

INQUIRY UNDER SECTION 438U OF THE LOCAL GOVERNMENT ACT

CENTRAL COAST CITY COUNCIL

Public Hearing

Conducted via Microsoft Teams

On Monday, 27 September 2021 at 10.00am  
(Day 1)

Before Ms Roslyn McCulloch, Commissioner

1 MS ANNIS-BROWN: Thank you for attending the Central Coast  
2 public hearings. Commissioner Roslyn McCulloch will be  
3 presiding. My name is Katrina Annis-Brown, officer  
4 assisting the Commissioner. Information and updates  
5 regarding the inquiry, including the list of persons  
6 appearing each day at the hearings, will be posted on the  
7 inquiry webpage. The public hearings into the Central  
8 Coast Council are now in session.

9  
10 THE COMMISSIONER: Thank you, Ms Annis-Brown. I will just  
11 start with some opening remarks. The role of this public  
12 inquiry is to inquire and report on matters that relate  
13 largely to the governance of Central Coast Council. The  
14 inquiry is taking place as a result of the appointment of  
15 me as Commissioner to hold a public inquiry by the Minister  
16 for Local Government, the Honourable Shelley Hancock, on  
17 26 April 2021, under section 438U of the Local Government  
18 Act. I will now discuss the terms of reference, the nature  
19 of the inquiry and certain matters of procedure.

20  
21 The terms of reference are potentially very broad,  
22 however, it is not possible for this inquiry to look into  
23 every matter that might fall within the terms of reference.  
24 That would require the expenditure of an unreasonable  
25 amount of time and resources. I will now read the terms of  
26 reference. They are:

27  
28 To inquire and report to the Minister for  
29 Local Government with respect to whether:

30 1. In exercising its functions pursuant to  
31 sections 21, 22, 23, 23A and 24 of the  
32 Local Government Act the governing body met  
33 its obligations in a manner consistent with  
34 sections 8A(1)(b), 8B(a), 8B(c) and 8B(d)  
35 of the Local Government Act, particularly  
36 in relation to:

37 (a) whether the governing body acted in a  
38 manner that maximised the success of  
39 gaining efficiencies and financial savings  
40 from the merger process;

41 (b) whether the governing body disregarded  
42 the financial consequences of its  
43 decisions; and

44 (c) whether the governing body's decisions  
45 since 2017 contributed to the financial  
46 position which the council now finds itself  
47 in.

1  
2 2. In exercising its functions pursuant to  
3 section 223 of the Local Government Act,  
4 the governing body ensured:  
5 (a) as far as possible, that decisions  
6 taken by it had regard to the financial  
7 sustainability of the council; and  
8 (b) kept under review the performance of  
9 the council, including that council  
10 spending was responsible and sustainable by  
11 aligning general revenue and expenses.

12  
13 3. Any other matter that warrants mention,  
14 particularly those that may impact on the  
15 effective administration of council's  
16 functions and responsibilities or the  
17 community's confidence in the council being  
18 able to do so.

19  
20 The Commissioner may make recommendations as the  
21 Commissioner sees fit having regard to the outcomes of the  
22 inquiry, including whether all civic offices at Central  
23 Coast Council should be declared vacant.

24  
25 The terms of reference have a direct link to several  
26 provisions of the Local Government Act concerning the role  
27 of the governing body of the council, with a particular  
28 focus on the financial consequences of its decisions.

29  
30 Section 22 of the Local Government Act says that the  
31 governing body is comprised of the elected representatives,  
32 or councillors. Councillors of local councils play a vital  
33 role in the affairs and administration of Local Government.  
34 Councillors control the affairs of council, subject to and  
35 in accordance with the Local Government Act. Councillors  
36 help create council policies and objectives. They  
37 represent the interests of residents and ratepayers and are  
38 in a position to provide leadership and to guide their  
39 communities.

40  
41 The staff of councils also play important roles in  
42 management and policy formulation at senior levels and  
43 implementation of policy at all levels.

44  
45 The Local Government Act contains a number of guiding  
46 principles for councils, including principles of sound  
47 financial management, to be observed in the carrying out of

1 their functions under the Act.

2  
3 At the top of the system of Local Government are the  
4 residents and ratepayers. This is reflected in term of  
5 reference 3, which authorises inquiry into any other  
6 matters which may impact on the confidence of the community  
7 in council being able to effectively carry out its  
8 functions and responsibilities.

9  
10 A number of submitters have commented that the terms  
11 of reference are too narrow. Some of those submitters were  
12 concerned that by focusing on decisions of the governing  
13 body since 2017, important pre-existing conditions and  
14 earlier decisions made by persons other than the governing  
15 body would not be examined as part of the inquiry. Those  
16 conditions and earlier decisions form part of the factual  
17 matrix within which the governing body made its decisions  
18 since 2017. The inquiry will need to have regard to that  
19 factual matrix in order to properly evaluate the decisions  
20 of the governing body since 2017.

21  
22 This is an administrative inquiry. In essence, it is  
23 a fact-finding inquiry set up to obtain facts and not to  
24 finally determine legal rights. A public inquiry such as  
25 this can only make recommendations to the minister. Any  
26 findings of fact that are ultimately made are expressions  
27 of opinion and bind no-one. No recommendations that might  
28 be made bind the minister. The inquiry itself cannot  
29 implement any recommendations it might make.

30  
31 As it is an administrative inquiry, the rules of  
32 evidence do not apply, but the rules of fairness do apply.  
33 There is also a requirement that any finding of fact must  
34 be made rationally and in accordance with proper standards  
35 of satisfaction.

36  
37 With the exception of section 13 and division 2 of  
38 part 2, the provisions of the Royal Commissions Act of New  
39 South Wales apply to this inquiry. Amongst other things,  
40 this means that persons may be summoned to give evidence at  
41 the public hearings and also to produce documents.

42  
43 Shortly after the minister appointed me as  
44 Commissioner for the inquiry, I appointed  
45 Ms Katrina Annis-Brown of the Office of Local Government as  
46 officer assisting.

1 A number of persons have been summoned or invited to  
2 appear at these public hearings, including all the  
3 councillors who comprised the governing body of the council  
4 since 2017, and some current and former senior staff of  
5 Central Coast Council and its predecessor councils, Gosford  
6 City Council and Wyong Shire Council. I will also hear  
7 from members of council's audit, risk and improvement  
8 committee, known as "ARIC".  
9

10 Submissions were sought from the public in relation to  
11 the terms of reference. A number of other persons or  
12 entities were specifically invited to make submissions.  
13 This approach was consistent with the nature of the  
14 inquiry. It is public in nature, and active community and  
15 interested group participation is encouraged.  
16

17 Submissions from more than 100 submitters were  
18 received. I determined that it was not appropriate to put  
19 the submissions on a public website for reasons including  
20 legal advice relating to the publication of submissions,  
21 and in some cases that what was received were generally  
22 just submissions and no more than that. In some instances,  
23 they contained untested assertions. Some submitters  
24 requested anonymity. Interested parties may, on  
25 application, see the submissions, with the exception of  
26 those whose authors requested anonymity.  
27

28 Due to the COVID-19 pandemic this inquiry is being  
29 conducted via an audiovisual platform. To ensure that the  
30 inquiry is conducted in public, the proceedings, other than  
31 when evidence is being taken in private, will be  
32 live streamed over a YouTube channel in addition to being  
33 transcribed. The transcript will be available, usually  
34 within 24 hours, on the inquiry website. No reproduction  
35 of the YouTube broadcast is permitted.  
36

37 The inquiry is scheduled to sit between 27 September  
38 2021 and 15 October 2021, with non-sitting days on 4 and  
39 14 October 2021 currently scheduled. It is proposed to sit  
40 between 10am and 4.30pm daily with a morning tea and lunch  
41 break. Those hours may be altered or extended to  
42 accommodate some witnesses.  
43

44 I have allowed for some witnesses to be legally  
45 represented during the inquiry where I have been satisfied  
46 that the person is substantially and directly interested in  
47 any subject matter of the inquiry, or where that person's

1 conduct in relation to any such matter has been challenged  
2 to the person's detriment.

3  
4 There are presently nearly 50 witnesses scheduled to  
5 give evidence over 13 sitting days. The officer assisting  
6 and her administrative assistant are working hard to ensure  
7 that all witnesses are familiar with the technology and to  
8 let witnesses have as much notice as possible as to when  
9 they will be required to appear. I do ask that everyone be  
10 patient as we navigate this virtual inquiry together.

11  
12 Anyone joining the public hearings as a participant is  
13 reminded to do so with the camera off and microphone on  
14 mute until you are invited to speak.

15  
16 The procedure following the conclusion of the public  
17 hearings will be as follows: one, submissions in reply may  
18 be lodged within a short period following the conclusion of  
19 the hearings; two, any further documentary information  
20 arising from the evidence received from the public hearings  
21 will be obtained; three, a report will be published and  
22 provided to the Minister for Local Government; four, the  
23 minister will table the report before both houses of  
24 Parliament; and, five, the minister will consider the  
25 report and take such action as she considers appropriate.

26  
27 That action could be the dismissal of the council, or  
28 the termination of the suspension of the council, or, in  
29 either case, the issue of a performance improvement order  
30 which may include the appointment of a financial  
31 controller.

32  
33 I can assure the public and the councillors that I am  
34 coming to this inquiry with an open mind and a clear  
35 purpose to make findings of relevant facts to enable  
36 appropriate recommendations to be made to the minister,  
37 having regard to the terms of reference.

38  
39 Finally, I hope that the inquiry can be conducted with  
40 a minimum of formality. However, everyone observing it  
41 appearing should be mindful of the purpose of the inquiry  
42 and be respectful of those participating in it. Thank you.

43  
44 We will now take a break until 11.20 when we will hear  
45 from the inquiry's first witness.

46  
47 SHORT ADJOURNMENT

1 MS ANNIS-BROWN: Hello, everybody, I just would like to  
2 provide you with an update. We are continuing to have  
3 difficulties, unfortunately, with the live stream. The  
4 Commissioner has determined to proceed with the public  
5 hearings as planned.  
6

7 Earlier this morning the Commissioner made her opening  
8 remarks and these will be available to view in the  
9 transcript when it is published. Unfortunately we will not  
10 be able to live stream the meeting until the technical  
11 issues are rectified.  
12

13 However, we will proceed. I will now hand over to the  
14 Commissioner to recommence the public hearings into the  
15 Central Coast public inquiry. Thank you.  
16

17 THE COMMISSIONER: Thank you, Ms Annis-Brown. I do  
18 apologise to those within the meeting and to the people in  
19 the public who are trying to view the live stream. It is  
20 very unfortunate. Some upgrade over the weekend apparently  
21 put some gremlins in the works, but the matter is listed  
22 for hearing and we need to proceed. Our first witness is  
23 Ms Lisa Matthews. Ms Matthews, can you come on camera and  
24 off mute, please. Thank you.  
25

26 I believe there is an appearance to be announced for  
27 Mr Murphy?  
28

29 MS BULUT: Yes, may it please, Commissioner. My name is  
30 Bulut, initial V. I appear with permission, instructed by  
31 RGSLAW.  
32

33 THE COMMISSIONER: Thank you, Ms Bulut. I should say at  
34 the outset I have received a request for cross-examination.  
35 This is an administrative hearing, it is not an adversarial  
36 one. I will defer any request for cross-examination until  
37 Ms Matthews has concluded her main evidence, but I can say  
38 that at the moment I'm not inclined to have  
39 cross-examination unless I can see that there is a benefit  
40 to the inquiry to do that. .  
41

42 MS BULUT: Yes. I should clarify that our application is  
43 simply to be given the opportunity to cross-examine  
44 depending on where the evidence falls. It may well be the  
45 case that we don't have any questions in cross-examination.  
46 I will confirm that at the end of Ms Matthews' evidence.  
47

1 THE COMMISSIONER: Thank you. So, Ms Matthews, first of  
2 all we will have you sworn in as a witness.

3  
4 <LISA MATTHEWS, sworn: [11.53am]

5  
6 <EXAMINATION BY THE COMMISSIONER:

7  
8 THE COMMISSIONER: Q. Could you state for the record  
9 your name, address and qualifications?

10 A. My name is Lisa Ann Matthews. My address is [address redacted]  
11 I am the suspended  
12 mayor of the Central Coast Council and my formal  
13 qualifications in my work profession, I'm a beauty  
14 therapist.

15  
16 Q. Thank you. I am just going to ask you some questions,  
17 because you haven't provided the Commission with a written  
18 submission. Is there a reason that you didn't do that?

19 A. Look, yes, there was a reason. It's probably - it's -  
20 oh, my screen's completely gone haywire.

21  
22 Q. Just ignore the screen.

23 A. That's fine. Yes, look, personal reasons, I guess.  
24 It's been a really tough time for me personally. It has  
25 had an effect on my mental health. Not only my mental  
26 health, but also on my family and I was really worried  
27 about backlash, and I - yes, I chose not to submit  
28 something, and obviously I would be available to answer  
29 questions to the best of my ability and knowledge if I  
30 needed to.

31  
32 Q. Thank you. Now, I believe you were a councillor in  
33 the former Wyong Shire Council?

34 A. That's correct.

35  
36 Q. Could you tell me how long you'd been on that council?

37 A. I first got elected in 2008.

38  
39 Q. Did you have any special roles in that council?

40 A. I served as deputy mayor in 2011, but I guess my love  
41 and my speciality is around women, children and families,  
42 so I was successful in getting a women's committee up in  
43 the year of Women in Local Government, which was 2011, and  
44 then proceeded to get that same committee rolling in  
45 Central Coast Council.

46  
47 Q. Thank you. Do you have very much knowledge of what

1 went on before you were elected to the Central Coast  
2 Council, what went on when the council was under  
3 administration?

4 A. Not - no, not a lot, because clearly as a - well, as  
5 a - we were terminated from our positions on council, and  
6 for some time it was quite a silence. You know, it was  
7 business as usual for the newly formed Central Coast  
8 Council.

9  
10 Q. I'm going to stop you there. I'm talking about the  
11 first period of administration, when the Wyong Shire  
12 Council and Gosford City Council were merged, there was a  
13 period of administration before there was an election of  
14 councillors?

15 A. Yes. That's what I'm referring to. In  
16 administration, at that point, the administrator and  
17 Mr Noble, the first, as I understand it, CEO created a  
18 committee of the former councillors to be involved in what  
19 was taking place. So it was a committee that - from  
20 memory, you know, we are going back a fair bit now, but we  
21 did meet at the Southern Lakes community centre and bits  
22 and pieces were discussed, but nothing confidential, of  
23 course, because we weren't councillors at that time.

24  
25 Q. I understand. So when you were on Wyong council, do  
26 you have any recollection of there being any change to the  
27 staff numbers while you were a councillor?

28 A. Wow, that's a long time ago. Look, Wyong council  
29 certainly had some issues in relation to staffing and had a  
30 lot of contractors at the time. There was, you know, some  
31 wriggle room around that, but Wyong council certainly -  
32 yes, look, the numbers were consistent. There was no great  
33 sudden movement in numbers in Wyong council that I can  
34 recall. But, again, I'd say that in relation to movement  
35 around staffing, it's operational and you're always  
36 continually repeatedly told so.

37  
38 Q. I'm sorry, I missed that.

39 A. Staffing movements and numbers, you are told when you  
40 ask questions or raise questions, "That's operational". So  
41 you don't - for me personally, didn't really get involved  
42 in the numbers in relation to staffing.

43  
44 Q. I understand. Were you aware of the need to upgrade  
45 Wyong's IT system when you were a councillor there?

46 A. There was always talk about the IT system needing some  
47 improvements, and certainly when they were talking about

1 amalgamation - because, I mean, amalgamation had been  
2 mooted for a number of years, or at least a couple of years  
3 that I can recall, and they were always talking about  
4 systems would need to be upgraded.

5

6 Q. Were you aware of any proposal or any cost of that  
7 upgrade?

8 A. No, not that I recall.

9

10 Q. Did you have any knowledge of how water and sewer and  
11 drainage contributions were accounted for at Wyong council?

12 A. My understanding of those contributions is that it's a  
13 separate fund and that any moneys collected for water,  
14 sewer and drainage costs stay in a fund that needs to be  
15 used and spent on infrastructure, repairs, et cetera. So  
16 it was always meant to be a separate fund.

17

18 Q. And you weren't aware of any other - you weren't aware  
19 that that wasn't being carried out at Wyong council?

20 A. Again, recalling my memory, I do believe that at one  
21 stage Wyong council did use restricted funds, which is from  
22 the water and sewer, and did have to - well, they sought  
23 permission from the minister to make that happen. So I  
24 believe that there was a precedent set in relation to using  
25 those funds, but it was authorised by the minister at that  
26 time.

27

28 Q. I see. Now, in relation to the merger, Wyong council  
29 formally supported the merger, did it not?

30 A. If you can call that - well, it was a resolution of  
31 council, that's right. It only just got over the line by  
32 one vote.

33

34 Q. What was the community of Wyong's attitude to the  
35 merger?

36 A. Oh, in my opinion - well, the community didn't - look,  
37 the community didn't want a merger but I think what the  
38 community really wanted at that time was an opportunity to  
39 say whether they did want a merger. And really, they  
40 weren't given that chance or opportunity.

41

42 Q. Did you have any idea, when the council formally  
43 supported the merger, what the estimated costs of that  
44 merger procedure would be?

45 A. Look, we - I personally know, but, of course, you  
46 know, we would be asking the questions. And also to  
47 clarify, every discussion around a merger happened at the

1 late hours of the evening. It was like a tack-on to a  
2 formal notice of motion that was put on or to a report that  
3 the staff put up. So it was all really last-minute goes at  
4 having a go at amalgamating the region, I guess, or the two  
5 councils. But, you know, we would ask questions of the CEO  
6 then, which was Rob Noble, and we'd say, "How much,  
7 Mr Noble? How much?" Mr Noble often said, "150 mill  
8 easy", you know. So the figure was around 150 mill.  
9 That's what I remember.

10  
11 Q. I see. Do you have any knowledge of the financial  
12 position of Wyong Shire Council before it entered the  
13 merger?

14 A. Look, again, it's a long time ago, but, I mean, we  
15 were deemed unfit for the future, not on funds but on scale  
16 and capacity. I believe that Wyong was in a fair and  
17 reasonable position. We had an SRV, special rate variance,  
18 that we had been undergoing a lot of backlog in our  
19 infrastructure at work. So we had spent a lot of money on  
20 roads and our community facilities. I believe that Wyong  
21 was doing really well at the time, but unfortunately the  
22 Fit For the Future scale and - yes, scale and capacity is  
23 where we fell short. But I remember on a meeting or at a  
24 meeting, again, late hours of the evening, that former  
25 Councillor Best did put up and it was resolved that we were  
26 to seek the financials of Gosford City Council and we never  
27 received any detail as to where Gosford were at at the  
28 time.

29  
30 Q. That was prior to the merger occurring?

31 A. Correct. That's right. So we didn't know what  
32 Gosford's capacity was or wasn't.

33  
34 Q. You were aware that Wyong council suffered from an  
35 infrastructure backlog?

36 A. Well, absolutely we had an infrastructure backlog, but  
37 the SRV that came in helped us fix a lot of that problem,  
38 and there were a lot of rebuilds and our road capacity  
39 was - our road index was increased at that time. So, yes,  
40 look, definitely had some skeletons and some things that  
41 needed to be fixed but we were working through that.

42  
43 Q. Are you aware of there being any difference between  
44 the backlog for the water authority side of the council  
45 compared to the council side?

46 A. No, not really. I don't recall anything in  
47 particular. I mean, we had the Mardi-Mangrove pipeline

1 going through at that time, which was a federally funded  
2 project to secure our water for the 2020 water, so that was  
3 a huge thing that was happening for the Central Coast,  
4 because it was only before my time that council had issues  
5 with the dam and how much water capacity they had in going  
6 forward for the community in the future. So we needed to  
7 secure water supply.

8  
9 Q. Just going to the next step, once the council was  
10 merged but under its first period of administration, to  
11 what extent were you able to observe what was going on?  
12 I know you've said you had these informal meetings with  
13 Mr Noble - did you have any contact with the community  
14 during that period?

15 A. No. I was unsure what my future was going to be in  
16 relation to the next step, whether I would in fact put my  
17 hand up for council, so, yes, I really - again, under  
18 administration, I let the bureaucrats do their job. Yes, I  
19 didn't really get involved, apart from those meetings that  
20 I did attend.

21  
22 Q. I see. They were just invitations to former  
23 councillors?

24 A. That's correct, and it was at the Southern Lakes  
25 neighbourhood centre here at Berkeley Vale and it was like  
26 an hour and a half, short and sweet. You really -  
27 I recall, you know, questions - I don't know the nature of  
28 the questions exactly, but, you know, certainly there were  
29 questions being thrown up at Mr Noble and Mr Reynolds and  
30 there wasn't much information coming back. To me, my  
31 opinion, it was a very tokenistic committee that made  
32 people feel important.

33  
34 Q. Did it include the Gosford City Council's former  
35 Gosford City Councillors?

36 A. Yes.

37  
38 Q. Okay. When the council was elected, what was the  
39 nature of the handover from the administrator to the new  
40 council?

41 A. Well, at that point I was just a mere councillor and  
42 I don't recall any great handover of any significance to  
43 this council at all.

44  
45 Q. There was some induction training and sessions held?

46 A. That's correct. There was a few sessions. I didn't  
47 attend the very first session. I had a commitment

1 elsewhere so I didn't attend. I did go to the next one.  
2 But in my humble opinion, it seemed to be more about how  
3 people - relationships and how people were going to get on  
4 and what quadrant of the square you came from, whether you  
5 were servant, whether you were a leader. It was a lot of  
6 psychoanalysing. And from people giving me feedback, they  
7 just said, you know, "We spent four hours in a room working  
8 out who was strong and who was weak" and, yes, really  
9 didn't get to the nuts and bolts of what you really did  
10 need to know as a councillor, or a new councillor.

11  
12 I remember back in 2008 when I was first elected, you  
13 know, we got called the newbies or the new councillors for  
14 at least two years and really, it was lacking. I think  
15 what further cements that is that this council realised,  
16 two years down the track, that its induction wasn't great  
17 and there was a little committee set up to work with the  
18 governance to ensure that in future, in going forward into  
19 the next and future councils, that the induction program  
20 would really reach the needs of the elected.

21  
22 You don't know what you don't know until you don't  
23 know it. I mean, it can be very confusing and very  
24 daunting. Again, in 2008 I remember being elected, coming  
25 in on the day - on the eve of the council meeting they  
26 wanted to fit me for a uniform; they didn't want to show me  
27 how to use the buzzer. I kept saying, "That doesn't make  
28 sense to me, I need to know how to press the buzzer in the  
29 council meeting. That's more than important than tailoring  
30 me up for a uniform."

31  
32 Q. That was with the previous council?

33 A. That was with the previous. But this council, you  
34 know, same thing. I think they had one mock demonstration  
35 of a council meeting. Yes, it's challenging for somebody  
36 who is new, who doesn't know the set-up. But, yes, to me,  
37 the training needed to be fixed or needed - the orientation  
38 certainly needed to be better and they did make some  
39 changes and hopefully, going forward, that process will be  
40 better for any newly elected councillor.

41  
42 Q. Was there any ongoing training for councillors offered  
43 or provided?

44 A. So, yes, there's often some training, but not  
45 necessarily Central Coast Council training but training  
46 that's offered through the Office of Local Government.  
47 There is also a certificate for elected officials.

1 I always found it difficult to get to some of those - well,  
2 those courses, because, (a), if you are a worker, it's  
3 hard, because we all know that being a councillor is a very  
4 part-time basis and most of us have working commitments,  
5 and also being a mum I have mum commitments. So it's not  
6 always just that easy to go to these courses.

7  
8 The second thing is that living on the Central Coast,  
9 a lot of these courses and opportunities were down in  
10 Sydney. Again, harder.

11  
12 So, you know, when things come online, it makes life a  
13 bit easier, but, again, working around your schedule is  
14 something - it does make it difficult. But there are  
15 opportunities, if you've got the time and the means to get  
16 there.

17  
18 Q. And once the pandemic hit, was there any opportunities  
19 to do any of those sort of courses online?

20 A. I think there was a couple of courses that the Office  
21 of Local Government did offer, but nothing - once you're no  
22 longer a new councillor, it kind of goes out of your head,  
23 because you are so busy doing your council functions and  
24 attending meetings, and you've only got to look at the  
25 meeting schedule that we had - you get to the point where,  
26 yes, knowledge is great, but you're exhausted, literally  
27 exhausted.

28  
29 Q. What would you say your level of financial knowledge  
30 was when you started on this council?

31 A. I'm not an accountant and I don't pretend to be an  
32 accountant. I know how to read a spreadsheet, because I do  
33 have a very small business, so I understand your profit and  
34 loss, I understand moneys coming in, I understand cash in  
35 the bank, but I'm no accountant.

36  
37 Q. So you were relying, for a more nuanced  
38 interpretation, on the staff - of any financial statements,  
39 were you?

40 A. Oh, absolutely. I remember being told by the former  
41 former CEO of the newly elected council that, "You have  
42 executive leadership team and staff that are very good at  
43 their job, and let them do their job. They are highly  
44 qualified people, and they will provide you with the  
45 information that you need."

46  
47 Q. And who is the former former CEO?

1 A. Sorry, that was Mr Brian Bell.

2

3 Q. Thank you. What did you observe of the general  
4 culture within the staff at the council when you became a  
5 councillor?

6 A. So, my experience in this council was completely  
7 different with my experience in the former Wyong council.  
8 From the get-go, we were pretty much told that our level of  
9 staffing was ELT, the executive leadership team, that was  
10 where our inquiries would go, and that we were not to have  
11 any access, or did not have any access to anybody below the  
12 executive leadership team. So unless you are the fly on  
13 the wall, you don't really know what's happening. I mean,  
14 you hear Chinese whispers, of course, but, you know, my  
15 role, and it was very clearly spelt out to me - you're not  
16 to speak to the staff. Your direct route is your CEO and  
17 your executive leadership team.

18

19 I for ages kept saying and questioning that, because  
20 we know how busy the ELT are, and their role is also to do  
21 their job, but also filter down to their staff, who are  
22 also paid well and knowledgeable staff. I used to say,  
23 you know, "Mr General Manager, why can't I speak to  
24 managers? Why can't we have a contact with the managers?"  
25 Because it would save time and energy if I could pick up  
26 the phone to a manager and ask them the question, because  
27 they are, in essence, the ones who had their finger on the  
28 pulse, they are the ones who do the majority of the  
29 day-to-day stuff. They would have the answers. But  
30 unfortunately, we never really had access to those staff.  
31 So it's - you know, rumour and innuendo, fly on the wall  
32 stuff, you would hear that people weren't happy. I think a  
33 lot of it was said about the Wyong/Gosford - you know,  
34 people said that everybody that was left is only - it's a  
35 Wyong takeover. So there was that kind of culture where  
36 people were feeling threatened that Wyong was taking over  
37 the former Gosford, and you would hear that. You know,  
38 I live and work in this community. There's lots of council  
39 staff that live in my street. So, you know, it's hard not  
40 to hear that. But at a councillor level, you really don't  
41 know that unless you're hearing the Chinese whispers.

42

43 Q. It was just the innuendo?

44 A. Absolutely.

45

46 Q. And what you heard outside the council?

47 A. Absolutely, yes.

1  
2 Q. How well do you think the two workforces were combined  
3 when the councils merged?

4 A. Again, my opinion, I think it definitely did become an  
5 "us and them", Wyong versus Gosford. You know, for a long  
6 time a Wyong ratepayer couldn't go into Gosford and, you  
7 know, do their business and then the staff there would get  
8 upset because people were angry with them because they  
9 couldn't do their job. I think, yes, there was a lot of  
10 "us and them" and I still think there's a lot of "us and  
11 them". So I don't think the processes actually ran as  
12 smooth as they would have hoped, in relation to culture and  
13 staff feeling like they were one.

14  
15 Q. So as a councillor were you kept updated about the  
16 cost of staff for the new council?

17 A. We would ask questions, but it wasn't something that  
18 we constantly were briefed on, no.

19  
20 Q. Were you aware of the restrictions that applied to  
21 staff because of the merger?

22 A. Absolutely. I was aware that there was a wage freeze  
23 and there was a staff freeze.

24  
25 Q. And there was a harmonisation?

26 A. Yes, we had to harmonise - absolutely, we had to  
27 harmonise the awards. And that was probably the biggest  
28 problem, was that you had all sorts of people on all sorts  
29 of awards and all sorts of pay scales and the harmonising  
30 of that was a real problem for council, and that was  
31 certainly - that was reiterated, that the harmonisation of  
32 wages was causing a problem.

33  
34 I think a lot of it, again, is that IT system, that it  
35 wasn't just a simple formatting; the IT system was causing  
36 a lot of the problems with the harmonisation.

37  
38 Q. So when you were a councillor, what were you aware of  
39 in terms of the merging of the IT systems for the two  
40 former councils?

41 A. Well, we were aware that obviously it had to happen,  
42 but it wasn't happening like it should have been happening.  
43 Different systems came online - for example, the library  
44 system came on first and then there was a lot of the HR was  
45 coming on, but everything was almost staged. It wasn't  
46 like a smooth transition and along the way there were  
47 hiccups, and getting reports or getting, like, a lot of

1 reports out of systems was certainly a problem at that  
2 stage because we would get told "Oh, it hasn't gelled so we  
3 have to physically get the information out, we have to  
4 extract the information manually."

5  
6 Q. What was your knowledge of the experience or expertise  
7 within the finance section of the council staff?

8 A. I don't know much about the knowledge or the  
9 expertise. What I know, it was a revolving door. We  
10 seemed to not be able to hold on to a CFO. That worried  
11 me. Like, why would a CFO keep leaving? In my time as  
12 mayor, when Mr Murphy came to me - and we'd lost our CFO,  
13 and Mr Murphy --

14  
15 Q. Who was that at that time?

16 A. That was Mr Norman, Craig Norman. Then Mr Murphy came  
17 to me and said, "Look, I'm going to give Carlton Oldfield  
18 an opportunity to act up in the role", and I said, "Okay,  
19 that's fine". He said, "Whilst we obviously try and find a  
20 new CFO." Carlton seemed to be acting in the role and then  
21 all of a sudden there wasn't a lot of information coming  
22 out and Carlton, once, I guess, we found out that there was  
23 a problem, Carlton then went off on sick leave.

24  
25 I said to Gary at that point, or Mr Murphy, rather, my  
26 apologies, "Mr Murphy, I believe that you really need to  
27 take that role now as well." So Mr Murphy, I guess, became  
28 the pseudo CFO and CEO in that interim period that we were  
29 still there.

30  
31 Q. When you say "when the problem happened", what month?

32 A. That was October.

33  
34 Q. Okay. I'll get to that in a minute. Some of the  
35 submissions have touched on the selection of the general  
36 manager for his position. Were you on the selection  
37 committee?

38 A. No, I wasn't on that panel, no.

39  
40 Q. Were you aware of whether any particular process was  
41 followed appropriately for the appointment of the general  
42 manager?

43 A. Yes, so I've been involved in a couple of appointments  
44 for GMs and the process I can see was followed was it was a  
45 resolution of council to get the recruitment agency in, as  
46 with any senior position. The recruitment agency came in  
47 and they obviously went away and selected who they felt was

1 suitable to come.

2

3 At that time I was very disappointed and despondent in  
4 relation to the caliber and the fact that we didn't have a  
5 female person to interview, so I kind of felt, well, you  
6 know, it's a big organisation, we haven't got a woman to  
7 interview, I was quite upset about that.

8

9 But I'm aware that the employment agency - and their  
10 name escapes me exactly - they followed the processes. All  
11 of the interviews that were done by the agency were  
12 actually on the intranet for the councillors to observe and  
13 to have a look at and ask their questions. So, yes, look,  
14 I'm comfortable with the process that the general manager's  
15 position followed was correct.

16

17 Q. When you were the mayor, what was your relationship  
18 with the general manager like?

19 A. Well, I guess - you know, I was the mayor and he was  
20 the CEO, so it was a respectful relationship. I -  
21 my style - I'm not an authoritarian. My style is to work  
22 collaboratively and alongside my peers. So we met weekly,  
23 and then obviously it was online due to COVID towards the  
24 end. I believe that we had an honest and open  
25 relationship. In fact, at times I would often say to Gary,  
26 "Is there anything you need to tell me?", you know. So we  
27 had that relationship. I felt that Gary was a really nice  
28 man. Yes, I had no issues with Gary personally. But it  
29 was what I would consider the servant/master. If I asked  
30 him a question, he would get me an answer.

31

32 Q. What about his performance as a general manager; did  
33 you have any reason to question it?

34 A. I don't - the only problem I had with Gary, and Gary  
35 certainly had said before, you know, he wasn't one of those  
36 people that cracked the whip. So, you know, the only  
37 concern I had at times is that I felt that he was a bit  
38 soft with some things that did happen, and I felt that he  
39 could get a little bit more assertive or aggressive, I  
40 guess, with some of his answers. I felt that as a general  
41 manager, at times I didn't feel that he was actually  
42 leading the ship. Sometimes I felt he sat back. But then  
43 again that was his style. He was upfront with his style.  
44 When we did speak with that, the councillors - you know, he  
45 said that he would - that that wasn't his style but he  
46 would try to modify some of his style. Yes, that was the  
47 only concern I really had, that at times I felt he lacked

1 any real get up and go or, you know, to crack the whip at  
2 times when it needed. Not just for the ELT but for the  
3 elected. Sometimes you need a general manager to actually  
4 say, "Stop, councillors. You're carrying on like buffoons.  
5 This is what you need to be doing." At times - sometimes  
6 I really felt like we needed somebody to crack a whip  
7 somewhere and it just didn't happen.

8  
9 Q. What about in terms of his management of the financial  
10 crisis when it became evident that there was one.

11 A. Look, I think Gary did everything he could at the time  
12 when it all came down to it on that weekend, on 6 October.  
13 He did stand up in front of all of us and say that he takes  
14 full responsibility. I believe his staff let him down and,  
15 again, he's a softy. I think that went against him. You  
16 know, the fact that he trusted people that are paid well  
17 (audio dropout) he inherited, as did we, I guess, let him  
18 down, let us all down.

19  
20 Q. So just on those accounting practices, are you aware  
21 now that there was a change to those accounting practices  
22 prior to the elected council taking over?

23 A. Well, I'm aware now. So --

24  
25 Q. You weren't aware at the time?

26 A. No, I was not. And there was certainly no resolution  
27 of council to change those practices, that I can recall.

28  
29 Q. It was never brought up in any reports or council  
30 meetings?

31 A. I really don't recall.

32  
33 Q. Each month there would be an investment report  
34 published?

35 A. Mmm-hmm.

36  
37 Q. Did you have a look at that report each month?

38 A. Yes, I - sorry, I've just got some notes, as you can  
39 imagine. Yes, I do remember those reports coming in.

40  
41 Q. Are you aware that at a certain time, around, I think  
42 it was, October 2019, a line item in the reports was  
43 removed or changed?

44 A. Yes. Again, at the time obviously I didn't notice it,  
45 but I'm now very aware that it was removed. That's because  
46 the figure went to zero, but, again, I'd say that there was  
47 no resolution of council to do that. So council didn't

1 authorise it, so somebody within somewhere, whether it be  
2 the accounting package or an individual, had to have  
3 changed it.

4  
5 Q. The councillors weren't alerted to the change in the  
6 format of the report or the reason for it?

7 A. No. Like - no, exactly. We were never pointed - it  
8 was never pointed out that that was an issue. But I think  
9 it's also - you know, we understand that sometimes our  
10 business papers were a thousand pages in length, and going  
11 through those reports, report, report, report, item, item,  
12 item, sometimes hand up, you know, things were missed. But  
13 again I would have expected or should have expected that  
14 the senior team, leadership team, would have been able to  
15 point that out. But, again, if you don't have a CFO and  
16 you just have staff under them doing that job, I guess they  
17 either, (a), forgot to tell us or, (b), just didn't - they  
18 admitted in not telling us.

19  
20 Q. Just moving on to the merger process and costs, do you  
21 think that the council was sufficiently funded for the  
22 merger?

23 A. No way. There was no way that the money that the  
24 council got was ever going to fill the hole of merging the  
25 two councils.

26  
27 Q. Are you aware of the future costs for the merger to be  
28 completed?

29 A. I actually question will the merger ever be completed.  
30 I still have some doubts that it will be ever fully merged,  
31 because the resources - and clearly now because of the  
32 current financial position, the resources just aren't  
33 there. Now we are hearing that the IT system that was  
34 purchased by the former administrator isn't what it was  
35 cracked up to be and possibly needs to be redone at a cost  
36 of about \$80 million. So I think the costs of merging this  
37 council will be forever there in the corner, still ticking  
38 over.

39  
40 Q. And do you think there was an attitude amongst  
41 councillors to be obstructive towards the merger?

42 A. No, I don't believe so. We went in there as a newly  
43 elected merged council. I think we were all on track to  
44 make sure that the merger was a success. Yes, I don't  
45 think that people went in there to demerge it all.

46  
47 Q. Did that come about over time, an attitude that some

1 might have had to demerge?

2 A. I think because of lack of answers at times, people -  
3 there was a lot of public opinion at the time saying that  
4 the merger's not working, we should have a referendum to  
5 say, you know, "Do the people of the Central Coast want the  
6 council amalgamated or do they want to de-amalgamate?"  
7 There was certainly some push from outside, I guess,  
8 people, the community, but I personally wasn't getting  
9 involved in anything because in my opinion, we were elected  
10 on a Central Coast Council and I was there to make sure  
11 that it worked for the council, for the Central Coast  
12 community. Because we were told that by having one  
13 council, we would have more options for better funding and  
14 be able to secure a better future for the ratepayers on the  
15 Central Coast. But what appeared down the track was that  
16 the funding opportunities weren't there. In fact, we  
17 missed out a lot for different funding along the way.

18  
19 I mean, the Snowy Hydro was probably the biggest one  
20 that we missed out on. Are we a region, are we not a  
21 region? I mean, we were created Central Coast Council but  
22 never really given the status of what that meant. We were  
23 still greater Sydney. You know - I'm sure you're aware -  
24 it's only been recently that the State Government's come  
25 out and said we now can be a region in relation to COVID.  
26 You know, there were so many things that could have  
27 happened great for the Central Coast, but I believe that  
28 the State Government just got caught up in typical State  
29 Government and really didn't give the Central Coast Council  
30 what it needed to make it a success.

31  
32 Q. The council still suffers from an infrastructure  
33 backlog, does it?

34 A. My understanding is that, yes, the former Gosford  
35 council area has a huge backlog, especially in relation to  
36 the water and sewer. You only have to pick up the paper -  
37 well, we don't have a paper now, but pick up your phone and  
38 there's a pipe busted somewhere in the former Gosford LGA.  
39 We were told that we needed to fix a lot of the pipe works  
40 going forward in Gosford. We also know that a lot of their  
41 buildings hadn't been, I guess, maintained to the same  
42 capacity as Wyong was.

43  
44 We also know that a lot of bridges needed to be  
45 repaired and we were - well, you would know that the  
46 capital works program embarked on getting a lot of bridges  
47 fixed, because there were a lot of old, wooden, rickety

1 bridges and they were unsafe or deemed unsafe. So council  
2 was embarking on a pretty rapid, as I am sure you aware,  
3 capital works program to bring a lot of those things up to  
4 speed.

5  
6 But, yes, I believe it's an ageing - Gosford city is  
7 an ageing city, I guess, and has a lot of issues. Wyong is  
8 obviously the younger of the two, so things aren't as old.  
9 So - yes. But I believe there will be an infrastructure  
10 backlog for some time because again there's just not the  
11 resources there to go and make everything new again.

12  
13 Q. Would you describe the capital expenditure as  
14 profligate or excessive?

15 A. I think - I guess - yes, I mean, looking back at times  
16 it was probably excessive in a way, but I believe that the  
17 executive leadership team were working - they were, you  
18 know, told that this is what money they had to spend and  
19 they were able to, you know, bring up their projects or  
20 getting the projects done in accordance with what was -  
21 what money was in the bucket at the time.

22  
23 Also bear in mind that from time to time we got grants  
24 to do special things - for example, the Tuggerah sporting  
25 complex. Like, that was funded by the Federal Government  
26 to get that moving.

27  
28 So at times, we were given extra money to create new  
29 facilities, but the other issue is the management on the  
30 ongoing maintenance scheduling for some of those projects.  
31 The council never got money to maintain the hall or the  
32 facility in the years to come, and that's a problem. If  
33 you keep adding to your assets, you have to keep fixing  
34 them. It's a revolving door, I guess. So, you know, you  
35 have to try and make things safe and that's important to  
36 the community. But the more you have, the more you have got  
37 to maintain.

38  
39 Q. Would you put the Regional Performing Arts Centre in  
40 that category of one of those projects that came with money  
41 but also came with a burden of future costs?

42 A. Look, the RPAC is really interesting. Because again  
43 the RPAC was - it started off it was an election  
44 commitment, as I understand it, because again I'm from  
45 Wyong so my knowledge is only hearsay of what I have heard.  
46 But the RPAC in itself was promised, as I have heard from  
47 ratepayers, it was a commitment and promise by Gosford

1 council and federal money. It was a \$10 million funding  
2 commitment from the state, \$10 million funding commitment  
3 from the federal.  
4

5 So, what basically happened is that in relation to the  
6 RPAC, we were briefed on seven opportunities, and the RPAC  
7 morphed into, I guess, the cultural precinct in Gosford.  
8 Because we were also told that Gosford was going to be the  
9 city or the capital of the Central Coast. So it made sense  
10 to have a cultural heart or a cultural precinct which  
11 combined an RPAC, and also bear in mind that the Central  
12 Coast at that time didn't really have any kind of space  
13 where we could host conferences. We didn't have a  
14 conference space. So it made sense, it made sense. So you  
15 had the RPAC and the library all coming together in a  
16 cultural hub, which had some funding coming in -  
17 commitments.  
18

19 Unfortunately, the council never got any of those  
20 commitments, so that was a problem. Also, the Snowy Hydro  
21 money that was meant to come to the council didn't come to  
22 the council as well.  
23

24 At the time of the RPAC and the cultural precinct  
25 there were seven models in seven locations. The council  
26 unanimously decided that we would go with an RPAC and a  
27 cultural precinct that had an opportunity for commercial  
28 space, because we know you need to make money, and to make  
29 money you have commercial space.  
30

31 So that was kind of the model that was chosen  
32 unanimously by all the councillors, a model where we could  
33 use it as a commercial space, but also to have a look at  
34 car parking, because we also knew that Gosford's car  
35 parking in the CBD was dreadful, and that if we were going  
36 to have a whole heap of new businesses and locations, that  
37 we needed to improve the car parking.  
38

39 So the RPAC actually was an underground car park and  
40 then it would go up between five and seven levels to have  
41 some commercial component. So it morphed into more than  
42 just an RPAC, absolutely morphed in. But it was innovative  
43 and it probably would have been a great thing for the heart  
44 of Gosford if we had the money.  
45

46 Q. So what happened with the money? Why didn't the  
47 council get it?

1 A. That's a great question. My understanding in relation  
2 to that is that staff were in constant dialogue with the  
3 federal people, but, for whatever reason, it never came  
4 forward. The Snowy Hydro money, well, that was going to  
5 complete the project or go towards the project, and we  
6 didn't get that funding because we weren't deemed to be a  
7 region at that stage.

8  
9 Q. How much do you know about the Warnervale airport  
10 contract that was broken?

11 A. The Warnervale airport. What I know is that the  
12 Warnervale airport master plan and contract was all done in  
13 the administration - the first administration. What I know  
14 is that the community weren't very happy about that. So I  
15 make no qualms that, you know, I did go to the election  
16 saying that we would have a look at the Warnervale airport  
17 and what was going on there and what administrator had  
18 signed us up to. We did ask questions in relation to the  
19 master plan and then, as a result of that, the then CEO, I  
20 believe Mr Bell - I think - anyway, we'd asked for a  
21 briefing on the master plan because, again, it was  
22 something that we inherited. So I - sorry, not "I", so I  
23 remember, I remember this so - it stuck in my memory. We  
24 all came in, into the Wyong Shire function room. There was  
25 a whole heap of seats on the left that were vacant. That  
26 was for us. We sat there in a little huddle. And then on  
27 our - to our right, in marched suits - I use the word  
28 "suits" - a whole heap of professionals that were  
29 responsible for some part of the master plan.

30  
31 Each of those suits got up and spoke to us in lots of  
32 language that - you know, we were a brand new council. A  
33 lot of us had never seen - well, I had, but a lot of people  
34 were totally shocked by the fact that we had all these  
35 suits briefing us, high-end stuff, and when we were asking  
36 questions, we were told, "Oh, no, we don't need to do that.  
37 That will happen later. That will happen later".

38  
39 So really, for me, I felt uncomfortable. I had alarm  
40 bells ringing in my ears that something was wrong. There  
41 was something wrong. All these suits costing thousands of  
42 dollars being here, a two-hour briefing. We basically were  
43 briefed at. They didn't appreciate, really, our questions.

44  
45 Then they all got up and left and there was a few of  
46 us - like, we were gobsmacked as to what on earth had just  
47 happened here.

1  
2 So we weren't really across the actual contracts. We  
3 were just across a master plan. And the contract included  
4 the AAI and my understanding is that, you know, with any  
5 contract, there is a clause that you can break it, and  
6 I guess that's what we then instructed our legal counsel,  
7 or general counsel, and that was his job or his role then  
8 to go into negotiation, and that's my understanding.

9  
10 Q. Do you have any idea of how much that cost?

11 A. I'm only now, because the administrator, Mr Persson,  
12 has put it out there, of a potential figure, but I'm not  
13 exactly one hundred per cent on how much it was, no.

14  
15 Q. Just on some general matters, are you aware of the  
16 level of rates in Central Coast compared to other similar  
17 Local Government areas.

18 A. Yes, look, that's an interesting question, because  
19 I know that we were a lot lower than our sisters and our  
20 neighbours. We were always saying that, on average, the  
21 Central Coast ratepayer - I know that we all have different  
22 opinions on this as a ratepayer, but, yes, our rates were a  
23 lot lower than a lot of our neighbours, absolutely.  
24 Lake Macquarie was a lot higher than ours. So, yes, we  
25 were quite low for such a big council.

26  
27 Q. What did you understand the role of ARIC to be?

28 A. Well, again, ARIC was a committee that was created by  
29 the former administrator or, you know, Mr Reynolds and  
30 Mr Noble created that committee. My understanding, ARIC  
31 was like the checks and balances. It was almost like, you  
32 know, the fullback - you can't get through - if it gets  
33 past the fullback it must be A-OK. Yes, that was my  
34 understanding of ARIC. I never served on that committee.  
35 As mayor, I didn't go to that committee. I was an  
36 alternate but never physically attended that committee.

37  
38 Q. How much detail did you understand ARIC would go into  
39 in looking at the finances at the council?

40 A. Again, I don't recall a lot of detail coming out of  
41 that committee at all.

42  
43 Q. Okay. What about the external auditors for the  
44 council; what did you understand their role to be?

45 A. Well, again, they had the reports and they make sure  
46 that the ticks and balances are in place. If they found  
47 any disturbing issues, that they would then go back to the

1 general manager and then they were at our leisure. In  
2 fact, I'd say that I probably had more to do with the  
3 external auditors in my role in former Wyong as opposed to  
4 this role. Yes, we had more contract with them back in  
5 Wyong. I didn't seem to have much to do with the external  
6 auditors at all. Yes, so I'd say lacking. They were  
7 there to - they were also another tick and balance,  
8 checking things off making sure that our affairs were in  
9 keeping with the rules and the regulations.

10  
11 Q. What about --

12 A. Highly paid professionals.

13  
14 Q. What about the Office of Local Government; what did  
15 you understand their role in the governance of the council  
16 would be?

17 A. Well, I think, again, the Office of Local Government  
18 should be there to support the council. Unfortunately, my  
19 opinion of the Office of Local Government towards the end  
20 isn't so great, only because, as mayor, when we requested  
21 some information we just seemed to not get what we  
22 required. When we were told we were getting some support  
23 and assistance, we really didn't get much out of it, or we  
24 weren't getting any answers. I would have hoped that the  
25 Office of Local Government were there to support councils  
26 with issues such as financial.

27  
28 Q. But not to separately investigate?

29 A. I think - I suppose in a way they should have their  
30 fingers in it and actually understand what's going on. But  
31 maybe a collaborative approach, not just a - yes, you know,  
32 "You're doing everything wrong", but actually then come up  
33 with a solution to help us. That's my understanding, that  
34 the Office of Local Government were to give us some  
35 support, to come in and check things out and help us and  
36 assist us where they can, and it wasn't forthcoming.

37  
38 Q. Tell me, have you read the terms of reference of the  
39 inquiry?

40 A. No, not in detail.

41  
42 Q. Just a moment. Can I just ask you a few questions  
43 that relate particularly to them. Do you think that the  
44 council, the governing body, the councillors, acted in a  
45 manner to maximise the success of the merger?

46 A. Yes, I do believe that we did start off that way, yes.

47

1 Q. Did you understand that there would be efficiencies  
2 and financial savings as a result of the merger?

3 A. I understand that that was what was put on the table,  
4 that by merging the two councils, that there would be those  
5 efficiencies and savings, absolutely.

6  
7 Q. Did you see any of them realised in your time as a  
8 councillor at Central Coast?

9 A. I guess what I saw was combining - was I guess  
10 consolidating some of the processes. That's what I saw.  
11 Did I see savings? Probably not really. I saw a lot of  
12 gaps, because things kind of got overlooked, and where it  
13 really counted on the ground there seemed to be still a lot  
14 of things missing. Like, you know, a process that was  
15 great was that, you know, people could go to any library  
16 and borrow a book whether you were from the former Wyong or  
17 former Gosford. That was great. The childcare centres,  
18 getting those to run together, that was great, too. But,  
19 yes, I didn't - I really didn't see an overwhelming savings  
20 of anything, really, no. I think we were still - for me,  
21 it was still - I still felt like we had a long way to go.  
22 It wasn't as simple as just putting everything together and  
23 putting - you know, I think we still had a long way to go.  
24 I remember Mr Noble back in the day said, "The process just  
25 doesn't happen overnight, it can be a 10-year process".

26  
27 Q. Do you think that the councillors disregarded the  
28 financial consequences of their decisions?

29 A. No, I don't believe that we disregarded that, no. And  
30 I think - I don't think anybody willingly set out to  
31 disregard anything from finances. Again, we all got  
32 elected there to serve and represent our community. Again,  
33 we are all part of that community, so we all live here  
34 ourselves. So what, in fact, we do or say or resolve  
35 affects us, because we live here. So intentionally we  
36 certainly didn't set out to do that. Unfortunately, I  
37 think, what tended to end up happening is the politics got  
38 in the way, and the behaviours.

39  
40 Q. What do you mean by the "behaviours"?

41 A. I think at times, theatricals got in the way when  
42 things came up. You know, if you look at some of the  
43 resolutions around - for example, you know, was it good  
44 sense to buy a dredge without any costings, and because  
45 that matter didn't get resolved, you know, certain  
46 individuals then decided that they would just attack us  
47 because we clearly didn't - we didn't want a dredge because

1 we wanted people's houses to flood. So that would be the  
2 public backlash through different campaigns, because we  
3 didn't believe it was fiscal to go and buy something  
4 without getting a costings on it first. So at times there  
5 were frivolous motions because it was playing to the  
6 public, or playing to a very small group of individuals,  
7 and then it kind of just all good underhand and got carried  
8 away with the fact that - yes, it was theatricals at times.

9  
10 Q. You've been on a council before. Was it very  
11 different to what you've observed in other councils?

12 A. Yes. Yeah, look, it certainly - yes, it was very  
13 different. You know, I think by the time I became mayor,  
14 I believe the toxic nature of the - between the councillors  
15 was far too - it was too entrenched. We were never going  
16 to turn it around.

17  
18 Q. Did you try?

19 A. Absolutely I tried. I tried to - at my first meeting  
20 I said that we wanted to start from zero and, you know,  
21 we're restarting, I'm a completely different style of  
22 person, you know, we need to work together to make this a  
23 success. So I did try. In fact, in COVID, because we were  
24 all working and operating from home, I every week did a  
25 wellness Skype or wellness Zoom to check on the councillors  
26 to make sure they were all okay, and just tried to work  
27 with people. I met with them individually, I met with all  
28 the female councillors as well. So, you know, I believe  
29 I did try, but unfortunately I just believe it was far too  
30 gone and, as I said, at times we needed the whip cracked  
31 but it just - we just couldn't get over it. The hurdles  
32 were there.

33  
34 Q. Did the fact that you were conducting your meetings  
35 remotely help to tame the behaviour of councillors or not?

36 A. Some meetings. Some meetings, definitely, but others  
37 no, because you could unmute your microphone. So they  
38 still had the ability to unmute, and a lot of that did  
39 happen.

40  
41 Q. Do you believe that there were decisions of the  
42 council that contributed to the position that it eventually  
43 found itself in in 2020?

44 A. Unintentionally perhaps. I don't think people  
45 intentionally went out to create this. I think  
46 unintentionally it just ended up morphing into what ended  
47 up happening.

1  
2 Q. You said that there might have been some things that  
3 unintentionally contributed to that position. What would  
4 they have been?  
5 A. I think - look, I mean, we had some tricky situations  
6 when I was mayor. So, you know, I was elected mayor  
7 in September and by October/November we were in bushfire  
8 season, and by January/February we had floods.  
9 Unfortunately some of the councillors decided that they  
10 would use some of these natural disasters to, you know, run  
11 different campaigns against individuals. I certainly was  
12 one of those that was targeted, and this is not about  
13 feeling sorry for Lisa, but to present to a council meeting  
14 with a whole heap of very angry, outraged ratepayers that  
15 were given lots of misinformation by who knows who, with  
16 placards, hurling abuse at you, calling you names, having  
17 signs up that you should resign and that you are a  
18 disgrace, and then, months after that. So there was a  
19 targeted campaign towards me as mayor and that I should  
20 resign. In fact, I had to go to the police on several  
21 occasions. My family home was targeted, my children were  
22 targeted, my parents were targeted, and I've had death  
23 threats. So it was a downhill slide on that.

24  
25 I don't think initially people wanted to see that  
26 happen, but it did happen and it got momentum. It got  
27 momentum and on social media, different pages that were set  
28 up by individuals started to get traction. It got worse  
29 and worse. I think then people were playing to that. They  
30 were playing to that audience. That really - that was  
31 disgraceful and that shouldn't have happened.

32  
33 Q. Were you the only person targeted?  
34 A. I'm not sure about who else was targeted. At the  
35 meeting, one of my colleagues was struck over the head, at  
36 the meeting. That particular meeting I was whisked away by  
37 one of the female directors so that I could actually go to  
38 the toilet. One of my colleagues, he needed to go out and  
39 he was followed and attacked verbally as well, as he went  
40 up to the - as he went up to the - in the stairwell.

41  
42 So, look, there was absolutely a targeted campaign  
43 against myself. I am aware that the deputy mayor,  
44 Jane Smith, has been targeted as well. It became a very  
45 bitter, unsavoury taste in my mouth. I'd never observed  
46 this, never been a part of it. I'm an upfront person. If  
47 you have a problem, I'm happy to have people speak to me

1 about it. But the misinformation just got out of hand and  
2 I could never pull it back. It didn't matter what, from  
3 that point, I was saying, I was just tarred with the whole,  
4 "You are a liar, you are this, you are that, part of the  
5 Labor rah, rah, rah", and it just got momentum and just  
6 kept rolling.

7  
8 Q. When was the meeting that you were just talking about?  
9 Do you remember the date of that meeting?

10 A. It was the February floods - it was the February -  
11 towards the end of February, so it was the floods, the  
12 flood meeting. Then there was - as I said, it kind of went  
13 on a roll. So it was that meeting and then we had the  
14 whole Gosford chain, which was very small. It was at  
15 capacity. Then a couple of meetings after that, there was  
16 a resolution from certain councillors that I be sacked. So  
17 it kind of just got momentum and went from there. But, you  
18 know, I'd never seen a display like that in my whole life.  
19 It took the wind out of my sails, I must admit. I don't  
20 think I fully recovered from that.

21  
22 Q. Just taking you back to some of the terms of  
23 reference, I think you said earlier you thought that the  
24 council had had regard to financial sustainability, or the  
25 consequences of its decisions.

26 A. Yes, I do believe that we did, and, you know,  
27 later - I guess later on as well, any resolution or any  
28 notice of motion had to come with where were we going to  
29 fund it and how we were going to cost it. So I do believe  
30 that there was no - you know, apart from sometimes at the  
31 11th hour they put an amendment to a resolution - an  
32 amendment to a report, you know, to purchase something ad  
33 hoc, I think overall decisions were thoroughly investigated  
34 and I do believe that, you know, we chose the right  
35 decisions for the council at the time and for our  
36 community.

37  
38 Q. Do you think that there's anything else that you want  
39 to make a comment on that affected the performance or the  
40 administration of the council?

41 A. At the time?

42  
43 Q. Yes.

44 A. What struck me is that in March 2020, a report was  
45 handed down about the relationship between the ELT and the  
46 councillors, and what struck me from the get-go was that  
47 there really wasn't a relationship between the councillors

1 and the executive. The report actually said that there was  
2 a lack of trust between the two parties. But, again, it  
3 happened in March 2020 and by October, of course, we were  
4 gone, and then from March 2020 we had COVID coastal  
5 erosion. So we got the report, which was great, but we  
6 never got an opportunity to deal with some of the issues in  
7 that report. It was relationship building. I believe that  
8 this council from the get-go never really worked on the  
9 relationships between the councillors and the executive  
10 leadership team. It's a bit like the Wyong/Gosford. For  
11 me, again, if I, you know, go back to my Wyong days, it was  
12 really an us and them approach and they were guarded, and  
13 we were guarded, and that struck me as really odd, because  
14 to make a successful council, we all need to be working  
15 together and I didn't feel that we worked together. We  
16 were not one team.

17  
18 When I became mayor, I had the same meeting with the  
19 executive leadership team and said, "Whatever's happened in  
20 the past has happened, I wasn't there at that point, but  
21 today we draw a line, today we all move forward and we  
22 start working as a team". I believe that I made a little  
23 bit of headway into that but then that report came that was  
24 previous which said basically there was no trust or  
25 relationship and you really needed to work on that. I  
26 think that needs to be as much part of orientation as it  
27 does understanding a financial summary or understanding  
28 where the suburbs are in the whole of the region. There  
29 are some of those things that you really need to  
30 understand.

31  
32 The other thing, too, I asked and asked and asked, you  
33 know, orientation in relation to the Local Government area  
34 in itself - a lot of, you know, you either live in the  
35 former Wyong or you lived in the former Gosford, and for  
36 some of us we hadn't actually gone to some of the places,  
37 so you really didn't understand the scale or how big it  
38 was, how big the Central Coast is. In fact, you really  
39 couldn't do it in a day. You couldn't go and visit every  
40 suburb in a day. That's when I came mayor I did embark on  
41 going to some of those extremities. So I spent time at  
42 Spencer, I did time on the lakes and I also went to our  
43 waterfront communities down on the Hawkesbury, because they  
44 are part of the Central Coast. I would say, you know,  
45 we should get in the bus on our inspection days and we  
46 should go and have a look at some of our communities and  
47 what's going on there. It's all very well to get pieces of

1 paper and lovely glossy pictures, but it doesn't mean a lot  
2 to a lot of people, but if you actually go there and have a  
3 listen, you can better understand and you can see it for  
4 yourself and you can take your own notes, take your own  
5 pictures. We didn't get a lot of that opportunity and that  
6 kind of leads me to the fact that it wasn't until I became  
7 mayor that we didn't actually have councillor inspections.  
8 Again, back in former Wyong, I think it was every three  
9 weeks or four weeks on a Wednesday we would do a councillor  
10 inspection, so we would actually go on site.

11  
12 It wasn't until I became mayor that I really pushed  
13 back on that one and said, "Come on, we need to get the  
14 happy bus out and we need to, you know, either get on the  
15 bus or drive ourselves there". For me, I'm a visual  
16 person. I can read paper and paper and sometimes it just  
17 doesn't sink in, but if I physically see it, I get it. I  
18 think that would have helped councillors also build a  
19 relationship with the ELT because, again - and I can only  
20 compare the pair because I was there, but in Wyong, on the  
21 bus when we went to the different locations we had the  
22 directors, we had the CEO, so we got an opportunity to have  
23 a conversation. It wasn't always about work. You know,  
24 somebody's son might have played rugby or we could have a  
25 very low-key opportunity to have a discussion. There was  
26 no low-key opportunity for discussion. Everything was  
27 strictly council related, so we didn't get to build a  
28 relationship and, therefore, if there's no relationship,  
29 there's no trust, and everybody remains very guarded.  
30 I think 15 individuals were very guarded.

31  
32 Q. You said that there was a report done. Was it done  
33 internally or externally?

34 A. It was an external report. I've got it, but I haven't  
35 got it here to actually tell you who did it. I'm more than  
36 happy to let you know who did that report, but it is quite  
37 interesting reading.

38  
39 Q. Thank you.

40  
41 THE COMMISSIONER: I have no more questions for you, but  
42 Ms Annis-Brown may, if she's listening.

43  
44 <EXAMINATION BY MS ANNIS-BROWN:

45  
46 MS ANNIS-BROWN: Q. As a councillor, it is important  
47 that you are provided with sufficient information to enable

1 you to do your job. How sufficient was the information  
2 provided to you and what steps did you take to ensure that  
3 you were provided with this information?  
4 A. Sure. Look, again, when we got elected, you basically  
5 got a box and in the box was an iPad and we were  
6 told - again, I can only go from my experience from former  
7 Wyong, we received business papers in paper, we received an  
8 envelope of mail every week to a secured box. Under this  
9 council, that didn't happen. Everything was meant to be on  
10 an iPad. Now, iPads - I don't know if you are aware, but  
11 iPads are not great. You can't do a lot of things. I'm a  
12 bit old-fashioned, old school, I like a good old-fashioned  
13 keyboard. I then approached the general manager at the  
14 time and said, "Look, this iPad's not working for me, I  
15 really need a computer", so at least I could, you know,  
16 type. But, yes, a lot of things weren't on paper or in  
17 paper. We didn't get things delivered to our homes - you  
18 know, "Oh, poor Lisa", "Diddums to Lisa", but if things  
19 went to Gosford, I live in Chittaway and I work. It's very  
20 difficult for me to get to Gosford to get paper. I mean, I  
21 guess I was probably spoilt. I was used to every week  
22 getting a package and the package would sometimes be that  
23 thick, but it would have my mail. At times, you know, a  
24 lot of people are still old-school, they write you a  
25 handwritten letter. That letter would be date-stamped six  
26 weeks, like six weeks, and you didn't get it. You can  
27 understand why the ratepayer was annoyed and upset.

28  
29 So, for me, very different. I didn't like the fact I  
30 didn't have paper and I certainly didn't like the fact that  
31 everything was meant to be on an iPad that really didn't  
32 work. When COVID hit, I said to the general manager at the  
33 time, Mr Murphy, "Look, we need to make sure that all the  
34 councils have access to laptops". I know he did do a  
35 rollout and he was very thorough and very quick with that,  
36 so for that I thank him. Usually, you know, you get a  
37 phone. I chose not to get a council phone because, you  
38 know, two phones are quite painful of a day. I used to  
39 question the fact I didn't - you know, the paper. No more  
40 paper, okay, great for the environment, but not great when  
41 you needed something hands on. It was very difficult to  
42 navigate through the iPads and often the technology - don't  
43 get me started on the actual council - the hub. Oh, the  
44 hub. At times the hub went down, the passwords expired.  
45 So, again, it was just - to me, at times, it was like  
46 hurdles. Like, how hard can this be? Just give me the  
47 paper. I just want the paper, then I wouldn't have - I'd

1 have the information.

2

3 I know that they were trying to streamline everything  
4 and I get, you know, not kill all the trees and all, but  
5 sometimes information took a long time to get to you  
6 because it was either at Gosford or Wyong, you had to get  
7 there and the system crashed, and the hub crashed a lot.

8

9 Q. Thank you. How was your relationship with other  
10 councillors and how well do you believe you worked together  
11 to make decisions on behalf of the whole community?

12 A. I'm a person who - I like to be liked and I like to  
13 listen to what others have to say and work as a team,  
14 because there's no "I" in team and there are 15 people.  
15 They were all duly elected, so therefore you have to work  
16 together. I had no problems working with any of them.  
17 Sure, my values are different than others and some people,  
18 you know, made me a little angry, but that's okay, I didn't  
19 take it out on them, I could go and have a little spit to  
20 myself when I left the room. I tried at all times to do  
21 the right thing by the councillors and I wasn't mayor at  
22 the time for two years, so it wasn't my role to lead the  
23 councillors to be harmonious. Unfortunately that was not  
24 my role. My role was to be a councillor, to try to show  
25 some leadership. But, again, I wasn't the mayor at the  
26 time, I was a councillor, and I got on well with I'd say  
27 most of them. You know, we are all from all works of life,  
28 so it important that people work together.

29

30 I certainly started the process, but unfortunately  
31 when you - at times, and I'm going to be very honest, there  
32 was some bullying and there were some attempts add  
33 intimidation, it wears you down. It is like battered wife  
34 syndrome, it wears you down and eventually you stop talking  
35 and you stop collaborating, because you're worried about  
36 what somebody's going to say, or what somebody's going to  
37 do when you say it. So at times I became a little bit  
38 silenced, which is not usually me because I am a talker.

39

40 MS ANNIS-BROWN: Thank you, Ms Matthews. Commissioner,  
41 that is the end of my questions.

42

43 THE COMMISSIONER: Thank you. Ms Bulut, did you need to  
44 make any application?

45

46 MS BULUT: No, Commissioner, no application at this stage,  
47 thank you.

1  
2 THE COMMISSIONER: Q. Thank you very much, Ms Matthews.  
3 You will have the opportunity to write some submissions in  
4 reply if you want. That will happen shortly after the  
5 conclusion of the proceedings. You're welcome to listen to  
6 the proceedings. There will also be a written transcript.  
7 Thank you for your time.  
8 A. Okay, thank you.

9  
10 <THE WITNESS WITHDREW

11  
12 THE COMMISSIONER: It's 1.08. We are scheduled to start  
13 at 1.50. We might make that 2 o'clock. We will be back on  
14 and hopefully the live stream will be able to be watched.

15  
16 MR KIELLY: We will hope so.

17  
18 THE COMMISSIONER: Thank you, Mr Keilly. We will be back  
19 at 2, thank you.

20  
21 LUNCHEON ADJOURNMENT

22  
23 THE COMMISSIONER: Good afternoon. We are going to try to  
24 recommence the hearings. First of all, Mr Eaton, could you  
25 go off camera, please. We have apparently had difficulty  
26 with the live stream this morning. We think that it's back  
27 on. We are just doing some testing now. So please bear  
28 with me. I will wait to hear from those assisting to see  
29 whether the live stream is actually working. .

30  
31 MS ANNIS-BROWN: Commissioner, we are just waiting to hear  
32 from our technical person, Mr Kielly, and hope to have  
33 something to you in the next minute or so.

34  
35 THE COMMISSIONER: Thank you.

36  
37 MS ANNIS-BROWN: Mr Kielly, are you able to provide us  
38 with an update at this point?

39  
40 MR KIELLY: One moment. Yes, thank you, it is now live on  
41 YouTube.

42  
43 THE COMMISSIONER: Thank you. We will resume the hearing  
44 this afternoon, as we believe we now have the live stream  
45 working again. Our next witness is Jane Smith.

46  
47 Jane, would you be able to come on camera, please.

1 Thank you.  
2  
3 MS SMITH: Sorry, Commissioner, did you speak to me?  
4  
5 THE COMMISSIONER: I did, but there's feedback.  
6  
7 MS SMITH: An echo.  
8  
9 THE COMMISSIONER: I believe you are represented today? .  
10  
11 MS SMITH: Yes.  
12  
13 THE COMMISSIONER: Is your counsel there, please? .  
14  
15 MS SMITH: It's Mr Williams.  
16  
17 MR WILLIAMS: Commissioner, my name is Williams and  
18 I represent Ms Smith.  
19  
20 THE COMMISSIONER: Thank you. I believe there has also  
21 been an application to cross-examine Ms Smith.  
22  
23 Mr Eaton, are you there?  
24  
25 MR EATON: Yes, Commissioner, can you hear me now?  
26  
27 THE COMMISSIONER: I can hear you, yes.  
28  
29 MR EATON: I will just bring my video up. Yes,  
30 Commissioner, I request leave on behalf of my client to  
31 cross-examine Ms Smith, but only in respect of the  
32 recruitment of Mr Murphy and his performance, about which  
33 she, as the mayor at the time, I think is uniquely  
34 qualified to give evidence.  
35  
36 THE COMMISSIONER: Mr Eaton, I say the same thing to you  
37 as I said to Ms Bulut earlier, that is, this is an  
38 administrative inquiry; there are not parties contesting a  
39 matter. I'm sorry, I'm still getting a lot of feedback.  
40 Does anybody have two devices on? Mr Eaton, it might be in  
41 your room, is it?  
42  
43 MR EATON: I don't believe so, Commissioner.  
44  
45 THE COMMISSIONER: Okay, we will persevere. Mr Eaton,  
46 I will defer your application until we have heard  
47 Ms Smith's evidence, but I'm not presently minded to allow

1 cross-examination. You would have to persuade me that it  
2 would be of benefit to the inquiry to have Ms Smith  
3 cross-examined.

4  
5 MR EATON: I understand.

6  
7 THE COMMISSIONER: You can stay and listen and then we  
8 will hear from you once she has concluded her evidence.

9  
10 MR EATON: Thank you, Commissioner.

11  
12 THE COMMISSIONER: Mr Williams, did you intend to lead  
13 Ms Smith through evidence?

14  
15 MR WILLIAMS: No, I didn't, Commissioner.

16  
17 THE COMMISSIONER: Thank you. Ms Smith, thank you.  
18 I will arrange for you to be sworn. Ms Annis-Brown will  
19 swear you in.

20  
21 <JANE SMITH, affirmed: [2.09pm]

22  
23 <EXAMINATION BY THE COMMISSIONER:

24  
25 THE COMMISSIONER: Q. Ms Smith, for the record, could you  
26 state your name, address and occupation, please?

27 A. Jane Smith, [address redacted], and I'm a  
28 teacher.

29  
30 Q. You've prepared a very comprehensive submission to the  
31 inquiry, thank you very much for that. I don't propose to  
32 take you through your evidence. What you have written will  
33 be taken as evidence. There are a few questions I have  
34 arising from some of the matters in your submission.

35  
36 You say on page 9 that there was an ordinary council  
37 meeting held on 23 March 2020 with an agenda item 3.10.  
38 I haven't been able to locate that. I don't expect you to  
39 answer me here, but if you or your legal representatives  
40 could check that date and the item number, it may be that  
41 one of those numbers is wrong.

42 A. Sorry, what was the date, Commissioner, may I ask?

43  
44 Q. 23 March 2020.

45 A. Thank you.

46  
47 Q. On page 11 of your submission, you say that in

1 November 2017 the PMO, which was the body responsible for  
2 managing the merger, the program management office, was  
3 disbanded. Do you know why that happened?

4 A. No, I don't, Commissioner. I wasn't privy to that at  
5 the time.

6  
7 Q. Was it an operational decision of the council, so  
8 within the staff level?

9 A. Yes. My understanding, it was a decision of the CEO,  
10 the interim CEO at the time.

11  
12 Q. And who was that?

13 A. Mr Brian Bell.

14  
15 Q. Then you say in July 2019 a dedicated program  
16 coordinator was assigned to track progress of the merger.  
17 Who was that person?

18 A. I don't know the answer to the question. That was  
19 reported in a business paper to council.

20  
21 Q. Okay. At about that time, was it?

22 A. I believe - I'd have to check my notes. I don't  
23 know - I think the report came later, but it referred to  
24 that time, yes.

25  
26 Q. Thank you. In table 1 of your report you deal with a  
27 number of items that related to the merger. One of them  
28 was a council briefing. Is there any document that relates  
29 to that briefing?

30 A. Commissioner, can I refer to my submission? Could you  
31 give me the page number, please?

32  
33 Q. Certainly. Page 12.

34 A. And, sorry, it was the --

35  
36 Q. Councillor briefing on 10 December 2018.

37 A. Yes. I recall there was a copy of a PowerPoint  
38 presentation from that briefing.

39  
40 Q. I see. So that should be held by the council,  
41 presumably. Then you refer to a series of councillor  
42 support updates.

43 A. Yes.

44  
45 Q. They aren't publicly available documents, are they?

46 A. No, not that I'm aware of.

47

1 Q. But they are something that would be held within the  
2 council?

3 A. Yes, there were updates that were circulated to all  
4 councillors on a regular basis.

5  
6 Q. Thank you. On page 16 you say in the third dot point:  
7

8 There was no handover process from the  
9 former administrator that could alert  
10 councillors to the position of the council.  
11

12 There you were talking about what the true financial  
13 position of the council was. Can you describe to me what  
14 the extent of the handover was?

15 A. So as mayor, the administrator, former administrator,  
16 was Mr Ian Reynolds. I don't have any recollection of any  
17 handover from Mr Reynolds in terms of a meeting or anything  
18 of that nature, and I don't recall of any presentation or  
19 handover to the councillors as an elected body.  
20

21 Q. I see. There was an induction process for the  
22 councillors?

23 A. Yes, there was. So that was a number of days,  
24 separated days, plus there were various briefings at  
25 different times over a period.  
26

27 Q. Did you attend those?

28 A. Yes.  
29

30 Q. Did you have any prior experience in Local Government?

31 A. Not being on local government. I'd spent - I'd had an  
32 interest in local government for a very long period of  
33 time, so I was on a number of council committees, advisory  
34 committees, and I had interactions with local councils on a  
35 range of matters.  
36

37 Q. I see. You have provided me with a copy of your CV,  
38 so I can see what other experience you've had. If I can  
39 take you over to page 20 of your submission, you are  
40 dealing there with the 2019/2020 budget. Just before that  
41 was adopted, IPART made a decision in relation to water and  
42 sewer and drainage contributions, rates, for the council  
43 that would have reduced the amount of income you could  
44 expect from those areas.

45 A. Yes, that's correct.  
46

47 Q. Can you tell me what steps you or the other

1 councillors or the staff took to alter the budget as a  
2 result of that determination by IPART?

3 A. So I don't have a recollection of a specific  
4 discussion about altering the budget. I do have a  
5 recollection of a general discussion about the deficit and  
6 the impact of the IPART decision on our budget. My  
7 recollection is that it was accepted that there would be an  
8 increased deficit as a result of that, but looking at the  
9 long-term financial plan, that we could forecast when we  
10 would be working our way out of that deficit.

11  
12 Q. So there was no immediate change to the budget or to  
13 the operational plan as a result of the IPART  
14 determination?

15 A. Look, certainly in the operational plan there are  
16 notes that make reference to the decision of IPART and that  
17 it did have a material - or it had an impact on our budget,  
18 so there were adjustments made in terms of the overall  
19 results. I'm not privy to any specific actions within the  
20 budget, or I can't recall any specific actions within the  
21 budget that sought to dramatically reduce to accommodate  
22 that.

23  
24 Q. That was already going to be a deficit budget before  
25 the IPART decision, wasn't it?

26 A. Yes, it was.

27  
28 MS ANNIS-BROWN: I am sorry, Commissioner, I will need to  
29 interrupt. We have just had advice that the live stream  
30 has frozen once again. I perhaps will suggest that we  
31 adjourn and continue when the technical difficulties have  
32 been sorted, as we are unable to provide a reliable stream  
33 at this point in time, seemingly.

34  
35 THE COMMISSIONER: Thank you for letting me know,  
36 Ms Annis-Brown. I'm terribly sorry, Ms Smith, but we will  
37 have to interrupt the proceedings. I wasn't aware earlier  
38 that we didn't have a continuous stream. Since being made  
39 aware of it, we are going to try, as best we can, to keep  
40 this a public hearing. Even though there is a transcript,  
41 we still would like to have the public able to listen. I'm  
42 sorry for you and your legal representatives and Mr Eaton.  
43 Perhaps if you just go off camera and on mute and  
44 Ms Annis-Brown will come back as soon as we know something.  
45 Sorry about that.

46  
47 THE WITNESS: Thank you.

1  
2 SHORT ADJOURNMENT

3  
4 THE COMMISSIONER: I have just heard from Ms Annis-Brown,  
5 who has been talking with our technical assistant. There  
6 are still problems. I don't want to adjourn fully for the  
7 day because Ms Smith has put her time out to be here today,  
8 as have her legal representatives and Mr Eaton. So I would  
9 prefer to try to complete Ms Smith's evidence today. I  
10 suggest that we resume at 3.30. Fingers crossed, we will  
11 have the problem fixed by then but, if not, we  
12 unfortunately will have to adjourn for the day. I will  
13 come back at 3.30pm.

14  
15 SHORT ADJOURNMENT

16  
17 THE COMMISSIONER: Good afternoon, everyone.  
18 Unfortunately, we haven't been able to rectify the YouTube  
19 issue. I understand that it arises because we have to  
20 transmit through the Department of Planning, Industry and  
21 Environment's system and there is something that is  
22 preventing it from flowing freely. We are going to try to  
23 rectify it overnight. Unfortunately, we won't be able to  
24 continue this afternoon.

25  
26 Could I speak with Mr Eaton and Mr Williams?

27  
28 MR WILLIAMS: Yes, Commissioner.

29  
30 THE COMMISSIONER: Would it be convenient for you,  
31 gentlemen, if we started at 9am tomorrow in an attempt to  
32 deal with Ms Smith's evidence then?

33  
34 MR WILLIAMS: Yes, Commissioner.

35  
36 THE COMMISSIONER: Ms Smith, would that be convenient to  
37 you?

38  
39 THE WITNESS: Yes, that's fine, Commissioner.

40  
41 THE COMMISSIONER: Thank you very much for your  
42 accommodation.

43  
44 MR EATON: Madam Commissioner, with respect, if you are  
45 not going to allow us to cross-examine, there is no point  
46 in me attending and causing my client to expend further  
47 money on a futile endeavour.

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THE COMMISSIONER: I haven't made a final decision. I invited you to stay until Ms Smith's evidence was concluded.

MR EATON: I'll get instructions in relation to that, Madam Commissioner, and I can let your staff know. Can I also ask, as my client Mr Best is here, I assume that means everyone will be put back tomorrow?

THE COMMISSIONER: We are trying to avoid that happening, Mr Eaton, which is why I would like to start early. I imagine if we start early we might still be able to get to Mr Best in the time that we had anticipated. We can't predict what will happen.

MR EATON: I understand, Madam Commissioner, I'm just making that inquiry. Thank you.

THE COMMISSIONER: Okay. Sorry everybody, we will put a notice up on the OLG website to inform people of what is happening, but we'll return at 9am tomorrow.

MS SMITH: Commissioner, I just wanted to check, did you want me to clarify that earlier point about 23 March now or would you prefer me to do that separately?

THE COMMISSIONER: I would prefer you to do that on the record with people watching, if we can get that to happen.

MS SMITH: Okay. No problem.

MR WILLIAMS: Commissioner, similarly, I'm happy to repeat this on the record, if you would prefer, but at the opening of Ms Smith's evidence, you requested her to provide her address as a means of her identification. I'm hoping to make an application that, for reasons of her personal security, for the purposes of the public transcript that address be redacted.

THE COMMISSIONER: I can arrange for that.

MR WILLIAMS: Thank you.

THE COMMISSIONER: Nothing further, then?

MR WILLIAMS: No, thank you.

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THE COMMISSIONER: Okay. We'll hopefully see each other and be streaming at 9am tomorrow. Thank you.

AT 3.33PM THE HEARING WAS ADJOURNED TO TUESDAY, 28 SEPTEMBER 2021 AT 9AM