up  
3 the volume?

4  
5 (The court reporter advised that the volume was also  
6 very faint for her.)  
7

8 THE COMMISSIONER: Can I just ask what sort of device you  
9 are operating on?

10  
11 MR MacGREGOR: I'm using a laptop computer. Would you  
12 like me to put headphones in and see if that makes  
13 a difference?

14  
15 THE COMMISSIONER: That would be great, if you could try  
16 that, thank you.  
17

18 MR MacGREGOR: Has that improved now?

19  
20 THE COMMISSIONER: It certainly is for me.  
21

22 Ms Annis-Brown, could you swear in Mr MacGregor,  
23 please.  
24

25 <KYLE MacGREGOR, sworn: [1.32pm]

26  
27 <EXAMINATION BY THE COMMISSIONER:  
28

29 THE COMMISSIONER: Q. Thank you, Mr MacGregor, for  
30 preparing the comprehensive submission to the inquiry which  
31 you did. That's been really helpful. First of all, a  
32 little bit of background about you. This is your first  
33 time in Local Government?

34 A. Yes, first time as an elected representative, it is.  
35

36 Q. Did you have any contact with Local Government before  
37 you joined Central Coast council?

38 A. I was familiar with some of the councillors of both  
39 former Gosford and Wyong. I did my best to familiarise  
40 myself with documents, minutes, policies and the like.  
41 I was an informed community participant and viewer of the  
42 meetings - sorry, not viewer because some of them weren't  
43 live streamed prior to it, but I did my best to do my due  
44 diligence before joining this council as a new councillor.  
45

46 Q. Was that before you made a decision to run for council  
47 or not?

1 A. I had known some of the former councillors going back  
2 to the period of about 2006/2007, when I first came into  
3 contact with them, and most of the due diligence that I did  
4 in regards to my term occurred prior to myself running, but  
5 I obviously followed information in the media and I also  
6 had contact with elected representatives prior to that.

7  
8 Q. Did you have any special role on this council?

9 A. I was on various committees. I was a member of the  
10 joint regional planning panel. I was the chair of the  
11 social issues committee. I was on the economics committee.  
12 I was on the Gosford CBD and waterfront committee. I was  
13 on the Mangrove Mountain and Spencer advisory committee,  
14 the heritage committee, the playground committee - so quite  
15 a few. I may have missed some, but I certainly  
16 participated in many of the committee meetings, yes.

17  
18 Q. Can you just tell me how the committee recommendations  
19 work when they come back to the council or to the staff?

20 A. All decisions were made by consensus. I never  
21 participated in a meeting where we took a formal vote on  
22 anything. There was discussion, usually led with  
23 a presentation from a staff member, either a unit manager  
24 or an ELT member or a specialist, and sometimes external  
25 people were brought in. There was discussion around the  
26 group. The chair or the staff would see what the consensus  
27 was generally, ask people if they were happy with that, and  
28 in the time that I participated in them, I didn't see any  
29 attempt to put a dissenting report or take anything to  
30 a vote.

31  
32 Q. But the committee's role was to make a recommendation;  
33 is that right?

34 A. That was my understanding, yes, and then those  
35 recommendations would go to the full council, either for  
36 adoption or amendment or the like, and from my  
37 recollection, the majority of times those reports were  
38 usually noted and, if required, an additional report or  
39 something of that nature would come before council for us  
40 to vote on.

41  
42 Q. Did the recommendations ever go directly to staff?

43 A. I believe that they would have had a look at it  
44 beforehand because they have to prepare the reports, they  
45 have to do the minutes and senior staff certainly, or their  
46 representatives, participated in all of the meetings of the  
47 committees that I was a part of.

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Q. But were the staff able to action recommendations of the committees, or was only the council able to action them?

A. Look, for some minor things, I believe that the staff were able to do it without formal resolution or direction from the council. I can't really give you a whole lot of specific examples, but I can remember, for instance, with the social issues committee, there was requests around the little libraries program, and there was an update on that and the staff basically said, "Well, we're already doing that anyway or we might consider a couple of alternative locations based on that". So staff definitely had input in that.

Q. Now, what is your background professionally and your qualifications?

A. I have a double degree in arts and education, majoring in history, minoring in European studies. I have two certificate 4 TAFE qualifications in workplace management and workplace health and safety. I've also undertaken various other courses. I was undertaking the Australian Institute of Company Directors course before my suspension and was unable to finish that. I also undertook specific financial training in Local Government in the final year of our term with Councillor Smith, approximately June I believe of 2020, which I don't believe the other councillors had done prior to us doing it.

Q. What was that course? Can you tell me about it?

A. Yes, it was the Office of Local Government standard course run by Dennis Banicevic.

Q. Did you find it helpful?

A. I did. I would have found it a lot more useful if we had had it at the start of the term. I thought that was quite revelatory that it was only after the request and certainly almost three years after we'd been elected that we took the opportunity to do that. It may have been offered previously but it certainly wasn't pushed, if it was.

Q. Do you think that would be something that would be useful for all new councillors to undergo?

A. I believe it should be mandatory, particularly around understanding restrictions, contributions and how to assess financial reporting through mechanisms like the investment

1 reports or the quarterly financial reports that we received  
2 which were often late or insufficient in information.

3  
4 Q. But that course itself wouldn't have - I get the gist  
5 from your submission, it wouldn't have alerted you to the  
6 way in which contributions were accounted for?

7 A. I believe that it would have assisted myself or other  
8 councillors if we had that knowledge before, given that  
9 subsequent to our term on the council, a lot of these  
10 issues were identified, and I believe that further  
11 training, and certainly genuine training and full, you  
12 know - certainly training which was going to be of a high  
13 quality would have certainly improved that.

14  
15 I don't believe at the start of our term of council  
16 that the majority of councillors understood the  
17 restrictions, how they worked. Some of the more  
18 experienced councillors may have. As far as my  
19 recollections are, I have no record - recollection of being  
20 briefed on those or having a detailed run-down of that.  
21 The code of practice around Local Government and specific  
22 accounting and finances is quite different to what people  
23 are used to in a corporate environment, or perhaps with  
24 other levels of government, and I think some of these  
25 nuances would have been quite beneficial for us to have  
26 been exposed to and explained.

27  
28 After the events of the October long weekend,  
29 Dennis Banicevic gave very detailed training and  
30 information and assessment to councillors as part of the  
31 process of us trying to understand what had occurred and  
32 how it occurred.

33  
34 Q. In terms of a handover from the administrator to the  
35 council, what did you observe occurred?

36 A. Look, I don't recall a formal handover from the  
37 administrator prior to our election. In terms of our  
38 induction and how that occurred, subsequently after I was  
39 first elected I was invited to attend council. I met  
40 a senior staff member who was either the director of  
41 governance or the acting director of governance, I can't  
42 remember their full title at the time, they gave me a box  
43 with an iPad and iPhone in it. I had a temporary staff  
44 pass. They got in my car, we drove up to the car park, saw  
45 if the thing worked and then was told to contact them if  
46 I had any questions. That was the extent of the induction  
47 aside from the two-day weekend program which other



1 witnesses have described which was primarily focused on  
2 psychometric analysis of the councillors, and there was  
3 brief sessions on the community strategic plan and the  
4 operational plan process of how the operational plan would  
5 be developed and what the difference was between  
6 operational expenditure and capital expenditure.  
7

8 Q. Did you have any training on the budget process and  
9 how that was going to work?

10 A. Not that I recall anything other than maybe mentions  
11 or something perfunctory, but I would be relying on memory  
12 and I'm not going to speculate. I'd like to keep my  
13 responses and submissions factual, thank you.  
14

15 Q. In terms of the staff, did you observe any division  
16 within the staff according to where they had formerly come  
17 from?

18 A. Certainly anecdotally. We would get a lot of  
19 information filtered up to us basically that there was  
20 a divide in the staff between the north and the south.  
21 My understanding was they were on different wages, they had  
22 different ways for accounting for full-time employees and  
23 the like. I believe that a lot of the council's systems,  
24 particularly around wages and things like that, were  
25 separate. There was certainly a view from some that the  
26 Central Coast Council was basically a Wyong takeover and  
27 that many of the Wyong senior directors had entered into  
28 senior positions at Central Coast Council at a potentially  
29 disproportionate rate to those from the former Gosford City  
30 Council.  
31

32 Q. You didn't have any first-hand knowledge of that,  
33 though?

34 A. Only through what was communicated to me through  
35 anecdotal evidence. It's not like it was formally reported  
36 to us that there was a divide. That is basically the  
37 extent of that.  
38

39 Q. Was that divide evident in the chamber?

40 A. Look, I think the people that were on the former  
41 councils had very different experiences and very different  
42 expectations about how Central Coast Council was going to  
43 perform and operate, and I believe that the former  
44 councillors expressed dismay at the way it was. In regards  
45 to a divide between north and south, councils have, whether  
46 they are political or operational wings, various internal  
47 silos or divides. I don't believe that that was a major

1 contributing factor to what we were doing from the  
2 political wing. When it comes to the operational wing, how  
3 that was organised and the like, I'm not entirely sure. We  
4 received very little detailed information about the  
5 operational activities of the council, and a frequent  
6 response from senior staff or the various CEOs, was "That's  
7 an operational matter", particularly when concerns from  
8 community were put forward with certain issues, and we had  
9 to rely on the best advice of staff at the time.

10  
11 Q. Can you give me an example of something like that?

12 A. A community representative or a constituent might  
13 contact us about a DA or some sort of projected maintenance  
14 for some infrastructure in their area, be it a road or  
15 a park or something of that nature. We were told very  
16 early on, basically, "Your role is to focus on the  
17 strategic direction of the council". As a councillor you  
18 would receive sometimes hundreds of requests a day for  
19 specific things. One thing I got a lot of requests for was  
20 tree and vegetation management and disputes between  
21 residents and council staff about that.

22  
23 Q. And how did you manage those inquiries?

24 A. I would either put in a - I would meet with the  
25 resident, I would put in a council request through the TRIM  
26 process, through the email that we were provided.  
27 Sometimes I would speak to a director or a unit manager if  
28 I was provided that opportunity. I also conducted a site  
29 inspection of several places with someone from that team,  
30 a unit manager and a weed management officer I believe in  
31 2019.

32  
33 Q. You weren't on the selection committee for the general  
34 manager, but to your observation, was the proper procedure  
35 followed for the appointment of the general manager?

36 A. Yes. I was not on the committee, but I believe they  
37 followed all the standards and everything that they are  
38 required to do.

39  
40 Q. And what about the continued supervision of the  
41 general manager - did you participate in any of those  
42 performance review meetings?

43 A. Not that I recall. Usually those performance review  
44 meetings were during working hours and between - in those  
45 hours, as a classroom teacher, I can't really take time off  
46 work to go to one of those things. Councillors were also  
47 afforded the opportunity to provide verbal or written

1 feedback through email. I would frequently discuss things  
2 with any of the general managers if I had an issue with  
3 something. An example of that was the level of information  
4 that I received from several requests from a community  
5 group at Tuggerawong about the flood event in 2020, and  
6 I got a - I think it was a five-word, one-sentence  
7 response, saying basically "You don't need to know that",  
8 to a list of 20 questions.

9  
10 I approached the mayor and the CEO and asked for more  
11 information and he was able to provide me more detailed  
12 information at a later date after working with the other  
13 staff that he had to. And then in regards to verbally  
14 speaking to Mr Murphy, Mr Glendenning or others, I tried to  
15 basically leave them to do their work, but if there was  
16 something that I thought needed to be communicated, I was  
17 quite happy to have an open conversation with any of the  
18 CEOs that we had under our time.

19  
20 Q. You seem to be a little critical of the amount of  
21 information that was available to you as a councillor. Did  
22 you use the councillor support email system?

23 A. Yes, I did.

24  
25 Q. And did you --

26 A. That would be my first - sorry.

27  
28 Q. Yes. Go on.

29 A. That would be my first point of call, so ordinarily  
30 I would forward an email from a resident, if they asked for  
31 their name to be removed or they didn't want me to forward  
32 the email I would send my own summary of the issue.  
33 I would send that through to the councillor support unit.  
34 If it was an item of high importance I would copy in the  
35 director or I would copy in the CEO or the mayor, and  
36 I would ask for, you know, swift action on that.

37  
38 Frequently - I will give the example of a question on  
39 notice that I asked, if I can just briefly refer to my  
40 notes, regarding the council's adherence to directorate  
41 budgets. I received a response that it would take up to  
42 six months to respond to that. I was contacted by  
43 multiple --

44  
45 Q. Sorry, what was the question?

46 A. The question on notice on directorates budget  
47 adherence, 14/9/2020, that's footnoted number 40 on page 38

1 of my submission, and it's also referenced at a subsequent  
2 page, 39, which says "See previous commentary". The final  
3 response I got on that is that a formal response will be  
4 provided in the business paper coming to the second council  
5 meeting in February 2021. So I was contacted by media and  
6 residents saying this is inappropriate, this is ridiculous,  
7 how can you put up with this. I was very concerned at that  
8 point, and it was not long after that that obviously we  
9 were briefed as to the full extent of what was occurring at  
10 the time, without our knowledge.

11  
12 Q. Was that the first time you became aware that there  
13 was no ability within the council's system to find out  
14 whether individual directorates were meeting their budget?

15 A. I had asked questions about this at budget briefings  
16 and the like. I also had several conversations with  
17 directors. Without naming names, I can tell you that there  
18 were three directors that I had regular frequent contact  
19 with around specific projects - I will give the example of  
20 the Tuggerawong pathway project. That director - it was  
21 decided to do that in stages, and frequently the stages  
22 were coming in well under budget and we actually returned  
23 money from state grants to the State Government because we  
24 didn't need to expend all those funds on the delivery of  
25 that particular project.

26  
27 So I think certainly it's concerning that we were  
28 unable to get that information officially on the business  
29 paper and in the public domain, but I had strong confidence  
30 in some of the directors in their ability to provide frank  
31 information and to complete their operational requirements  
32 either under budget or to a satisfactory standard.

33  
34 Q. You probably don't know, but do you think that  
35 somebody had directed your question to the wrong area or --

36 A. I have no knowledge of the internal processes of how  
37 that worked, other than we were told, "If you have an  
38 issue, the starting point is to send a formal request  
39 through the councillor request system which is monitored by  
40 TRIM, and you will get a timely response." Some  
41 directorates would get a response within days; other ones,  
42 you could wait well and truly a matter of months to get  
43 a response to what would seem to be a relatively reasonable  
44 request.

45  
46 Q. Do you think the ability of the staff to provide  
47 answers to questions might have been hampered by the fact

1 that they, in often cases, were still operating under two  
2 separate systems?

3 A. I believe that there may have been many issues with  
4 that - the accounting software, the processes. I'm also  
5 concerned that some of the reports that were filtering up  
6 did not comply with the relevant Acts or the regulations.  
7 For instance, in my submission I refer to regulation 202 of  
8 the Local Government Act 2005 when it comes to the council  
9 officers being required to:

10  
11 (a) establish and maintain a system of  
12 budgetary control that will enable the  
13 council's actual income and expenditure to  
14 be monitored each month and to be compared  
15 with the estimate of the council's income  
16 and expenditure, and

17 (b) if any instance arises where the actual  
18 income or expenditure of the council is  
19 materially different from its estimated  
20 income or expenditure, report the instance  
21 to the next council meeting.  
22

23 Q. So that's for meeting the budget overall for the  
24 council. Your specific question was about individual  
25 directorates, but did you get that monthly information  
26 about the overall performance of the council?

27 A. No. Councillors relied on the quarterly reports.  
28 What was reported to us either in briefings or from  
29 directors individually - and I can't go to what other  
30 conversations people have had - all I can say is that when  
31 it comes to projects, as I said, like the Tuggerawong  
32 pathway, I would ask detailed questions and I would get  
33 a very good response from some directors. There were other  
34 directorates I didn't have as much interest in. I can't  
35 talk about the internal processes. I was never exposed to  
36 them. It was never explained to us.  
37

38 The most concern I had around that particular aspect  
39 of council was at one briefing where we were informed that  
40 the financial team was basically considered a bit of  
41 a dumping ground for some people at council, and that  
42 really makes you quiver in your boots when you hear things  
43 like that.  
44

45 Q. What do you mean by that?

46 A. We were told that staff would be seconded to that  
47 particular part of council and that rather than being moved

1 on, that that would be somewhere that they would end up.  
2 I don't know the veracity of that. That was a statement  
3 that was made in a briefing close to the end of our term.  
4 But it certainly is revelatory of the place we are all  
5 forced to be in here now.

6  
7 Q. Did you hear Mr Murphy's evidence yesterday about  
8 a conflict between other directorates and the finance unit?

9 A. Look, that was the first that I had heard of that.  
10 I hadn't heard that statement before. But from what  
11 I witnessed internally in the organisation, that does not  
12 surprise me.

13  
14 Q. I will take you to page 9 of your submission. Down at  
15 the foot of that page, halfway through that paragraph:

16  
17 Prior to the adoption of the 18/19  
18 operational plan we were briefed by staff  
19 who explicitly informed us that it would be  
20 impossible for the council to run  
21 operational surpluses until the  
22 amalgamation was complete and efficiency  
23 dividends were realised.

24  
25 Can you just expand on that a little?

26 A. We had a briefing prior to the adoption of the budget  
27 that was held in the Wyong chambers in the briefing room at  
28 Wyong, and there was discussion around what was happening  
29 with the deficit. We had three members of the ELT say to  
30 us basically, "It's as simple as this: unless you are  
31 going to have massive cut-backs you are going to see  
32 a situation where until the amalgamation is finalised or in  
33 a better state, we're going to run budget deficits."

34  
35 The conversation in the room was around them being  
36 prudential, was around them being managed appropriately and  
37 a pathway, which I think is what people are referring to as  
38 the long-term financial plan in their evidence, to return  
39 to surplus. But certainly when you have investments like  
40 the IT, the wage harmonisation, all of those issues, they  
41 are going to impact on that. I did not believe that it was  
42 unreasonable that we would run manageable or appropriate  
43 budget deficits in the short term and once the merger was  
44 finalised with the likely benefits of it or potential  
45 benefits, that we would be able to return to a much  
46 stronger position.

1           One of the issues that I raised with multiple senior  
2 staff and with the councillors themselves was that the  
3 council had a structural revenue problem. We had a much  
4 lower rate base than other comparable councils. We didn't  
5 have diversified income streams. We didn't have a future  
6 fund like other councils had. And I was often told, "Oh,  
7 we're working on that, we're working on that." I was quite  
8 enthused when Mr Murphy had said that he had engaged one.  
9 There was a resolution, which I moved in consultation with  
10 my colleagues, which was delayed by six months after  
11 a request from staff to do so, and I believe in that time,  
12 Mr Murphy had engaged GT to look at revenue, the effects of  
13 COVID and the like, but essentially the revenue issue is  
14 a huge one for the council and one that I don't believe has  
15 been identified by others in their testimony so far.

16  
17 Q.   So you didn't regard the year-on-year deficits in the  
18 short term as being a bad thing?

19 A.   Well, if I can refer to my submission, I don't believe  
20 that the council took a response that was unusual, unheard  
21 of or unprecedented in our response through adopting  
22 a typical demand-driven response. I'm trying to find the  
23 section here to refer to, I don't have the exact figures  
24 right on me now, but if you look at the State and Federal  
25 Governments, for instance, they are running record  
26 deficits.

27  
28 Q.   They certainly are now.

29 A.   Yes. If you look at the recent reports into the  
30 amalgamated councils, 19 out of 20 of them are running  
31 structural deficits and have losses in productivity.  
32 Deficit financing is not unusual. Requests informally and  
33 discussions were made around taking up opportunities with  
34 the loan market and the responses from staff was TCorp will  
35 not loan to us, because we have a deficit, and, councillor,  
36 we will not be pursuing the commercial loan market. Even  
37 though we had record low interest rates and that would be  
38 a typical way to fund your deficits, it was only after the  
39 briefing on the October long weekend that the extent of the  
40 internal borrowings were uncovered and then presented to us  
41 and immediately reported to the ICAC, the minister, Office  
42 of Local Government and any other appropriate bodies by  
43 Mr Murphy, senior staff and ourselves as councillors  
44 endorsing those actions.

45  
46 Q.   And ultimately that's --

47 A.   And I just - sorry, I just also want to make the point

1 around debt when we're talking about deficits, because  
2 that's a key issue. I am just going to refer here to  
3 a question on notice that I asked regarding the debt levels  
4 of the Central Coast Council.

5

6 Q. Is this in your statement, Mr MacGregor?

7 A. Yes, it is. I'm looking at page 20 and then there is  
8 a table on page 21 as well.

9

10 Q. Yes.

11 A. So if you look at the size of the ratepayer base,  
12 Central Coast Council has relatively less debt per property  
13 at \$1,658.71, MidCoast Council and Shoalhaven Council have  
14 by comparison more than double the debt of Central Coast  
15 Council on a per property basis at 30 June 2019. There is  
16 a table on page 21 at the top of the page which is the  
17 formal response from staff, and it shows that current  
18 borrowings of Central Coast Council as of 30 June at  
19 233,157,000, MidCoast Council, 222,574,000, Shoalhaven  
20 222,574,000. Central Coast Council is a much larger  
21 council than them. We were frequently told that we were  
22 the largest council in the country on a financial and  
23 budget basis, and at no time did I believe that the budgets  
24 that were put forward by staff for us to adopt did not  
25 reflect our ability to perform on an appropriate economic  
26 level.

27

28 Q. Just help me here. I can't see the key to the graph  
29 below. I assume that Central Coast Council is grey?

30 A. Look, I - they are all a shade of grey to me.

31

32 Q. Oh, okay.

33 A. Because it is actually in black and white, so  
34 I apologise for that.

35

36 Q. Will we be able to pick that up from the business  
37 paper?

38 A. That was taken directly from a business paper, yes.

39

40 Q. Thank you.

41 A. The other thing I would like to note as well is our  
42 debt ratios, while we had an elected council, were actually  
43 less than what we do have under an administrator at the  
44 moment. The \$150 million that were taken up by the  
45 administrator in loans after our departure has actually had  
46 a negative impact on the council's debt ratio - far greater  
47 than any decisions that were made by the elected wing while



1 we were there.

2

3 Q. I understand.

4 A. When we are looking at these issues, a really key  
5 point has got to be, you know, the constant thing is you  
6 have got more money going out than you've got coming in.  
7 What needs to be done is things that are going to make the  
8 council profitable and for the council to be able to  
9 actually diversify its income and revenue. That's  
10 something that I was very keen to do when I was on council.  
11 I found it very hard to get support for that, and it is  
12 about doing it in a targeted way. A lot of council's  
13 operations are unable to make money. You don't make money  
14 out of your drainage system, but you can make money out of  
15 other areas and aspects of council.

16

17 As part of the response to the contractionary budget  
18 that was adopted in the lead-up to it which was brought  
19 about through the Grant Thornton report, there were  
20 measures that were being looked at by staff and I believe  
21 that these measures need to be done in a targeted way. For  
22 instance, if you look at the \$45 million approximately of  
23 redundancies from the current administrator, that's only  
24 really actually going to be paid for by the special rate  
25 variation they are applying for. The council is also going  
26 to lose the corporate knowledge and expertise of those  
27 staff, and when we were in those Grant Thornton briefing  
28 back in earlier 2020, I don't have the exact date on me, we  
29 were specifically given professional advice that we will  
30 actually lose more money in the long term if we get rid of  
31 some of these senior people because the entitlements are  
32 much higher. You've got people who have been at council  
33 potentially for decades. And not only that, we don't  
34 really have the corporate knowledge or expertise to replace  
35 them. That was something that was of great concern to the  
36 majority of councillors. One councillor actually said  
37 "I don't care how many we have to sack, we just need to  
38 sack them". I'm not going to say who that was, but there  
39 was a variety of views on these things.

40

41 Q. Thank you. Sorry, you took me somewhere where  
42 I wasn't planning on going next. You are somewhat critical  
43 of ARIC. What did you understand ARIC's role to be?

44 A. My understanding of ARIC was that it was an added  
45 layer of transparency. I believe the government appointed  
46 representatives on it were eminently qualified and  
47 experienced in the areas of auditing and the like. I had

1 no reason to doubt anything about them. The only concern  
2 that I had around ARIC prior to what occurred  
3 in October 2020 was when I was approached by two  
4 councillors who were resigning from the committee who -  
5 they wouldn't tell me why they were resigning, which made  
6 me concerned, but they told me that they had tried to raise  
7 issues with the ARIC and the ARIC was not interested in  
8 looking at them. One of the other issues with the ARIC  
9 which was frequently communicated across the elected wing  
10 of the council was the need for a finance and governance  
11 dashboard, which as far as I'm aware has only subsequently  
12 occurred or started to be developed effectively at the end  
13 of our term.

14  
15 Q. Was that something that had come up earlier in your  
16 term?

17 A. I believe council had formally resolved multiple  
18 times, as well as through informal requests and the  
19 councillor request system. That was something that was of  
20 keen interest to councillors, and in subsequent briefings,  
21 identified by external experts as something that may have  
22 gone a long way to identify some of the issues and to  
23 clearly and accurately explain financial information. But  
24 I never attended an ARIC meeting, so I don't have inside  
25 knowledge of that committee. I believed it was an added  
26 layer of transparency, it was the government's watchdog and  
27 it was particularly encouraging to me that it was  
28 independent of the council, theoretically, as well.

29  
30 Q. And what about the role of the external auditors - did  
31 you expect that they would have picked up the discrepancies  
32 in the treatment of contributions?

33 A. I did. I participated in a council meeting where we  
34 had a presentation from KPMG, I believe it was in 2018 or  
35 2019, I can't give you the exact date, where they were  
36 strongly interrogated by members of the elected wing and  
37 they saw no issues. Our senior staff saw no issues. The  
38 auditor-general also conducted an audit. These are people  
39 who have specific knowledge of the sector and decades of  
40 experience. Now, the fact that they didn't pick up on it  
41 is of extreme concern. I have a wide variety of contacts  
42 across the Local Government sector, and as soon as what  
43 happened with us happened in October, I made a big effort  
44 to contact everyone across political parties that I knew  
45 who were on Local Government, encouraging them to do an  
46 audit of their restricted funds, because I believe, as well  
47 as others in the sector, that this may be occurring in

1 other councils, either historically, currently or into the  
2 future, and I've spoken to several accountants who have  
3 worked in Local Government and they say that it is not  
4 unusual for what happened here with regards to money being  
5 moved from the different pods. What is unusual is the  
6 scale of it and the way that it was able to escape probity  
7 until I believe the third or fourth external audit was  
8 done.

9  
10 I do want to make note that it was on Mr Murphy's  
11 initiative that DMB Consulting was engaged to conduct that  
12 audit, and I believe that shows that he was acting  
13 prudentially and I appreciate him for doing it, even though  
14 we have unfortunately ended up in this position because of  
15 it. It's better that the truth gets out and that the  
16 structural issues around Local Government accounting and  
17 finances are the focus of rectifying this situation.

18  
19 Q. Thank you. In terms of the Office of Local  
20 Government, how did you see their in relation to the  
21 council?

22 A. Look, my only real contact with the Office of Local  
23 Government was through the conferences or any of the  
24 training that they did. Like I said, I undertook one of  
25 their financial training courses. I didn't undertake any  
26 others with them apart from what was offered at the  
27 conference where they had seminars and different short-term  
28 courses that went for a couple of hours.

29  
30 I didn't really have much knowledge or experience of  
31 working with them. From what I could gather, they were  
32 effectively like a department or separate to our day-to-day  
33 operations, where we did have potentially the ability to  
34 contact them. We did seek advice and support from them in  
35 the period after the October long weekend 2020,  
36 particularly regarding the legal and other issues around  
37 the CEO position.

38  
39 Q. I'm sorry, I forgot to ask you this earlier. You say,  
40 looking at page 14 of your statement:

41  
42 I also question if the councillors and  
43 senior staff understood the delineation  
44 between internal and external restricted  
45 funds and the impact that these were having  
46 on the Central Coast during the period of  
47 this inquiry's existence.

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Are you just talking about what was internal or external restrictions or whether those funds were separated from general operating funds?

A. Both of those. So, for example, the issue of utilisation of restricted funds was brought up in briefings, in the COVID-19 briefings by Councillor Best and Councillor Gale. I believe they were also referred to at previous council meetings. There was no detailed discussion or breakdown of what internal restrictions or external restrictions were and how they could be used at that briefing or subsequent, to the best of my knowledge, although I don't have my full records because I don't have the IT equipment.

The discussions that we had were certainly around we wanted them to be used for infrastructure purposes, particularly given that when we were first on council we were taken on a bus trip to go and visit key aspects of council infrastructure, like the dams and things like that. When we actually got to the suburb of Forresters Beach, we pulled over and we had senior staff talk to us about section 94 and - which became section 11 and section 12 plans, and we were told that there are whole suburbs on the Central Coast that do not actually have section 94 contributions and we will be working on it straightaway.

Across the council, everyone very quickly caught on to that and wanted to know where it was up to. Questions were asked about it consistently. It seemed to be something that was taking time. We didn't really have further detailed information about that or briefings about that. If there was a greater knowledge, I believe from the political wing - I can't really speak fully from the operational wing, only from what we had been told previously while we were on council from them on how we could monitor budgets as part of those confidential briefings that we had - but I believe it was an issue for both and I believe that there's also some differences of opinion on what constitutes internal restrictions - internal or external restrictions. And I would note, while I'm under oath, at no time did the council formally resolve to use the external restrictions. When we were provided with a staff report requesting that we either break the Local Government Act or the Corporations Act in either using these funds or not, I amended the motion to seek support and advice from the minister because at no point

1 was I going to break the law, and that was strongly  
2 supported across the council, and all 15 people voted for  
3 that, or all people who were present at the meeting, if my  
4 recollection is appropriate, and I have included that in  
5 the addendum.

6  
7 Q. I think by that stage some councillors had left the  
8 council by then?

9 A. Well, furthermore, we actually had a briefing from  
10 Grant Thornton and the senior staff before that, and we  
11 were told that we actually did have enough money to make  
12 wages and payroll. We were then put in a waiting room of  
13 the Zoom and we were giving the briefing paper, after the  
14 meeting had started, with that recommendation in it.

15  
16 Q. So when were you provided with the Grant Thornton  
17 advice? In the same briefing?

18 A. Grant Thornton had been engaged by what I understand  
19 to be Gary Murphy or senior staff to conduct various  
20 different activities at the council, and I believe they may  
21 have been there from either March or May 2020. So we had  
22 multiple briefings from them. On the October 2020 long  
23 weekend, that was when we had the first briefing about the  
24 restricted funds issue, and on the date - I will just refer  
25 to the date, if I can quickly go to my addendum - they gave  
26 us a presentation saying that if we had made some cut-backs  
27 our position would improve substantially over the long  
28 term, and they did not advise us that we had actually run  
29 out of unrestricted cash at that point.

30  
31 We were advised by staff on 20 October - that's  
32 page 40 of my submission, I'm referring to that meeting,  
33 sorry - we were advised by staff prior to entering that  
34 meeting that we did have money to meet payroll.

35  
36 Grant Thornton had also briefed us either in March  
37 or May 2020 about the assumptions leading in to the COVID  
38 period. Part of the assumptions of that - and as you will  
39 note, there was some talk about the disagreement in the  
40 room - was that 90 per cent of Central Coast residents  
41 would not actually be able to meet their rate obligations  
42 and that they would default on their rates. That  
43 assumption was completely wrong. That was one of the key  
44 assumptions that we had serious concerns about, and  
45 thankfully, the Federal and State Governments provided  
46 financial and fiscal support for individuals and businesses  
47 which were able to, you know, ensure that people did.

1 I think in Mr Persson's report he mentioned that there was  
2 about a \$10 million lost from COVID roughly. We were told  
3 to expect \$90 million to \$200 million, and I believe we  
4 were presented with a worst case scenario basically so we  
5 would find a middle ground, because we were provided with  
6 options, and we ultimately, as a collegiate, even though  
7 I decided to oppose this, did cut \$50 million, is my  
8 understanding from the budget, so the council had already  
9 moved to a contractionary budgeting position, delayed  
10 capital works, put on a staff freeze, cancelled some  
11 capital works.  
12

13 In the lead-up to the adoption of that budget I had  
14 several meetings with senior staff. One of those meetings  
15 was around aspects of the budget that we had concerns about  
16 being cut, and I saw that all money that was to be invested  
17 in fire trails, bridges and the like, was actually going to  
18 be deferred or cut. This was not long after we had had the  
19 bushfires. That morning, or a couple of days before, I had  
20 actually been in the bushfire committee and we had  
21 a council staff member at a lower level talking about all  
22 the fire trails that we were going to upgrade in the  
23 lead-up to the fire season. And either that night or  
24 a couple of nights later I'm sitting in a budget briefing  
25 that went for 20 minutes, because I got an individual one  
26 for 20 minutes with the senior staff, arguing that we've  
27 just had the worst fires we've ever had, this is crazy,  
28 can't we cut things we should be actually cutting rather  
29 than matters of public safety.  
30

31 Q. And what ultimately happened with that? You didn't  
32 get to decide?

33 A. I was unsuccessful in my lobbying. The majority of  
34 councillors on the casting vote of the mayor adopted that  
35 contractionary budget. And I will note that we have been  
36 presented with briefings and advice previously from council  
37 staff that for every dollar that council spends there is  
38 between a \$1 and \$72 flow-on effect on the local economy.  
39 When I was voting on budgets I actually voted against all  
40 of the budgets because I thought there was a lot of fat in  
41 there that could be cut from certain areas or from certain  
42 aspects of the budget which weren't being looked at. I had  
43 no problem with the infrastructure spend because, as  
44 I said, I thought it was in line with our requirements  
45 under the Local Government Act and within the capabilities  
46 of the directors to do that.  
47

1           So basically, you know, we were in a position where  
2 we, as a council, not myself, but we were moving in a  
3 contractionary direction and I believe the impact on the  
4 local economy was to be too big. So when I voted on  
5 budgets and matters of financial positions, I didn't do it  
6 on a ward or a basis of geography, I did it on a capacity  
7 basis or on an economic basis. I was criticised because  
8 I said, you know, "I want people to try and look at this  
9 from an economic point of view rather than a mere  
10 accounting point of view."  
11

12 Q. Just taking you back to May 2019, that's when IPART  
13 delivered its decision on the water, sewer and drainage  
14 contributions. Do you think the council reacted  
15 sufficiently to the drop in income that it was going to  
16 experience?

17 A. My recollection is that that was raised with us very  
18 perfunctorily and very briefly. We had a budget briefing  
19 session at a business at Terrigal. I can't remember the  
20 name of it. I think it was the Cove or the Haven, or  
21 something like that. I'm not very familiar or au fait with  
22 that area. At the very end of that, when we were breaking,  
23 after we had gone through all the spreadsheets and  
24 everything, the then director of water gave a talk about  
25 IPART informally, while people were chatting amongst the  
26 room, and things like that, and we were basically told that  
27 because the water authority is not a state-owned  
28 enterprise, it's not corporatised, it has its own  
29 legislation and the like, IPART can't basically get us to  
30 charge commercial water rates. So that was obviously going  
31 to have some impact.  
32

33           There were some questions from councillors - I can't  
34 tell you which ones, I can't remember, but there was some  
35 discussion as to, well, we're in the middle of a drought,  
36 we're investing in our water network. The water aspect of  
37 council, from my understanding, had the ability to be  
38 turned into something that was quite profitable through  
39 other things like turbines and generating energy that way.  
40 We also sell water to the Hunter and I believe maybe to  
41 Sydney, and there is the Mardi-Mangrove pipeline, and the  
42 like. So the general discussion in the room was this is  
43 a necessary investment which is going to future-proof the  
44 water system and the water authority for the Central Coast.  
45 I don't recall any other further discussions about that.  
46

47 Q. The contributions that you were going to lose, were

1 you talking about it in globo as part of the general  
2 expenditure of the council or specific to water matters?

3 A. Look, I - my recollection of that particular  
4 discussion was there was a short discussion of it at the  
5 end of the budget session. It wasn't necessarily part of  
6 the budget session. Others may have different  
7 recollection. I - you know, that's just what I recall.

8  
9 Q. Just give me a minute and I will just check that  
10 I haven't missed anything. Thank you, Mr MacGregor. Those  
11 are my questions but if you could hang on there,  
12 Ms Annis-Brown might have some questions.

13  
14 MS ANNIS-BROWN: Yes, Commissioner, thank you.

15  
16 <EXAMINATION BY MS ANNIS-BROWN:

17  
18 MS ANNIS-BROWN: Q. Mr MacGregor, if I could just take  
19 you to page 2 of your submission, you have referred to not  
20 voting for any of the prepared budgets from council staff.  
21 Why was that?

22 A. As I explained previously, I was unhappy - in my  
23 submission as well as orally - with the presentation of  
24 them. I believed that there were more detailed and broader  
25 issues that needed to be addressed, and I believed that  
26 there were items in the budget that should have been cut or  
27 other ones that should have been included that weren't.

28  
29 The budgets that were adopted - I will give you an  
30 example of the first budget that we were asked to adopt.  
31 The Wyong ward which I represented, and that's a ward that  
32 takes in both former councils, it is in the centre of the  
33 coast, effectively, we were getting 7 per cent of the  
34 council's expenditure in our ward in those budget  
35 documents. The final budget that was prepared before the  
36 one that was adopted in June or July 2020, that one  
37 actually had an over 30 per cent spend on the Wyong ward in  
38 it. So it was certainly a matter of inequity and it was  
39 certainly a matter of spending money where it shouldn't  
40 have been spent. For example, I voted against the Terrigal  
41 boardwalk because you've got a \$7 million to \$10 million  
42 project which is going to affect the depreciation and the  
43 asset base of the council. I voted against turning the  
44 Warnervale Airport into a type 2 jet airport at the cost of  
45 approximately \$400 million to \$450 million in the master  
46 plan which was put forward on the proviso and the basis  
47 that the planning pathway didn't actually apply to it. So



1 it was a false document, it was a false premise.

2  
3 There was a lot of things that people were unhappy  
4 with. I was one of 15. I did my best to work collegiately  
5 with others, but when it came to voting on financial  
6 matters on items individually, whether it is a budget or  
7 individually coming before council, if I was displeased  
8 with it, I voted against it, despite at times being  
9 encouraged that if we did vote against it, that we would be  
10 removed and an administrator would be put in.

11  
12 Q. So that was what I wanted clarified, you didn't  
13 abstain from voting, you simply voted against those  
14 budgets?

15 A. Yes. Well, the code of meeting practice, if you  
16 abstain, it's counted as a vote in the negative regardless.

17  
18 Q. Thank you. That's what I was trying to get to, so  
19 thanks for that. That's good. Just on page 15, if I may,  
20 of your submission, you refer there to a far right element  
21 within the council acting as an opposition bloc. You go on  
22 to talk a little bit there about behaviour and what the  
23 result of that behaviour was. If you could just tell me  
24 what you are referring to there?

25 A. Look, 13 out of the 15 councillors worked well  
26 together, didn't always have unanimous votes. I voted for  
27 lots of things the liberals put up. When the liberals put  
28 up a motion to remove the footpath fund, I didn't vote for  
29 that and neither did Councillor Vincent because we rightly  
30 identified that people want footpaths, and you have to have  
31 money to pay for something coming from somewhere.

32  
33 I refer to my submission on page 15, and I note  
34 that with no political party or independent group having a  
35 majority on the council, the vast majority of councillors  
36 worked collegiately across the political divide in a grand  
37 coalition style with votes frequently being a combination  
38 of votes across the political spectrum, with only far right  
39 elements acting as an oppositional bloc.

40  
41 Now, when I talk about the far right elements,  
42 I believe you would be aware from my submission, if not  
43 other evidence, that we frequently had pop-up protests come  
44 to our council meetings around - particularly meetings  
45 where we had issues of key financial importance. Like  
46 Councillor Hogan, I was actually struck, I was filmed  
47 without my consent, we had people spit at us, swear at us,

1 attack us and the like. These were disruptive tactics.

2  
3 Now, when it comes to the minority of councillors,  
4 they would do things that were intentionally disruptive,  
5 like vote against the minutes, question conflicts of  
6 interest, they would delay, obfuscate and intentionally  
7 draw out meetings or create division. It wasn't a matter  
8 of tit for tat. You had nine, 10, 12 people who were able  
9 to work collectively and you had three people who were  
10 sitting there trying to do whatever they could to undermine  
11 the council internally, in public, while we were on the  
12 broadcast, and certainly through agitating in the community  
13 around certain issues that do cause division, be they  
14 flooding, dredging, affordable housing or the like.

15  
16 MS ANNIS-BROWN: Thank you. That's all from me,  
17 Commissioner.

18  
19 THE COMMISSIONER: Thank you, Ms Annis-Brown. Mr Simone,  
20 did you have any questions for Mr MacGregor?

21  
22 MR SIMONE: Thank you, Commissioner. No, I have no  
23 questions for this witness.

24  
25 THE COMMISSIONER: Thank you. So --

26  
27 THE WITNESS: Am I offered the opportunity to say anything  
28 else now, like some of the others have?

29  
30 THE COMMISSIONER: Yes, you certainly may, Mr MacGregor.

31  
32 THE WITNESS: I thank you for the ability to participate  
33 in the inquiry. There are just a couple of other issues  
34 that I would like to raise, and I will be succinct.  
35 I don't want to waste your time. I just believe these are  
36 matters which are relevant.

37  
38 One particular issue that I think needs to be looked  
39 at as part of this is the grant process. If you look at  
40 the grant process, we actually had a billion dollars worth  
41 of disinvestment in the Central Coast council area from the  
42 State and Federal Governments over the term of the  
43 democratically elected council. That figure includes  
44 grants, be they 100 per cent grants, 75:35, 50:50. Also  
45 the cost shifting which, as you will see in the question on  
46 notice I asked, was by the 2019 period \$47.5 million per  
47 year to the State Government. The inability of the Snowy

1 Hydro funding to be delivered, which we were told had been  
2 agreed to for the delivery of the RPAC, which consequently  
3 killed the project, obviously.  
4

5 The other thing I would like to talk about, just very  
6 briefly, is several of the other witnesses spoke about  
7 attendance at council briefings and council meetings, and  
8 I will correct the record here. Myself, Jane Smith and  
9 Louise Greenaway were the only three councillors who  
10 attended every meeting. I have included my attendance at  
11 briefings up until 2019, as per a question on notice. If  
12 there is extra information, I'm sure that would be  
13 available to you, but certainly there were an active group  
14 of people who did attend and genuinely tried to engage with  
15 staff.  
16

17 In response to the former witness who spoke before me  
18 saying that things were uncoded, the CEO was required to  
19 provide a response to anything which did incur a cost, and  
20 I believe that that was adhered to during the term.  
21

22 I just want to quickly go through this, sorry. The  
23 last thing that I would say is essentially, like, what has  
24 occurred at Central Coast Council, while we were elected  
25 and prior to it, is being treated as a political football.  
26 Now, I trust the independence of the department and  
27 yourself as the Commissioner, but I would note that the  
28 influence of external actors, particularly state members of  
29 parliament on both sides of the divide, is not always  
30 helpful in actually doing this.  
31

32 There was a curious and inordinate amount of attention  
33 and pressure put on this council. My personal belief is  
34 that was because there was a minority who didn't control it  
35 and wanted to use every opportunity they could to control  
36 it, because this is the only level of government here on  
37 the Central Coast which is not actually dominated by the  
38 Liberal Party.  
39

40 We were all democratically elected and we did the best  
41 job we could, I believe - the majority of us did - and  
42 I thank the people who voted for me and those I was able to  
43 assist while I was on the council and I thank you for  
44 today.  
45

46 I am happy to speak to you again or if you want any  
47 further information, I'm happy to provide it or avail

1 myself, however you would like.

2

3 THE COMMISSIONER: Thank you very much, Mr MacGregor.  
4 I don't have any further questions, so that will conclude  
5 your evidence. Thank you.

6

7 <THE WITNESS WITHDREW

8

9 THE COMMISSIONER: Our next witness is Mr McLachlan who is  
10 due on at 2.30. So we will have a short adjournment until  
11 2.30. I'm sorry. I correct myself. Ms Greenaway is our  
12 next witness. I was getting ahead of myself.

13

14 SHORT ADJOURNMENT

15

16 THE COMMISSIONER: Thank you. We will resume the hearings  
17 of the Central Coast public inquiry.

18

19 Ms Greenaway, I see you are on the screen. Have your  
20 audio issues been sorted?

21

22 MS GREENAWAY: They have, thank you, Commissioner, if you  
23 can hear me.

24

25 THE COMMISSIONER: Yes, I can hear you well. Could  
26 I invite Ms Annis-Brown to swear you in as a witness,  
27 please.

28

29 <LOUISE GREENAWAY, affirmed: [2.30pm]

30

31 <EXAMINATION BY THE COMMISSIONER:

32

33 THE COMMISSIONER: Q. Thank you, Ms Greenaway. Now, you  
34 had at some point suggested that you would prepare  
35 a submission for the inquiry but we didn't receive one. Is  
36 there a reason for that?

37 A. Well, there are a few reasons, actually, Commissioner,  
38 but essentially, it's very complex and I wanted to make  
39 sure everything was 100 per cent accurate and try to obtain  
40 all the necessary supporting documents, and I'm not sure if  
41 you are aware, but when we were suspended, we also lost  
42 access to our iPads and our phones and everything else, so  
43 it was difficult to do that. Even when we were eventually  
44 told we could have access, we were told it had to be by  
45 GIPA, so we would have to pay. And then we were told we  
46 could have access for a period of two weeks at Wyong for  
47 a specific number of hours a day, and that we had to tell

1 the staff what we wanted and they would print it out for  
2 us. Then the second time I went in, they said I could save  
3 it on a USB, but the first time they told me I couldn't, so  
4 I didn't have a USB the second time. So it is a fairly  
5 long and involved process to make a really lengthy  
6 submission. I would like to think it's comprehensive, so  
7 I didn't want to skimp and rush it. So it's almost  
8 finished.

9

10 Q. It is a work in progress. That's good to hear.

11 A. It is a work in progress.

12

13 THE COMMISSIONER: Sorry, because I'm operating in an  
14 iPad, I can't see who is there.

15

16 MR RYAN: Commissioner, James Ryan. I have sought leave  
17 to appear for Ms Greenaway.

18

19 THE COMMISSIONER: You had, Mr Ryan. I am sorry, when  
20 I came on I didn't see your name there so I thought perhaps  
21 you weren't going to appear today. I do apologise.

22

23 MR RYAN: No problem. Am I in the right place, do you  
24 want me here on screen?

25

26 THE COMMISSIONER: It's up to you. Did you intend to lead  
27 evidence from Ms Greenaway?

28

29 MR RYAN: That's not the primary objective, but it may be,  
30 in case we need to, yes.

31

32 THE COMMISSIONER: Okay. I will give you an opportunity.  
33 How about if I question, Ms Annis-Brown questions, and if  
34 you have anything that you need or you think needs  
35 clarifying or expanding upon, you can then ask Ms Greenaway  
36 some questions after that?

37

38 MR RYAN: Thank you.

39

40 THE COMMISSIONER: Okay. If you could go off camera,  
41 simply because I am operating under limited means and I'm  
42 just worried that even an extra video might pop me over the  
43 edge. Thank you.

44

45 Q. Ms Greenaway, I will have - are you there?

46 A. I am, but you are freezing occasionally, Commissioner,  
47 and your dialogue isn't in sync, I'm afraid.

1  
2 Q. I am sorry about that. Can you hear me okay?  
3 A. I can hear you, yes.  
4  
5 Q. Don't look at me then.  
6 A. You look like you are being dubbed, so it does look a  
7 bit unusual, but anyway.  
8  
9 Q. Fortunately for me, you are in sync. Let's proceed.  
10 Experience in Local Government - this was your first time  
11 on a council?  
12 A. Yes, it was, Commissioner. I did have a little bit of  
13 insight into councils just as a community member who wrote  
14 submissions on behalf of community groups, and I also did  
15 attend just a couple of council meetings previously over  
16 the years, and I did attend actually the very last council  
17 meeting of Wyong council.  
18  
19 Q. Did you - what is your background?  
20 A. I've got a varied background. My qualifications are  
21 degrees in arts and in law and an honours degree in  
22 science, which is in the field of sustainable resource  
23 management, and I have had a very varied career, everything  
24 from public relations to work health and safety, to - well,  
25 they are probably the primary ones. As well as - sorry, as  
26 well as being a solicitor right at the beginning. I was in  
27 practice for about five years.  
28  
29 Q. Oh, I pity you. Did you have to work full time while  
30 you were a councillor?  
31 A. No.  
32  
33 Q. You had that luxury, I guess. Did you have any  
34 special roles on the council?  
35 A. Yes. I was on some of the committees, the community  
36 committees, such as the water committee, I was on the  
37 Tuggerah Lakes catchment committee, I was on the history  
38 committee - a few other committees, but I was also on the  
39 audit and risk committee up until I resigned.  
40  
41 Q. Let's jump straight to that. What was your experience  
42 with ARIC? Tell us about how it functioned, because we  
43 haven't really heard from anyone from ARIC yet, but we have  
44 heard of everybody's expectations about ARIC. What  
45 actually happened in the committee meetings?  
46 A. Sorry, I've just got my submission, I want to flick to  
47 that page. If you will just give me a second, I will find

1 it. I guess, Commissioner, I had very high expectations.  
2 I know when it was announced that we would have an ARIC  
3 committee - there was an audit committee. Wyong council  
4 had an audit committee as well. I don't know whether that  
5 has been brought to your attention, but it was just called  
6 an audit and risk committee, and this one's an audit, risk  
7 and improvement committee, so it is a little bit  
8 distinguished just by that extra word or two. So initially  
9 when it was announced, they were talking about that it  
10 was - its role was to provide independent oversight,  
11 objective assurance and monitoring of council's audit  
12 processes, internal controls, external reporting, risk  
13 management activities and all policies and procedures.  
14 This is from a press release from the then administrator,  
15 Ian Reynolds.

16  
17 He then went on to say it places council in an  
18 excellent position in pursuit of good governance, which in  
19 turn promotes effective and efficient delivery services to  
20 the Central Coast community with transparency, honesty and  
21 integrity, and to continuously improve the way we do things  
22 is a clear focus of the committee. So that's what  
23 I understood.

24  
25 Then there was a further media release from him and  
26 Scot MacDonald's office, where they spoke about the people  
27 who they were appointing and how highly skilled and widely  
28 respected they were, and Scot MacDonald went on to say:

29  
30 The new council's financial systems and  
31 obligations are large and complex. Having  
32 a diligent audit and risk committee is  
33 critical to governance. Administrative  
34 processes and security can always be  
35 improved and it is wise to have effective  
36 oversight looking for flaws and misuse of  
37 taxpayers' assets.

38  
39 So that's what I understood was going to happen, and you  
40 can see from - well, the people that were selected, I think  
41 that's accurate, that they were highly qualified and some  
42 had been on multiple ARIC committees at other councils,  
43 they had had experience in auditing and accounting, from  
44 what I understood, and - yes. So that was how the ARIC  
45 committee was presented to me through the media.

46  
47 Q. And was that your experience, though?

1 A. Well, I have to say, when I - well, no, it wasn't.  
2 I didn't feel that things were scrutinised or probed  
3 anything like the degree that I had anticipated.  
4 Admittedly, you know, I wasn't the most qualified person in  
5 terms of finances and accounting myself, and I thought,  
6 well, maybe they read all the business papers and things  
7 behind the scenes and then come to the meeting and just  
8 talk about them then briefly, and maybe they've already  
9 discussed things behind the scenes.

10  
11 I just thought - I really had an expectation that we  
12 would have the papers out and we wouldn't go through line  
13 by line, but I did expect there to be quite a bit of  
14 scrutiny and that I wouldn't be leading that as the  
15 non-expert, that they would be leading that. But I have to  
16 say, we were asked to do a self-assessment and indicate  
17 whether we felt our skills and everything were benefiting  
18 the committee, and in February 2020 I sent my replies in,  
19 and I said I would have to say there has been quite  
20 a significant mismatch between my understanding of an ARIC  
21 committee and my experience of an ARIC committee. So  
22 that's what I wrote in February 2020, and I resigned  
23 in May.

24  
25 Q. Did you give more information than that, but --

26 A. No, but I just - it hadn't - to me, I mean, I can only  
27 give my opinion, it didn't match what we were - what I was  
28 expecting from the media releases and from the degree of  
29 expertise that the members had.

30  
31 Q. What you read out to us then in terms of the media  
32 releases suggested that the audit function wasn't purely  
33 a financial one, that they were looking at all activities  
34 of the council - it was generally about governance, is  
35 that --

36 A. Well, I agree that it wasn't just finance, but those  
37 people were - they were appointed specifically because they  
38 had practising - they had been practising for years as  
39 a chartered accountant, they had specialised in audit risk  
40 management and corporate governance, chartered accounting.  
41 To me, sure, it wasn't the sole purpose of that committee,  
42 but I just thought why would they choose people with so  
43 much financial experience and expertise if they weren't  
44 going to use that expertise? I just thought that's why  
45 they were selected.

46  
47 Q. So how did the meetings function? Were you provided



1 with effectively a business paper or information prior to  
2 the meeting?

3 A. We were, yes.

4

5 Q. And --

6 A. And an agenda.

7

8 Q. And was it of similar size to the council business  
9 papers or --

10 A. No, not as - nothing like as - well, no, nothing like  
11 as big as that as a rule. And I should also point out,  
12 Commissioner, we were meeting - sorry, the council was  
13 meeting I think twice a month, whereas the ARIC only met,  
14 I don't know, four times a year, perhaps, or five times  
15 a year. So if you were going to council meetings - say you  
16 had gone to six council meetings - that would have happened  
17 over the space of three months. But to go to six ARIC  
18 meetings it would be over the space of more like 18 months.  
19 So it did take me a while to, I guess, understand that it  
20 wasn't really what I thought it was. So that's why I left.

21

22 Q. Before you left, did you have any cause to raise  
23 matters with ARIC or query anything that was going on in  
24 the council accounts?

25 A. Well, I did - oh, about the accounts? I don't  
26 remember - well, I will start again. I don't remember  
27 personally asking anything specific, but I do remember with  
28 the KPIs, where they talk about different ratios and things  
29 and how you are supposed to be within a certain, what would  
30 you call it, range, a range, I do remember sometimes we  
31 were outside the range and so there was a red cross instead  
32 of a tick, to show that we weren't meeting that KPI. I  
33 remember sort of sitting there, because I was so new and,  
34 you know, what are we doing about this, and I remember  
35 thinking is this a big concern, and it didn't appear to be.  
36 It was just like - I don't remember the words that were  
37 used but it was more like, "We will keep our eye on it", or  
38 something. I thought okay, well, it's in red but it's  
39 not - it just didn't seem - it wasn't a red flag, it was  
40 just that in the booklet - or not the booklet, in the  
41 operational plan, it had a green tick if it was meeting and  
42 a red cross if it wasn't. But it wasn't highlighted with,  
43 you know, "Urgent, urgent, look here, this is needing  
44 immediate attention."

45

46 Q. Was it anything to do with the infrastructure backlog  
47 ratio?

1 A. That was one of the points. There were two. There  
2 was the infrastructure backlog ratio and the other one  
3 I don't recall at the minute, but that was noted. It was  
4 noted.

5  
6 Q. But there was nothing that you heard during your  
7 attendance at the meetings that looked like the committee  
8 delved into the detail of the accounts?

9 A. I didn't get that impression. I didn't attend every  
10 single meeting. Perhaps they did on an occasion when  
11 I wasn't there, but I can only say that given what's  
12 transpired - and I mean, honestly, I don't think you can  
13 tell from the operational plans what's happened in terms of  
14 the use of restricted funds, but certainly there was  
15 awareness of a deficit.

16  
17 Q. What about the accounts once they were published at  
18 the end of each financial year? Would those accounts be  
19 considered by ARIC?

20 A. I think they would have been, but I don't specifically  
21 recall which ones were and how those discussions proceeded.

22  
23 Q. Okay. So that's the role of ARIC. How did you  
24 consider the council's external auditors - what was their  
25 role?

26 A. Well, again I thought they were - it's funny what you  
27 think. You think they are auditing the accounts. Again,  
28 with all the experience, the expertise, their training,  
29 their qualifications, if they couldn't pick things up,  
30 there was - I didn't think there was any possibility that  
31 I would. So again, I was very reliant on their findings,  
32 I guess.

33  
34 Q. Let me take you back to when you started on the  
35 council. A number of people said there was no effective  
36 handover. You just went straight into an induction?

37 A. Yes. I don't even remember meeting Ian Reynolds.  
38 I may have, but I don't remember it. My memory of meeting  
39 Rob Noble was very fleeting. I think we literally, like,  
40 passed each other in a corridor or something. You know, he  
41 may have addressed us as a group but I don't remember  
42 sitting down and chatting to either of them. It's hard to  
43 remember this far away from when it happened. I could be  
44 corrected on that but I don't recall any significant  
45 handover, no.

46  
47 Q. Did you think that the induction that was provided was

1 effective for you as a councillor?  
2 A. Well, there was a broad range of experience within the  
3 councillors, so it was effective to some extent, but I did  
4 seek my own sort of one-on-one tutoring from the CFO at the  
5 time, because I did think the financial aspect of council  
6 was very important, and even though we had had some basic  
7 training, I thought, well, I just want to be across all  
8 the - because so many new acronyms, so many new ratios, so  
9 many new everythings. So fortunately she sat down with me  
10 and we went through some of the budget papers and things,  
11 and then I did ask for a second tutorial for me. Because  
12 if you go to a workshop, some people at the workshop know  
13 a whole lot of things and some people at the workshop are  
14 new. So it doesn't always meet your needs as a councillor.  
15 So I did ask for a second one-on-one, again because  
16 I thought it was very important. At that point I was told  
17 that it couldn't occur because it was too close to the  
18 upcoming workshop so there wasn't time. So I just met with  
19 a community member who had some financial experience and  
20 went through just some general accounting with them.

21  
22 Q. So initially it was - was that Ms Louie who provided  
23 you with the one-on-one?

24 A. Yes.

25  
26 Q. So she was the acting chief financial officer at that  
27 point?

28 A. She was, yes.

29  
30 Q. And did you find that useful?

31 A. Well, I suppose I did at the time, just to get me up  
32 to speed a little bit, to understand the budget process a  
33 little bit better. I know she was very obliging and she  
34 emailed me to say she didn't think she had ever had anyone  
35 ask her to go through these issues before, so she was  
36 very - you know, she seemed happy to assist.

37  
38 Q. Did you take advantage of any of the training  
39 opportunities that were offered during your term at  
40 council?

41 A. Some. I remember going to a planning one which  
42 was - I think it was just called planning 101 or something,  
43 and that was because we had - I don't know if you are  
44 aware, Commissioner, you probably are, we had a local  
45 planning panel. So the community lost that, lost our  
46 representation there. The only thing we really had left  
47 was the local strategic planning statement. So I went to

1 a planning workshop to see what extent we could influence  
2 the planning strategy through that document. Again, it was  
3 a workshop, so again, not pitched to me and my needs, just  
4 pitched generally, but I still found it relatively helpful.  
5 There was a lot of compulsory training at the beginning to  
6 do with various obligations, to do with the way meetings  
7 would proceed, that sort of thing.

8  
9 Q. In the induction days and the following weeks? They  
10 were provided by the council, were they?

11 A. Predominantly, but I did go to some training down at  
12 Hornsby and I did go to some training up at I think  
13 Rutherford. I know the planning one was over Zoom because  
14 we were already in COVID. So there could have been others,  
15 I just can't recall off the top of my head, Commissioner.

16  
17 Q. Do you think it would have been an advantage to have  
18 had some training on Local Government specific financial  
19 accounting before you embarked as a councillor, with the  
20 benefit of hindsight?

21 A. Well, I thought by speaking - I thought by attending -  
22 well, the funny thing is, Commissioner, what has been  
23 described as the catastrophic error of the council was well  
24 before my term and wasn't picked up by experienced Local  
25 Government administrators or by audit officers or by  
26 anyone, so I don't know if they have all had decades,  
27 collectively, probably centuries worth of training, I don't  
28 know what training I could have had that would have helped  
29 me pick that point up.

30  
31 Now, as far as the deficit goes, we did have training,  
32 we did have consultants come in. The deficit - you know,  
33 all of those decisions around our budget are live-streamed  
34 and are in business papers, so they are all public  
35 information, so usually you can see why people voted  
36 a particular way on things. So I don't know what training  
37 could have helped.

38  
39 Q. Now, when you came on to the council, did you observe  
40 an us and them culture, either - well, first of all, within  
41 the council chamber? And when I say "us and them", I'm  
42 talking about north and south.

43 A. No, I'd have to say it wasn't us and them, north and  
44 south. There was definitely us and them, but it wasn't  
45 that delineation, in my opinion. The only reason there was  
46 a little bit of a north and south is that people who had  
47 formerly been on a council knew more about their council's

1 business. So anyone who had been on the former Wyong  
2 naturally lived and knew more about the Wyong matters, and  
3 similarly with people from Gosford, if they had been on  
4 that council before or lived in Gosford and were across the  
5 Gosford issues. It wasn't so much competition, it was more  
6 a familiarity with the information and I guess a better  
7 network in their community because that's where they lived  
8 and that's where they had worked and been on council  
9 before.

10

11 Q. So was there an us and them in another form?

12 A. Well, I felt there definitely was, yes.

13

14 Q. And what was that?

15 A. Well, Commissioner, the meetings were all  
16 live-streamed, I don't think I need to put a name on what  
17 was going on.

18

19 Q. Well, you probably do, because I am not proposing to  
20 watch every council meeting. If you can just put in your  
21 own words what your experience at the council meetings was?

22 A. Well, I could say that the behaviour of the  
23 councillors reflected what I considered to be their opinion  
24 of the community.

25

26 Q. You will have to tell me what that means?

27 A. Mmm. Well, I'm representing the community, so if  
28 someone refers to me, or a fellow councillor, for example,  
29 as a clown or if someone's raised an issue to do with the  
30 environment and they call you a radical left wing  
31 lunatic - I'm not saying those specific words were used, by  
32 the way - but I just felt that each time that things of  
33 that ilk occurred, it's like saying that to the community.  
34 You are saying the people they elected are clowns. You are  
35 saying the people that are wanting to protect our very  
36 important and treasured natural resources are somehow  
37 deranged lunatic left. That, again, is not the words they  
38 used, but things - they were just - I thought they were a  
39 little provocative.

40

41 Q. Did you ever suffer any personal abuse?

42 A. In what respect?

43

44 Q. In the chamber.

45 A. I would - again, Commissioner, I just don't want to  
46 put a word on this because you ask me to, but I'm not  
47 entirely sure that that's helpful for me, because, you

1 know, then I'm pointing people out or whatever and I just  
2 don't feel that that's helpful.

3

4 Q. No, I'm not asking you to name names, but did you  
5 experience abuse from other persons?

6

7 MR RYAN: Commissioner, if I could just say that this is  
8 a very sensitive area for my client. She may wish to seek  
9 a short adjournment, and if she does, I'd just ask you to  
10 be sensitive about that.

11

12 THE COMMISSIONER: I understand.

13

14 Q. Ms Greenaway, if you find that answer too difficult,  
15 I won't press an answer from you.

16

17 A. Thank you.

18

19 Q. I will take you now to the selection of the general  
20 manager, Mr Murphy. Could you just say something, please,  
21 Ms Greenaway, because I can't see you?

22

23 A. You can't see me?

24

25 Q. It's one of the problems with working from an iPad on  
26 speaker view, the person has to speak to be able to see  
27 them. Thank you. You weren't on the selection committee,  
28 but to your observation were the guidelines around the  
29 selection of the general manager observed by that  
30 committee?

31

32 A. Sorry, Commissioner, I'm just a bit distracted here.  
33 Were they followed? It was my understanding that they  
34 were. I wasn't on that committee, no, but I think there  
35 were four or five people on the committee and it actually  
36 had members of both Liberal and Labor on the committee, and  
37 sometimes even when things are going well there can be a  
38 little bit of argy-bargy just because people want to make  
39 a point, but all of the people on the committee were  
40 satisfied with Mr Murphy's credentials. So that was to me  
41 sort of a positive sign, that there wasn't even someone  
42 standing out saying, "No, that's ridiculous", or "I don't  
43 agree with the choice."

44

45 Q. And from an outside councillor's point of view,  
46 someone who wasn't on the selection committee, did you feel  
47 that you were sufficiently consulted about the options that  
48 were available to the council?

49

50 A. Well, yes, I did. We had access to the Skype  
51 interviews, from memory, and we had access to the resumes,

1 and we certainly - if we thought, well, this one looks good  
2 or why did you not choose that one, we could certainly  
3 raise that with the committee that had been appointed to  
4 select the CEO, so - yes.

5  
6 Q. What about the ongoing management of the general  
7 manager. Did you attend any of the performance review  
8 meetings?

9 A. I did, yes.

10  
11 Q. Can you tell me whether you thought that was  
12 a satisfactory way of supervising his performance?

13 A. Well, again, I think they were voluntary, those.  
14 So every councillor had equal ability to provide input.  
15 I don't know who did and who didn't provide input, but  
16 I did, and I did think that Mr Murphy was consistently  
17 professional and consistently courteous and there  
18 was - yes, that was my opinion of him.

19  
20 As far as his performance went, most of us were  
21 satisfied with how he was, and I did think that some of the  
22 experience I have had of the staff, he may well have had  
23 a similar experience, ,so it was very difficult to see if  
24 things weren't being done, whether he was aware of it,  
25 whether he was on to it, whether he had no idea. It's that  
26 whole thing about the council's just the governing body and  
27 we're not to take any interest in the operational issues of  
28 council. So you couldn't really probe that. You just had  
29 to hopefully see over a length of time that the culture  
30 would change, and I could see that, but it was - I could  
31 see it was changing, but I still think there was some way  
32 to go.

33  
34 Q. You say your experience with the staff - can you tell  
35 me what you mean by that?

36 A. Oh, I can. I know a couple of times, well, more than  
37 a couple, I would be asking, say, for documents, and the  
38 staff would not give me documents. I'm just having a look  
39 through my draft submission. So I can give you a couple of  
40 examples of the types of things that would come back. So  
41 one said:

42  
43 I will consider releasing this information  
44 if you can provide precise justification on  
45 how this information is relevant to you to  
46 perform your role as a councillor.

1 Another time, they said - this happened a few times:

2  
3 These documents will be made available to  
4 you and you only.

5  
6 With an express proviso that I was not to share them with  
7 other councillors. When I requested that, it just came  
8 back with:

9  
10 I have provided you with all the  
11 explanation I intend to provide.

12  
13 I asked for a copy of the Kiar Ridge contract, which isn't  
14 something you are probably familiar with, and I was told  
15 that:

16  
17 Without further information as to the  
18 relevance of this request and in regard to  
19 the current council and performance of your  
20 civic role, this information is not  
21 provided.

22  
23 And then another request:

24  
25 I decline to provide you with the requested  
26 information and will not aid and abet  
27 a breach by you of the Local  
28 Government Act.

29  
30 Q. No section given?

31 A. Oh, there may have been. I put "dot dot dot".  
32 I didn't put the whole response. Yes, so --

33  
34 Q. Can I just ask you, were you seeking access to  
35 confidential documents in those requests?

36 A. Well, hmm, sometimes the documents were confidential,  
37 but one example I would like to give is there was  
38 a controversial issue about the Warnervale Airport, or  
39 aircraft landing area, and at some point we were told that  
40 council's position in respect to that was that certain  
41 restrictions in the Act didn't apply. I thought that was  
42 weird, that - I just wasn't familiar with the expression  
43 "council's position". So I said, "Well, I'm on council,  
44 that's not my position, how do we determine a position?"  
45 I was told that that was council's position and we had  
46 external legal advice in support of that position. So  
47 I thought, okay, well, that's worth reading. So I asked



1 for that, and that's when I was told that I couldn't have  
2 it because this person wouldn't aid and abet a breach by me  
3 of the Local Government Act. I thought, well, that's just  
4 absolutely and entirely, in my view, incorrect, and you  
5 know, we had just had training on some of our  
6 responsibilities. I think they specifically said I had  
7 a significant non-pecuniary interest, and we'd just had  
8 training on that, and I thought well, no, that's not right.  
9

10 Anyway, that went on for some time until Mr Murphy  
11 started, so I asked him could I please have a copy of it,  
12 and he ultimately came back to me, who wrote it, or what  
13 date was it, or what was it called. I said, "Speak to the  
14 staff, they are the ones who have been talking about it",  
15 and then he came back to say there was no legal advice - no  
16 written legal advice. Perhaps there was some oral advice.  
17 But if there was oral advice, I couldn't understand why  
18 I was told I couldn't have a copy of it, like you can't  
19 really have a copy of oral advice, as far as I'm aware.  
20 But that type of thing.  
21

22 Then there was also - we were told that the CEO had  
23 a responsibility to implement the resolutions of council  
24 without undue delay. Now, obviously he doesn't do that  
25 himself, every single resolution, he has to delegate that  
26 to the staff. So sometimes we would find things were  
27 taking way longer than we could expect, way longer than  
28 I thought we could expect, but - sorry, I'm just trying to  
29 find another thing to refer to. So one of the  
30 things - yes, so they were meant to implement the  
31 resolutions as quickly as possible or without undue delay,  
32 but then some months after we had had a resolution to do  
33 something, there was a rescission motion that was coming to  
34 council. So a councillor had obviously put up a motion to  
35 overturn the previous motion, and then we discovered that  
36 staff had emailed directly with the Department of Premier  
37 and Cabinet asking for State Government level pressure  
38 which could be applied before the rescission date. That,  
39 to me, wasn't consistent with the training we had had  
40 around the CEO implementing resolutions without undue  
41 delay, et cetera. So that one I will just clarify, wasn't  
42 under Mr Murphy's regime either. This type of thing, like,  
43 I just found it didn't match up with what we had been told  
44 about our responsibilities and about staff  
45 responsibilities, so I thought --  
46

47 Q. Can you tell me what that issue was, what the

1 resolution was?

2 A. It was to do with Warnervale Airport.

3

4 Q. Which has been a very controversial issue?

5 A. It has.

6

7 Q. For many years?

8 A. Yes. So that's why it was so stunning - well, I found  
9 it stunning that a resolution that had been duly made by  
10 council, that that was the way it was - I mean, I couldn't  
11 see how that was implementation of our resolution, and  
12 that's all I can say about that. It was pretty staggering  
13 to me.

14

15 Q. Can you recall what the nature of the resolution was?  
16 Was it to not proceed with something or to - was it to  
17 cancel the contract or?

18 A. Oh, I don't have the actual resolution with me, but it  
19 was the one about - we weren't cancelling contracts, it was  
20 suspending all works and not extending the runway, not  
21 increasing the thickness of the runway, that sort of thing.  
22 So, yes, that was the one that was going to be rescinded.  
23 So I was just - I don't know how you interpret that, but  
24 I think it's a stretch to call it implementing the  
25 resolution without delay. Anyway, I don't need to go into  
26 it.

27

28 Q. Was that an isolated incident or were there other  
29 incidents?

30 A. No, I - well, I don't know, I didn't get access to  
31 everything that staff was doing. It was very hard, usually  
32 it was up to a community member to GIPA information. But  
33 another example I can give you, and this one is a little  
34 bit distressing, I will say, I'd only been on council  
35 probably a month and I had a code of conduct complaint made  
36 against me. Now, usually you can't discuss these, but this  
37 has been the subject of a GIPA application and through  
38 NCAT, so I believe I'm allowed to speak about it.

39

40 So I was only on council about a month and someone  
41 made a GIPA - sorry, a code of conduct complaint against me  
42 and it was a member of the public. I don't know who that  
43 was, but I was very surprised at the nature of it because  
44 it also alleged that I had a significant non-pecuniary  
45 interest in certain matters and that, therefore,  
46 I shouldn't be allowed to engage in debate or in voting on  
47 those matters. Again, I had just had my training and I

1 knew I didn't have a non-pecuniary interest in those  
2 matters, which were again the airport and Kangy Angy rail  
3 facility, which you probably haven't heard about, and the  
4 Mangrove Mountain tip, which wasn't in Wyong ward, wasn't  
5 in Wyong council area, so I reality didn't know much about  
6 the Mangrove Mountain tip, but I was being investigated for  
7 having a significant non-pecuniary interest.

8  
9 So initially I thought, well, this won't be upheld,  
10 because it's clearly wrong. I had to give a statement to  
11 an investigator and then follow up questions and  
12 everything, and I kept thinking it was just a very bad -  
13 I hate to use the word vibe, but it was a bad vibe, and  
14 then eventually it came down to that I was found to have  
15 had this significant non-pecuniary interest, and if I --

16  
17 Q. Can I just ask you, sorry, was the investigator  
18 independent of the council or was it somebody from within  
19 the council?

20 A. I believe it was someone on our code of conduct review  
21 panel.

22  
23 Q. Is that an independent person?

24 A. As I understand it, yes. So you get - when you are  
25 new you think, "I don't want to have a code of conduct  
26 complaint found against me in such a short amount of time."  
27 So after it had been going on - I think the complaint was  
28 in the November. After it had been investigated and it was  
29 still going on - they are meant to be completed in I think  
30 about 30 days but it still wasn't completed by February, so  
31 I wrote to the Office of Local Government and said, "I just  
32 can't understand why this is going on for so long". So  
33 in April - so this is like five months after it, I was  
34 given - I got a phone call from council saying they had an  
35 urgent delivery for me and I texted a few other  
36 councillors, "Are you getting texts to say you are getting  
37 urgent deliveries?" I thought there might have been some  
38 new business paper we had to look at or something. They  
39 were all "No". So then eventually one of the staff arrives  
40 at my house with the findings of the code of conduct, and  
41 it had actually been in the council since I think February.  
42 They just hadn't given it to me for all that time and I had  
43 felt very stressed every time I was in the council trying  
44 to debate or vote knowing that this was happening.

45  
46 Then, you know, to rub salt into the wounds, I was  
47 made to undergo specific training, one-on-one training,

1 with a solicitor brought down from Sydney - brought up from  
2 Sydney, rather, to help me understand what my obligations  
3 were.  
4

5 So I was subjected to that. Then I had to write to  
6 the Office of Local Government again and they were able to  
7 tell me - well, they made a determination, which I was able  
8 to give to Gary Murphy so he would be aware of what had  
9 happened.  
10

11 Q. Sorry, what was the Office of Local Government  
12 determination?

13 A. That the process - oh, I haven't got the exact  
14 wording, but it was more that the process hadn't been  
15 followed, because it is meant to be that they ask you about  
16 your - well, they have to examine whether there is, I can't  
17 think of the right word, but a prima facie case to answer.  
18 That's not what they say, but let's call it that, and then  
19 they investigate that. Whereas this was just like a -  
20 sorry, I'm just shaking now so my words are a bit askew.  
21

22 So it wasn't - instead of having those two distinct  
23 steps, it was just - so that was wrong, and they also said  
24 that I did not have a significant non-pecuniary interest,  
25 which is what my training told me anyway, and that's when  
26 you ask how adequate was the training. I went to the  
27 training. That wasn't the problem. The training wasn't  
28 the problem. It was the experience that you had once you  
29 got in there that just didn't - it wasn't consistent with  
30 the training.  
31

32 Q. You mentioned earlier NCAT. Did you have to appeal at  
33 any point?

34 A. I did, yes. Could I just have a break for a minute?  
35

36 Q. You certainly can.

37 A. Only for a couple of minutes, but I would prefer just  
38 to feel a bit more settled.  
39

40 THE COMMISSIONER: It is 3.13. We will come back at 3.20.  
41

42 THE WITNESS: Thank you very much.  
43

44 SHORT ADJOURNMENT  
45

46 THE COMMISSIONER: Mr Ryan, we will resume now.  
47

1 MR RYAN: Yes. I'm just about to turn my camera off.

2

3 THE COMMISSIONER: I thought you had an application to  
4 make, no problem.

5

6 Q. Ms Greenaway, are you there?

7 A. Sorry, Commissioner, I was on mute.

8

9 Q. No problem. Look, I can understand that this has been  
10 distressing for you. If you intend to provide  
11 a comprehensive submission to the inquiry, I won't ask you  
12 any further questions, but I will just check to see whether  
13 Ms Annis-Brown has any questions for you, unless you wanted  
14 to say something now.

15 A. Well, I would like to finish what you had asked just  
16 before the break. I think you said had this - do you  
17 remember your question?

18

19 Q. Was it an isolated incident, yes.

20 A. Oh, was it an isolated incident. Sorry, I --

21

22 Q. Oh, no, I might be wrong. We were talking about the  
23 code of conduct complaint and I think we got up to - you  
24 had to appeal to NCAT?

25 A. Yes, that's what you asked about, NCAT. Yes,  
26 Commissioner, there was a member of the community who made  
27 a GIPA application, a freedom of information application,  
28 for certain documents - from all councillors - regarding  
29 any questions that they may have asked in relation to this  
30 particular topic. This person had previously threatened to  
31 sue me for defamation and some other things that - I don't  
32 know what their intention was, but made me feel a little  
33 bit distressed. So that was just how I perceived them. So  
34 I was more than happy for all the information to be  
35 provided. I wanted it provided, but I just didn't want my  
36 name on it because I was fearful of what might happen.

37

38 So it ended up going all the way to NCAT and they did  
39 provide the documents in the end, but in the process of  
40 that, part of the evidence that I had given about my  
41 concerns were these code of conduct complaints, because  
42 there was a second one that was made, and again it wasn't -  
43 well, I didn't feel it was substantiated, and again I had  
44 to write to the Office of Local Government and again they  
45 had to say the process wasn't followed.

46

47 Commissioner, can I just say, the people involved in

1 code of conduct, there are decades and decades of  
2 experience, of Local Government experience in the people  
3 that are involved with that within council, and then  
4 organising the external people and things like that, so  
5 again, it was just me, a newbie on the block just finding  
6 it so difficult in those times. Then - anyway, that's  
7 probably all that I need to say in relation to that bit.  
8 And I can put more in the public submission, but - sorry,  
9 yes, I will put more in.

10  
11 Q. Well, I won't ask you any more questions,  
12 Ms Greenaway, but Ms Annis-Brown, do you have any  
13 questions?

14  
15 MS ANNIS-BROWN: No, Commissioner, no questions,  
16 thank you.

17  
18 THE COMMISSIONER: And Mr Simone, do you have any  
19 questions?

20  
21 MR SIMONE: No, I don't, thank you, Commissioner.

22  
23 THE COMMISSIONER: Okay. Well, thank you, Ms Greenaway --

24  
25 THE WITNESS: Sorry, Commissioner, I think my  
26 representative --

27  
28 THE COMMISSIONER: Yes, I did promise Mr Ryan that I would  
29 give him the opportunity to ask you some questions.  
30 Mr Ryan, are you there?

31  
32 MR RYAN: Yes. Can you hear me and see me, Commissioner?

33  
34 THE COMMISSIONER: I can.

35  
36 MR RYAN: I wonder if I can just ask a few clarifying  
37 questions about what Ms Greenaway has said already.

38  
39 THE COMMISSIONER: Certainly.

40  
41 <EXAMINATION BY MR RYAN:

42  
43 MR RYAN: Q. Ms Greenaway, you began this answering some  
44 questions from the Commissioner about your experience of  
45 ARIC committee.

46 A. Yes.

47

1 Q. Can you give any examples of some of the things that  
2 ARIC did spend time discussing while you were in the  
3 meetings?  
4 A. There was the - I think it was called the enterprise  
5 risk management framework. We looked at that. We looked  
6 at some confidential things, like how many code of conduct  
7 complaints were made, things like that, and then we would  
8 look at things like how many CCTV cameras were or were not  
9 working. There was a range of things, but, as I said at  
10 the beginning, because these people were selected for their  
11 financial expertise, that's where I thought the focus would  
12 be.  
13  
14 Q. Did the discussion on CCTV cameras surprise you?  
15 A. Well, I guess it did because I just didn't understand  
16 how that - I know it's potentially a risk or something, but  
17 I did find that a little surprising, yes.  
18  
19 Q. If I could just ask you to clarify about the  
20 one-on-one training you sought to understand council's  
21 finances from the then acting chief financial officer,  
22 which was Ms Louie, I understand?  
23 A. Yes.  
24  
25 Q. You described having one one-on-one session with  
26 Ms Louie?  
27 A. Yes.  
28  
29 Q. And is it your understanding that Ms Louie didn't want  
30 you to come back for a second session?  
31 A. No, no, she was very obliging. It was - I don't know  
32 who made that decision but I was just ultimately told that,  
33 no - and perhaps - yes, that's probably all I can say.  
34 I don't know who.  
35  
36 Q. Were you given a reason?  
37 A. It would be - well, it was probably in an email, but  
38 as I said at the beginning, we don't have access to our  
39 emails anymore and - yes, if I did have I could perhaps  
40 find it.  
41  
42 Q. Without reading anything, do you recall that there was  
43 a reason given for you not being able to have a second  
44 session?  
45 A. I think it was they were busy in the lead-up to the  
46 budget workshop.  
47

1 Q. Thank you. You mentioned briefly the Kiar Ridge  
2 contract. Can you just explain what that was? What is  
3 Kiar Ridge?

4 A. It is again to do with - sorry, it was a number of  
5 parcels of land that were purchased by the former Wyong  
6 council ostensibly to have an airport created on it.  
7 However, it was ultimately deemed inappropriate for  
8 a number of reasons, so we were selling that land.  
9 So I was just interested because there was a lot of  
10 disquiet in the community around the terms and conditions  
11 and I didn't know how we had acquired it and I just  
12 thought, well, if we are selling it and it's on our watch,  
13 I just wanted to be very much across what happened.  
14

15 So after Gary Murphy - he provided access to the  
16 document. I wasn't given a copy. That often happened,  
17 too. Every time we got legal advice, we would sometimes be  
18 just handed it in an envelope at a meeting and told to read  
19 it and then the staff would collect it from us afterwards.  
20 So we were just - it was like they didn't trust us with any  
21 material like that. So I did get the document from -  
22 sorry, the Kiar Ridge contract from Mr Murphy and I sat  
23 down with the solicitor for council and we went through it  
24 on one occasion, and then we were supposed to come back.  
25 A time hadn't been arranged, but because he wasn't a senior  
26 member of staff, he had actually resigned and I didn't  
27 know. Because if they are a senior member, the CEO would  
28 email the councillors to let us know. So I would have  
29 booked an appointment with him sooner, but, anyway, he was  
30 gone. So I didn't get to speak to the newly appointed  
31 solicitor after that.  
32

33 Q. Just regarding that contract, the councillors were to  
34 vote on that sale; is that right?

35 A. Well, I think there had been a previous resolution of  
36 Wyong council, maybe, to sell the land, but we were just  
37 literally - even though it is a multi-million dollar  
38 property, we would literally have the respective director  
39 out the front of the room on a whiteboard telling us, you  
40 know, "This is what purchaser A might do, this is what  
41 purchaser B might do", and it was very, very complex.  
42 That's all I can say, and I just was surprised. I mean,  
43 I asked for - when I say they wouldn't let me have the  
44 contract, I asked for it over the span of about 12 months,  
45 and some of the reasons were it wasn't currently before  
46 council, some of them were it wasn't necessary in my civic  
47 duties. One was due to the passage of time you can't have



1 it, and I thought that, you know, that was ridiculous,  
2 because it was only the passage of time because they hadn't  
3 given it to me, so they were using the passage of time as  
4 an excuse not to give it to me. There was so many - that  
5 took more than 12 months to get, I think. That pretty  
6 much - it coincided with Gary Murphy arriving because when  
7 we met, firstly, I remember that he said that he was told  
8 when I had first asked for it - because that was the other  
9 thing, gosh, it takes me back, we would have to ask  
10 questions of staff through I will call it a triage system  
11 called councillor support. So we would send our email in  
12 to councillor support and they would reallocate it to the  
13 relevant director for response. So - sorry, I've just lost  
14 my train of thought. Could you reask your question?  
15

16 Q. I was asking about the Kiar Ridge contract, and you  
17 were talking about the way you had to ask questions.

18 A. Yes. So I asked for it quite a few times and each  
19 time when they would give the answer that I couldn't have  
20 it, they would then close that councillor request, as if it  
21 had been dealt with. So then when I would ask again, they  
22 would open a new one that looked like it was just a new  
23 request. So by the time Mr Murphy arrived it would look  
24 like I had only asked, say, two weeks ago, and I had to  
25 piece it all the way back. I think I originally thought it  
26 had gone back to the February and then pieced it further  
27 back to the January. So it was just such a long period of  
28 time, and in the end I didn't get to discuss it with the  
29 solicitor anyway. But it was just - the point I was making  
30 was the difficulty that I had accessing information, and  
31 that just --  
32

33 Q. Can I ask, then, whether it was via being briefed on  
34 council's asset sales or whether it was an item of business  
35 you had to vote on, you believed it was sufficiently  
36 connected with your councillor duties that it was  
37 reasonable to ask for the contract?

38 A. Well, absolutely, because the director came to us and  
39 briefed us on it, and set up on the white board what the  
40 two purchasers were proposing, and I don't know whether you  
41 would say he sought our approval or what, but he was  
42 seeking our input as to whether he should proceed. And I -  
43 yes, so that's --  
44

45 Q. Thank you. Just a question on the Warnervale Airport  
46 and the email you referred to as you became aware of via  
47 a community member's GIPA application.

1 A. Yes.  
2  
3 Q. I'm just trying to clarify this. As I understand it,  
4 the email was from council staff, I believe you said to the  
5 Department of Premier and Cabinet, was it?  
6 A. Yes, the Department of Premier and Cabinet. I can't  
7 honestly say who --  
8  
9 Q. That's okay.  
10 A. Yes.  
11  
12 Q. Do you have a copy of the email?  
13 A. I do, yes.  
14  
15 Q. And you can provide that with your submission?  
16 A. Yes, yes.  
17  
18 Q. Is it the case that you are saying the council having  
19 taken a position, it wasn't appropriate for staff to ask  
20 the Department of Premier and Cabinet to provide support  
21 for an opposing position?  
22 A. Well, that was my understanding from the training that  
23 we had had. It just seemed very inconsistent with what we  
24 my expectations were.  
25  
26 Q. Finally, I don't know how we're going for time, but if  
27 I can ask this last question. The Commissioner asked you  
28 previously about your experience in the chamber and you  
29 were unwilling to name people, but I'm just wondering if  
30 you can answer a general question: did you find at times  
31 the behaviour of councillors to be aggressive and  
32 insulting?  
33 A. I thought it was a very unhelpful environment to make  
34 important decisions in. I thought there was antagonism  
35 and, you know, when you are trying to make really important  
36 decisions on behalf of the council, you know, there's been  
37 studies that show that people don't think the most clearly  
38 under pressure and heckling, and all that sort of thing,  
39 and I just thought - I felt it was very disrespectful to  
40 the community to have their leaders trying to make  
41 decisions under those - in that environment. I just think  
42 we should have - even though we have different opinions on  
43 things, I did believe we should at least be civil in the  
44 chamber so we can think straight instead of, yes, the  
45 hyperbole and the antagonism that we did see.  
46  
47 Q. Did you find going to council meetings upsetting,

1 personally?

2 A. Yes. Yes, I did, and I wrote to our first mayor and  
3 our acting CEO about that, and I also wrote to the director  
4 of governance about that probably in around 2019. And  
5 I likened it - I said it's a strange situation. Like, if  
6 you have the parks and gardens people going out you will  
7 give them their hat and their sunscreen and their long  
8 sleeves to go out and do what they have got to do in the  
9 sun. You don't wait until they come back sun burnt and  
10 then send them to a doctor. You do everything in advance.  
11 So I used - they would just say to me "Access EAP", which  
12 is the counselling service, and I would think no, stop  
13 putting me in this environment. I said, "I can't believe  
14 that we are expected to work under these conditions" and  
15 they would just say to me, "Well, you are not an employee",  
16 and I would say, "Well, this is my workplace". And they  
17 just - I felt very unsupported. There were some steps  
18 eventually taken to I guess limit the amount of  
19 interactions that the community could have, but I remember  
20 some instances where councillors were actually, you know,  
21 "Come on", like looking up at them, telling them to get  
22 louder. Then one time I went out into the common area in  
23 Gosford and there were a couple of councillors there really  
24 geeing the community up, taking selfies, and I just -  
25 I thought wow. But despite all that, I would have to say  
26 that despite all that, we still were able to make the  
27 important decisions and carry on the functions of council.  
28 So we had to do it under extreme circumstances, but we  
29 managed to do it.

30  
31 Q. Ms Greenaway, the Commissioner asked you about your  
32 training earlier. In terms of being trained to work as  
33 a team and what was expected of you in the council chamber,  
34 do you think that prepared you for the council meetings?

35 A. Oh, gosh. What may have helped would have been - oh,  
36 that wasn't the question. Did I feel - what was it? Did  
37 it help me, did you ask?

38  
39 Q. The training you were given in the code of meeting  
40 practice about teamwork, did it help prepare you for the  
41 council meetings?

42 A. No, I didn't feel - well, I shouldn't say "no". It  
43 helped me to a limited extent so I would know how the  
44 meetings would progress and things like that. But as far  
45 as the conduct in the chamber went, we definitely had some  
46 sort of team bonding type training, and that was not just  
47 the councillors, that was also with the senior staff. Some

1           councillors just didn't come, which, you know, that's their  
2 prerogative, it wasn't compulsory.

3  
4           I think there was a fairly - to me it was reasonably  
5 apparent, again just an opinion, that some people didn't  
6 want the council to function. I remember one would look up  
7 into the camera and actually say, "Minister, if you are  
8 watching, take this council now." And I would think  
9 I don't know what the community felt about that, but it was  
10 essentially, you know, an invitation to remove us, remove  
11 the community. Because it's the locals that lose. It's  
12 a local lock-out. They don't have any representatives on  
13 council. They don't have anyone to put anything forward  
14 for them.

15  
16           You know, don't worry too much about us as the  
17 councillors, we will get on. But whilst we are in  
18 suspension, it's the State Government that put the  
19 amalgamation into progress, that's back in charge, making  
20 all the decisions about our local area, and it's the locals  
21 who are locked out. It is the local people that are locked  
22 out by the suspension.

23  
24 MR RYAN: Thank you. I have no more questions,  
25 Commissioner.

26  
27 THE COMMISSIONER: Thank you, Mr Ryan. I should then just  
28 check with Mr Simone that there is nothing further arising  
29 from that questioning.

30  
31 MR SIMONE: Thank you for that opportunity, Commissioner.  
32 There is isn't anything arising.

33  
34 THE COMMISSIONER: Thank you. Ms Annis-Brown?

35  
36 MS ANNIS-BROWN: Thank you, Commissioner, nothing from me.

37  
38 THE COMMISSIONER: Thank you. Thank you, Mr Ryan, and  
39 I am sorry I momentarily forgot your request.

40  
41           That will conclude your evidence, Ms Greenaway.  
42 Thank you very much, under trying circumstances.

43  
44           We will resume tomorrow at 9am. Today's proceedings  
45 are concluded. Thank you.

46  
47 THE WITNESS: Thank you, Commissioner.

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MR RYAN: Thank you, Commissioner.

<THE WITNESS WITHDREW

AT 3.40PM THE INQUIRY WAS ADJOURNED TO  
FRIDAY, 8 OCTOBER 2021 AT 9AM